

High Carbon Stock Approach (HCSA) Anti-Bribery & Anti-Corruption Policy

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Q1 2022	Revision to V1 to incorporate new HCSA entities, not limited to HCS Ltd.	HCSA Secretariat	V1 was approved and adopted by the Executive Committee of the HCS Approach Steering Group and by the Directors of HCS Ltd on 4 May 2017.

High Carbon Stock Approach (HCSA) Anti-Bribery & Anti-Corruption Policy

Introduction

This anti-bribery policy exists to set out the responsibilities of High Carbon Stock Approach (HCSA) and the HCSA Steering Group (SG) for those who provide goods or services to us in regard to observing and upholding our zero-tolerance position on bribery and corruption. This anti-bribery and corruption policy and zero-tolerance attitude will be clearly communicated to all suppliers, contractors, business partners, and any third parties at the outset of business relations, and as appropriate thereafter.

1. Policy statement

- 1.1. HCSA is committed to conducting its activities in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery is prevented. HCSA has zero-tolerance for bribery and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships in all countries where we operate or commission activities.
- 1.2. HCSA will uphold all laws relating to anti-bribery and corruption in all the jurisdictions in which we operate. Through our members and financial partners, we are also subject to the UK Bribery Act 2010.
- 1.3. HCSA recognises that bribery and corruption are punishable by imprisonment and fines. If our organisation is discovered to have taken part in corrupt activities, we may be subject to be excluded from tendering for public contracts, and face serious damage to our reputation and license to operate. It is with this in mind that we commit to preventing bribery and corruption in our business, and take our legal responsibilities seriously.

2. Scope

- 2.1. This anti-bribery policy applies to all employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, seconded staff, home workers, casual workers, agency staff, volunteers, interns, agents, sponsors, or any other person or persons associated with us (including third parties), or any of our subsidiaries or their employees, no matter where they are located. The policy also applies to Officers, Trustees, Board, and/or Committee members at any level.
- 2.2. In the context of this policy, third-party refers to any individual or organisation our organisation meets and works with. It refers to actual and potential contractors, suppliers, business contacts, agents, advisors, and government and public bodies – this includes their advisors, representatives and officials, politicians, and public parties.
- 2.3. Any arrangements our company makes with a third party is subject to clear contractual terms, including specific provisions that require the third party to comply with minimum standards and procedures relating to anti-bribery and corruption.

3. Definition of bribery

- 3.1. Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage so to induce or influence an action or decision.
- 3.2. A bribe refers to any inducement, reward, or object/item of value offered to another individual in order to gain commercial, contractual, regulatory, or personal advantage.
- 3.3. Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.
- 3.4. Bribery is illegal. Employees or contractors must not engage in any form of bribery, whether it be directly, passively (as described above), or through a third party (such as an agent or distributor). They must not bribe a foreign public official anywhere in the world. They must not accept bribes in any degree and if they are uncertain about whether something is a bribe or a gift or act of hospitality, they must seek further advice from the organisation's Executive Board.

4. Guidance

4.1. Gifts and Hospitality

HCSA accepts normal and appropriate gestures of hospitality and goodwill (whether given to/received from third parties) so long as the giving or receiving of gifts meets the following requirements:

- a. It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits.
 - b. It is not made with the suggestion that a return favour is expected.
 - c. It is in compliance with local law.
 - d. It is given in the name of the company/organisation, not in an individual's name.
 - e. It does not include cash or a cash equivalent (e.g., a voucher or gift certificate).
 - f. It is appropriate for the circumstances (e.g., giving small gifts around Christmas or as a small thank you to a company for helping with a large project upon completion).
 - g. It is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift.
 - h. It is given/received openly, not secretly.
 - i. It is not selectively given to a key, influential person, clearly with the intention of directly influencing them.
 - j. It is not above a monetary value of USD50.
 - k. It is not offer to, or accepted from, a government official or representative or politician or political party.
- 4.1.1. Where it is inappropriate to decline the offer of a gift (i.e., when meeting with an individual of a certain religion/culture who may take offence), the gift may be accepted so long as it is declared to the Secretariat lead and/or the Executive Committee, who will assess the circumstances.

- 4.1.2. HCSA recognises that the practice of giving and receiving business gifts varies between countries, regions, cultures, and religions, so definitions of what is acceptable and not acceptable will inevitably differ for each.
- 4.1.3. As good practice, gifts given and received should always be disclosed to the Secretariat. Gifts from suppliers should always be disclosed.
- 4.1.4. The intention behind a gift being given/received should always be considered. If there is any uncertainty, the advice of the Secretariat lead should be sought.

4.2. Facilitation Payments and Kickbacks

- 4.2.1. HCSA does not accept and will not make any form of facilitation payments of any nature. We recognise that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action. We recognise that they tend to be made by low level officials with the intention of securing or speeding up the performance of a certain duty or action.
- 4.2.2. HCSA does not allow kickbacks to be made or accepted. We recognise that kickbacks are typically made in exchange for a business favour or advantage.
- 4.2.3. HCSA recognises that, despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put their/their family's personal security at risk. Under these circumstances, the following steps must be taken:
 - a. Keep any amount to the minimum.
 - b. Ask for a receipt, detailing the amount and reason for the payment.
 - c. Create a record concerning the payment.
 - d. Report this incident to the Executive Committee.

4.3. Political Contributions

- 4.3.1. HCSA will not make donations, whether in cash, kind, or by any other means, to support any political parties or candidates. We recognise this may be perceived as an attempt to gain an improper business advantage.

4.4. Charitable Contributions

- 4.4.1. HCSA accepts (and indeed encourages) the act of donating to charities – whether through services, knowledge, time, or direct financial contributions (cash or otherwise) – and agrees to disclose all charitable contributions it makes.
- 4.4.2. Employees and contractors must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery.
- 4.4.3. We will ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are not offered/made without the approval of the Executive Committee.

5. Employee and contractor responsibilities

- 5.1. As an employee or contractor of HCSA, you must ensure that you read, understand, and comply with the information contained within this policy, and with any training or other anti-bribery and corruption information you are given.

- 5.2. All employees and those under our control are equally responsible for the prevention, detection, and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this anti-bribery policy.
- 5.3. If you have reason to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this policy, you must notify the Executive Committee.
- 5.4. HCSA has the right to terminate a contractual relationship with a contractor if they breach this anti-bribery policy.

6. Reporting

- 6.1. If you suspect that there is an instance of bribery or corrupt activities occurring in relation to HCSA, you are encouraged to raise your concerns at as early a stage as possible. If you are uncertain about whether a certain action or behaviour can be considered bribery or corruption, you should contact the Secretariat or the Executive Committee.
- 6.2. You must inform the Secretariat as soon as possible if you are offered a bribe by anyone, if you are asked to make one, if you suspect that you may be bribed or asked to make a bribe in the near future, or if you have reason to believe that you are a victim of another corrupt activity.

7. Protection

- 7.1. HCSA will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.
- 7.2. Detrimental treatment refers to dismissal, disciplinary action, treats, or unfavourable treatment in relation to the concern the individual raised.
- 7.3. If you have reason to believe you have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform the Executive Committee immediately.

8. Record keeping

- 8.1. HCSA will keep detailed and accurate financial records, and will have appropriate internal controls in place to act as evidence for all payments made. We will declare and keep a written record of the amount and reason for hospitality or gifts accepted and given, and understand that gifts and acts of hospitality are subject to Secretariat and Executive Committee review.