

# ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

December 2021

## Purpose

The Board of Directors of Saga plc and its subsidiary companies (collectively referred to as **Saga Group**) are committed to ensuring that an effective Anti-Bribery and Anti-Corruption Policy and related procedures operate throughout Saga Group to ensure compliance with the Bribery Act 2010.

Saga Group is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships. Saga Group will therefore take a zero-tolerance approach to any incidents which are proven to have taken place involving bribery or corruption.

Saga Group directors, officers and management have responsibility for ensuring compliance with the Anti-Bribery and Anti-Corruption Policy (the **ABC Policy**) and for ensuring that effective procedures within the business operations for which they are responsible are properly adapted to be optimum in the context of each individual business. Adherence to the ABC Policy is a contractual requirement and disciplinary action may be taken against any individual colleague who is shown to have failed to comply with the ABC Policy and the related procedures.

## Scope and context

The ABC Policy applies to the Saga Group including all directors, non-executive directors, colleagues, contractors, temporary colleagues, workers, interns/volunteers and any third-party suppliers working on behalf of the Saga Group.

## Objectives

### What is bribery?

Saga Group is committed to upholding the law of the United Kingdom (UK) and, in particular, for the ABC Policy, the Bribery Act 2010, in respect of its conduct both within the UK and abroad. The Bribery Act came into force on 1 July 2011, creating four new offences:

- Offering, promising or giving a bribe.
- Requesting, agreeing to receive or accepting a bribe.
- Bribing a foreign public official.
- Corporate offence for failing to prevent bribery, if someone associated with the company commits one of the offences above.

Bribery is the offering, promising, giving, accepting, or soliciting of money, gifts or other advantage to induce a recipient or other person to do something that is illegal or a breach of trust in the course of carrying out an organisation's activities. A bribe can take many forms, be of any size and has the potential to be wide reaching as the bribe can be intended for the colleague, his or her family and friends or other third parties.

Importantly, these offences have extra-territorial application as they apply to acts done anywhere in the world and not just in the UK.

Bribery and corruption are punishable for individuals by up to ten years' imprisonment. If a colleague of Saga Group was found to be involved in bribery or corruption then the company could face an unlimited fine, be excluded from tendering for public contracts and the damage to our company reputation could be extensive.

## Responsibilities

### Risk assessment

Assessing the potential for bribery and corruption in each operating company is key.

Key risk factors to be considered by each business in order to assess the risk including the following:

- The intention, value and timing of any gift or hospitality in relation to business transactions if that business or other companies within the Saga Group.
- Gifts and hospitality with suppliers, particularly in relation to accommodation contracting by travel companies within the Saga Group.
- Any relationships with public officials.
- Gifts and hospitality within destination markets where perceived levels of corruption are high and with an absence of effective anti-bribery legislation.
- The above list is not exhaustive and other factors may need to be taken into account.

It is important to ensure that the "Speak Up" and Expenses Policies are read and understood in the context of the ABC Policy. It is also imperative that each operating company and operating business carries out a periodic risk assessment no less than annually and updates their Gifts and Hospitality Register regularly.

Group Risk are available to help assess the risk and will be charged with checking each business' degree of compliance with the ABC Policy.

As part of Saga Group risk mitigation, appropriate training will be given to ensure a clear understanding of Saga Group policy on gifts, entertaining and travel expenses.

### Due diligence

Each operating company within Saga Group shall conduct effective due diligence before acquiring businesses or entering into material supplier contracts, joint ventures or consortium arrangements.

Where a Saga Group company controls a joint venture or consortium, the ABC Policy shall apply to the affairs of that entity. Where a Saga Group company does not have effective control, then the ABC Policy should be made known to the controlling party which should be encouraged to adopt a consistent policy.

Due diligence procedures should include making enquiries about business partners (whether individuals, partnerships or companies) involved in key transactions (joint venture partners, distributors, suppliers, agents) to ascertain whether they or anyone in association with them has a reputation for bribery and whether there are any relevant investigations, prosecutions or convictions.

