

# BT Anti-Corruption and Bribery Policy

August 2016

## **BT's Code of Conduct, The Way We Work, requires that:**

We don't tolerate bribery of any kind.

We never offer or accept gifts, payments or hospitality to encourage or reward a decision.

We avoid an interest or situation that conflicts, or may appear to conflict, with our duty to BT. If they can't be avoided; we declare them and resolve them.

## Scope

This policy applies to all BT people globally, and to all those acting on BT's behalf. All third parties doing business with BT or acting on our behalf must follow this policy and put in place procedures to prevent and detect bribery and corruption.

## Aims

BT has zero tolerance of bribery and corruption. BT people, as well as others acting on BT's behalf must understand and comply with BT's zero-tolerance approach to bribery and corruption anywhere we operate.

## Guiding principles

There is no place for bribery and corruption in our business.

### **Bribery and corruption**

- If you make, authorise, seek or accept any kind of offer, gift, kickback, illicit payment or facilitation payment to get or keep an unfair advantage, that's bribery. It doesn't have to involve money.
- If you offer, promise or give something intending to influence someone's behaviour or actions, this is bribery. It is also bribery if you do it indirectly via any third party such as consultants, contractors, agents, sponsors or joint venture partners, advisors, customers, or suppliers.
- Don't use BT funds for any unlawful, improper or unethical purpose.
- Take care when you are dealing with government or public officials as laws are strict and your actions could be misinterpreted. We must never offer, promise or give anything of value with the aim of influencing any government or public official in their work. This includes facilitation payments or "grease payments" such as payments to speed up the performance of routine governmental actions.

- Even if you offer or are offered a bribe which isn't accepted or if you promise or are promised something which is never delivered, this is unacceptable.

## Conflicts of interest

- A conflict of interest is any situation where your loyalties might appear to be at odds with your duties to BT.
- You are expected to act at all times in BT's best interests and to exercise sound judgment unclouded by private interests or divided loyalties. You should avoid situations where you, or BT, could be open to suspicion of dishonesty or favouritism or lack of transparency, or which conflicts or appears to conflict with your duty to BT. If you can't avoid a situation you should declare it to your line manager, register it with group Ethics and Compliance and resolve it.
- We've given examples to help you to recognise a conflict of interest in the [Guidance](#) section below. The [Procedures](#) section tells you how to declare and register a potential conflict of interest.

## Gifts and hospitality

- Don't offer or accept gifts, payment or hospitality to encourage or reward a decision.
- We have a [gifts and hospitality policy](#) which makes it clear what is and isn't appropriate.

## Charitable donations and sponsorship

- You must not use charitable donations or sponsorship as a way of concealing a bribe. They must be compatible with our Better Future strategy and reflect our commitment to corporate responsibility and ethical business.
- We have a [charitable donations and sponsorship policy](#) which makes it clear what is and isn't appropriate.

## Keeping records

- Our record keeping must be accurate and transparent. If you are responsible for keeping records make sure that they accurately reflect and are a fair presentation of the activities they record and reflect the nature and purpose of the activity. This includes records relating to gifts and hospitality, charitable and political contributions, pre-approval documents and checks of third parties.
- Follow BT's [Information Retention Policy](#).

## Responsibility

- As a BT person or someone acting on BT's behalf, you are expected to conduct company business following the highest professional and ethical standards and in line with the applicable country laws under which BT does business.
- We are all individually responsible for reading, knowing and complying with this policy and The Way We Work, BT's Code of Conduct. If you are a line manager then it is your responsibility to make sure that each member of your team has

access to the guidance and completes the training they need so that they understand and follow this policy.

- Breaches of this policy can result in BT taking disciplinary action and could lead to dismissal in serious cases. Bribery is also subject to laws and controls worldwide and there are serious penalties for anyone, or any company, breaking these laws including unlimited fines and imprisonment.

## Procedures/processes

### Bribery and corruption

- Don't make payments in cash, bonds, securities or anything similar. Always make payments by wire transfer or cheque to a bank account which is in the name of the person or their representative and which is in the country where they regularly provide services to BT.
- If you are appointing a third party to work for BT follow the correct process. Procurement is responsible for appointing suppliers. We also have a separate procedure for [appointing agents](#).