In respect of potential acquisitions, thorough due diligence should be undertaken on the target's shareholders, directors, officers and senior management and also on its business practices to ensure no corrupt practices exist.

Additional rigour should be applied when the target company is located in, or closely associated with, a country where bribery or corruption is generally regarded as commonplace.

## **Agents and other intermediaries**

It is recognised that channeling or attempting to channel improper payments through agents or other intermediaries is illegal under the Bribery Act and is accordingly forbidden under the ABC Policy. Any compensation paid to agents and intermediaries must be appropriate and justifiable recompense for legitimate services supplied.

All agreements with agents and other intermediaries must be in writing and should contractually oblige the agent or intermediary to comply with the Bribery Act. Where possible, each agreement shall give the relevant Saga Group company concerned a right of termination in the event that the agent or intermediary is proven to have paid bribes or to have acted in a manner inconsistent with the Bribery Act.

## **Contractors and suppliers**

Each Saga Group company shall conduct its procurement processes in a fair, honest and transparent manner.

No Saga Group company should deal with contractors and suppliers known or reasonably suspected to be paying bribes.

All agreements with contractors and suppliers must be in writing and should contractually oblige the contractor and supplier to comply with the Bribery Act. Where possible, each agreement shall give the relevant Saga Group company concerned a right of termination in the event that the contractor or supplier is proven to have paid bribes or to have acted in a manner inconsistent with the Bribery Act.

## **Record keeping**

Financial records must be kept, together with appropriate internal controls which evidence the business reason for making payments to third parties. Normal financial procedures must always be followed for the payment of invoices. Written records of all hospitality or gifts offered, accepted or declined which are required to be recorded under the current procedures applicable must be declared and retained. In certain circumstances, the prior approval of your Line Manager may be required.

All expense claims relating to hospitality, gifts or expenses incurred in dealing with third parties must be submitted in accordance with the Expenses Policy.

All accounts, invoices, communications and other documents or records relating to dealings with third parties, such as customers, suppliers or business contacts should be prepared and maintained with strict accuracy and completeness. Accounts must not be kept 'off-book' to facilitate or conceal improper payments.

## **How to raise concerns**

The success of the ABC Policy is dependent upon colleagues and others raising concerns and reporting suspected violations quickly. Accordingly, all colleagues are encouraged to make use of the confidential and anonymous "Speak Up" process which can be used to report concerns or violations.

All incidents of bribery and corruption discovered or reported will be investigated in a prompt, consistent and appropriate manner. The results of all such investigations will be reported to the Board of the relevant Saga Group company as well as to the Audit Committee and Board of Saga plc. Internal Audit will periodically report to the Audit Committee of Saga plc on the application of the ABC Policy and continually seek to improve its effectiveness.

## Report breaches

All questions in relation to what is allowable in the giving and receiving of gifts, payments or hospitality should be referred to your Line Manager. It is always best if in doubt to raise the question and get advice.

Anyone who has been offered a bribe by a third party should contact the Head of Financial Crime and Operational Resilience Risk, who will take the necessary action. Concerns about any issue or suspicion of malpractice should be raised at the earliest possible stage. Openness is encouraged and anyone who raises genuine concerns in good faith under the ABC Policy will be fully supported, even if the concern turns out to be mistaken. Where a concern requires a formal investigation, confidentiality will be maintained as far as reasonably practicable. Any anonymous disclosures will not be ignored and will be investigated as thoroughly as possible.

## Policy ownership and approval

The Head of Financial Crime and Operational Resilience Risk is responsible for the revision, interpretation, and application of the ABC Policy.

The Head of Financial Crime and Operational Resilience Risk, Fraud and Risk Operations is responsible for the administration of the ABC Policy.

The ABC Policy will be reviewed annually and revised as necessary.

Any exceptions and/or variations to the ABC Policy must be approved in writing by Saga plc and/or Saga plc Audit Committee. Material changes must be approved by the Board of Saga plc.

## Training

No colleague will suffer demotion or any other adverse consequence for refusing to pay bribes, even if such refusal leads to a material business disadvantage.

Directors, managers and colleagues should receive training to assist with ensuring compliance with the ABC Policy and where appropriate contractors, suppliers and agents should also receive training.

## Version control

Version Number	Purpose / Change	Author	Date
V2	Approved by the Board	Group Legal	09/01/2020
2.1	Annual Review & Updates	Stephen Teeling	01/10/2020
2.2	Annual Review & Updates	Stephen Teeling	02/12/2021

## Appendices

**Appendix 1** – Gifts and hospitality - guidance is provided specifically for gifts and hospitality.

**Appendix 2** - Gifts and Hospitality Register guidance and template.

## APPENDIX 1: GIFTS AND HOSPITALITY

### Gifts and hospitality

Gifts, hospitality or similar business expenditure to and from third parties that is reasonable and proportionate for the role is not caught by the Bribery Act, so you can continue to provide bona fide hospitality, promotional or other business expenditure, within the financial limits and procedures detailed below.

However, intention, proportionality and timing are key, and the authorities will look at such things as the level of hospitality offered, the way in which it was provided, the timing of the hospitality in respect of business transactions and the level of influence the person receiving it had on the business decision in question.

To avoid any misinterpretation or allegation of bribery or corruption, you should consider and adhere to the following:

- The terms “gift” and “hospitality” are deliberately not defined within the Bribery Act, although a “bribe” is widely defined as “a financial or other advantage”.
- The gift or hospitality should not be made or received with the intention of influencing a third party to obtain or retain business, or a business advantage. Also, it should not be to reward the provision or retention of business or business advantage, or an explicit or implicit exchange for favours or benefits.
- What is offered or given should comply with the Bribery Act as well as with local law, custom and practice either in the UK or abroad, provided that if a conflict arises the Bribery Act shall prevail.
- Any gift or hospitality offered should be appropriate to the circumstances in terms of type and value. The gift or hospitality whether given or received should be made openly and not in secret.
- Offers of hospitality may be accepted or made where they are necessary to develop relationships and maintain outside contacts relevant to work. However, hospitality should not be excessive, exclusive or expensive.
- Gifts should not be offered to or accepted from government officials or representatives, politicians or political parties.
- Depending on the value, the Gifts and Hospitality Register may need to be completed - (please see Appendix 2).
- The reciprocation of a gift and/or hospitality is not prohibited but should be separately risk assessed.

### What type of behaviour is not acceptable?

It is not acceptable for you (or someone acting on your behalf) to:

- give, accept, offer or promise a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already received;
- threaten or retaliate against another colleague who has refused to commit an offence or who has made an allegation of wrong doing (under the ABC Policy, or the Speak Up Policy or specifically under the Bribery Act); or
- engage in any activity that might lead to a breach of the ABC Policy.

## Gifts provided

It is permissible to give token gifts such as branded pens or similar, at any time. Occasionally it may be appropriate to give a more generous gift to a customer or business contact for instance where local custom demands that you should give a gift. Before doing so however, you should give consideration to how this will be perceived by the receiver.

You should consider whether there may be any possible suggestion of undue influence upon a customer or business contact before giving a gift and also whether provision or acceptance of the gift may contravene the recipient's own internal policies.

There may also be tax implications and you should consult with the Head of Tax for further clarity.

Recovery of the reasonable cost of a gift may be claimed under the Saga Group's Business Expenses Policy. Importantly, it must be understood that ultimately the requirements under the Bribery Act must prevail.

## Gifts received

You should not accept gifts of any significant value from business contacts. The acceptance of such gifts could be seen as creating an obligation on your part or a conflict of interest and in some circumstances could be perceived as a bribe.

Where a gift is made that you believe may be inappropriate and it would be impractical or offensive to return it, for instance due to local customs, then you should consult your Line Manager for advice as to the appropriate action to take (which may include donating the gift to charity).

Gifts of insignificant value such as promotional items, (for example: pens, pads, diaries and calendars) are not covered by this rule.

For the avoidance of doubt, gifts provided by a supplier exclusively for your own personal use, with no legitimate business purpose should be declined.