### What to do if you have a conflict of interest

- If you have, or think you might have, a conflict of interest declare it immediately to your Line Manager **and register it with Group Ethics and Compliance** in line with the [Conflicts of Interest procedure](#). If you do not feel able, or if it is not appropriate to contact your Line Manager directly, contact [BT Compliance](#) (email address for external use: [ethics@bt.com](mailto:ethics@bt.com)).
- It is your responsibility to register **all** potential or actual conflicts of interest with Group Ethics and Compliance [here](#). **You should register all potential conflicts of interest, even if after discussion with your line manager you do not think it is an actual conflict of interest.**
- If you are the Line Manager of someone who declares a conflict of interest, take appropriate action in line with the [Conflict of Interest procedure](#).
- If you are a Director there are additional requirements for the declaration of conflicts – please refer to the [Director Portal](#) site for further information.
- You can find more detailed guidance and further examples of potential conflicts of interest on the [Group Ethics & Compliance website](#).

### Reporting concerns

- If you are approached and asked to pay a bribe, including facilitation payments, or are offered a bribe, or you think another BT person or third party may be offering or offered a bribe or be involved in any corrupt behaviour, then report or discuss this with your line manager and notify [BT Compliance](#) (email address for external use: [ethics@bt.com](mailto:ethics@bt.com)).
- There may be some instances where you want to raise a sensitive ethical issue with someone who isn't connected to your team. Our [Speak Up Hotline](#) is always available for you to leave a message in person, by voicemail or on line. There are

some countries where special rules apply so check the [Speak Up Hotline](#) webpage for details in your country and any special instructions.

- We know it takes courage to speak up. We'll do whatever we can to support and protect you and we won't permit anyone to retaliate against you for reporting your concerns. If someone tries to deter you from speaking up that's a disciplinary offence and we'll deal with it seriously.

## Guidance

### Bribery and corruption

Take particular care if there are any of these 'red flags' and ask for guidance from the [BT Compliance](#) team (email address for external use: [ethics@bt.com](mailto:ethics@bt.com)):

- Any close family, personal or business ties that a third party or partner has with government officials
- A history of corruption in the country or business sector
- A request for a cash payment
- Requests for commissions substantially above the normal rate
- Unusual payment arrangement such as payments to be made in a third country or to a third party
- Requests for us to pay expenses which are unusual or vague
- Invoices which are too high or non-standard
- Where a third party refuses to agree to take action where a payment is corrupt

You can find more anti-corruption and bribery guidance with examples of potential red flag situations on the [Group Ethics & Compliance website](#).

Follow these links to find guidance on how to respond to a request for a [facilitation payment](#) or the payment of a bribe under duress ([blackmail and extortion](#)).

### Conflicts of interest

A conflict of interest is any situation where an individual's loyalties might appear to be at odds with their planned duties to BT.

The table below sets out examples of **actual conflict situations** which must be avoided or resolved (not an exhaustive list).

Actual Conflict Type	Examples
Outside employment	<ul style="list-style-type: none"> <li>• Any outside business activity that detracts from your ability to devote appropriate time and attention to your responsibilities within BT.</li> <li>• Any outside business activity with a company which is a supplier to BT or is in competition with BT.</li> </ul>
Family/friend interests	<ul style="list-style-type: none"> <li>• Recruiting or managing a relative or partner.</li> </ul>

<b>Material financial interest</b>	<ul style="list-style-type: none"> <li>• Recruiting an individual due to their significant political connections which you intend to leverage for BT's benefit.</li> <li>• A personal interest in a supplier, customer or competitor which influences your decisions at work.</li> </ul>
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The following are examples of **potential conflicts of interest**, which are situations that require you to agree a way of ensuring the conflict does not materialise (mitigation), and register the interest.

Potential Conflict Type	Examples
Outside employment	<ul style="list-style-type: none"> <li>• Being a Director of another company or organisation.</li> <li>• Other employment to your BT role.</li> </ul>
Family/friend interests	<ul style="list-style-type: none"> <li>• A close relationship with a senior manager of a competitor or supplier.</li> <li>• Working in the same department as your partner or close relative.</li> </ul>
Material financial interest	<ul style="list-style-type: none"> <li>• Having a material shareholding in a competitor or supplier of BT (but not where the shareholding is part of an investment trust or pension plan managed by others). If you're unsure if your interest is material consult the <a href="#">Ethics and Compliance Team</a>.</li> <li>• The new BT role involves managing a supplier relationship with a company in which a close relative or partner has a financial, business or employment involvement.</li> </ul>

You can find more guidance on conflicts of interest on the [Group Ethics & Compliance website](#).

## Related policies

[The Way We Work](#)

[Gifts and Hospitality policy](#)

[Agents procedure](#)

[Charitable Donations and Sponsorship policy](#)

[Information Retention policy](#)

[Conflicts of Interest Guidance and Procedure](#)

(Note: the hyperlinks in this document are intended to direct BT people to locations in the document, or our corporate intranet – they are disabled in external versions of the document)

## Policy owner

**Ethics & Compliance Team,**  
BT Governance and Compliance

# Review

**August 2017**