Gifts offered to a non-Saga colleague associated with a Saga colleague must be declined. External incentives and rewards provided by a supplier must be risk assessed in accordance with the ABC Policy.

Internal incentives and rewards for colleagues within the Saga Group, by colleagues and directors of the Saga Group are permitted provided they comply with the Expenses Policy.

## Hospitality provided

Sensible and proportionate hospitality relating to your business, group function and/or role provided for a legitimate purpose is permissible.

Saga Group companies will continue to provide sensible and proportionate hospitality as part of their normal client and business relationship practices. However, hospitality should not be excessive, exclusive or expensive. Before offering the hospitality, you should consider how it may be perceived by the recipient and whether acceptance of the offer may constitute the improper performance of that individual's role or function. You should also consider how the hospitality may be perceived by any external company. Repeated hospitality to the same individuals should also be avoided.

## Hospitality received

There may be occasions when you are provided with hospitality by a supplier. As a general rule, hospitality should be reasonable and proportionate for the business, group function or role and for a legitimate purpose. Accepting excessive, exclusive or expensive hospitality could easily be misinterpreted by third parties. Repeated hospitality from the same individuals should also be avoided.

For the avoidance of doubt, hospitality provided by a supplier exclusively for your own personal use, with no legitimate business purpose should be declined.

External incentives and rewards provided by a supplier must be risk assessed in accordance with the ABC Policy.

Internal incentives and rewards for colleagues within the Saga Group by colleagues and directors of the Saga Group are permitted provided they comply with the Expenses Policy.

## Donations

Saga Group's donation policy is simple:

- (a) Political contributions
  - We usually do not make contributions to political parties.
  - No political contribution may be offered or made without the prior approval of the Saga plc board.
- (b) Charitable donations
  - We only make charitable donations that are legal and ethical under local laws and practices.
  - No charitable donation may be offered or made without the prior approval of the Group Chief Executive Officer.
  - Any charitable donation made by the Group Chief Executive Officer must be pre-approved by the Chairman.

For the avoidance of doubt, this clause only applies in respect of donations made for and on behalf of Saga Group by directors, non-executive directors, colleagues, contractors, temporary colleagues, workers, interns/volunteers and any third-party suppliers working on behalf of Saga Group.

## Breaches

Any breach of the ABC Policy must be escalated immediately to the Head of Financial Crime and Operational Resilience risk.

## APPENDIX 2: GUIDELINES ON FINANCIAL LIMITS FOR COMPLETION OF THE REGISTER

- Gifts and hospitality must be proportionate and relate to a legitimate business reason.
- Repeated gifts or hospitality from a single donor or to a recipient should be avoided.
- Any gifts offered and/or received up to the value of £30 per person do not need to be approved or recorded on the Gifts and Hospitality Register.
- Any gifts received above the value of £30 per person should be declined and recorded on the Gifts and Hospitality Register.
- Gifts above the value of £30 per person should not be offered.
- Cash gifts or vouchers received of any value should be declined and recorded on the Gifts and Hospitality Register.
- Cash gifts or vouchers of any value should not be offered.
- Hospitality must not be excessive, exclusive or expensive and prior approval from Line Manager is required. Appropriateness of hospitality offered and/or received will be assessed on a case-by-case basis. All hospitality offered and/or received (whether accepted or declined) should be recorded on the Gifts and Hospitality Register.
- Any derogations from the above guidelines require prior approval from the Head of Financial Crime, Fraud and Risk Operations.

The register should be completed (as applicable) in accordance with the current guidance financial limits, as amended from time to time, which are detailed below

Gift/cash/hospitality	Value (per person)	Saga business function	Approval required	Recording requirement
Gifts	Gifts of up to £30	All	None	None
	Gifts of more than £30	All	Prohibited	Record declines on Gifts and Hospitality Register
Cash or vouchers	Any	All	Prohibited	Record declines on Gifts and Hospitality Register
Hospitality	Any	All	Pre-approval of Line Manager	Record acceptances and declines on Gifts and Hospitality Register

Any derogations from the above require prior approval from the Head of Financial Crime and Operational Resilience Risk.