



# Lookers PLC

## Anti-Bribery & Corruption Policy

Policy Owner	Chief Risk Officer/MLRO
Policy Approver	Executive Committee
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## 1 Who this Level 2 Risk Policy applies to?

### 1.1 Internal

This policy applies to all colleagues (defined as including all: permanent and temporary staff, contractors, secondees and non-executive directors), across Lookers PLC (Lookers) and its appointed representatives.

### 1.2 External

This policy and supporting policy standards apply to all suppliers providing an outsourced service in respect of Lookers customers and its appointed representatives, products, projects, or data/records.

## 2 Why is this policy in place?

This policy forms part of the Enterprise Risk Management Framework (ERMF) as part of the wider Financial Crime Framework and supports the Lookers Level 1 Financial Crime Risk Policy which is approved by Lookers PLC Board on an Annual basis.

Within Lookers PLC there is a regulated entity, Lookers Motor Group, which is authorised and regulated by the following regulators:

1. Financial Conduct Authority (FCA) – UK Insurance and Credit Finance Sales;
2. Central Bank of Ireland (CBI) – Irish Insurance Sales and
3. Competition and Consumer Protection Commission (CCPC) – Irish Credit Finance Sales.

As a regulated firm, Lookers understands its responsibilities for complying with its regulatory and legislative obligations to manage the risk of Bribery & Corruption.

Lookers is committed to preventing its products, services and delivery channels from being used to commit or facilitate Financial Crime. This policy is in place to support the Level 1 Financial Crime Risk Policy and outlines the minimum mandatory Anti-Bribery & Corruption (ABC) control framework to be applied across the business, in accordance with FCA regulations, the UK Bribery Act 2010 (including the associated Ministry of Justice Guidance) and the Irish Criminal Justice (Corruption Offences) Act 2018.

## 3 What is Bribery & Corruption?

### 3.1 Bribery

“Bribery” is defined as giving or receiving a financial or other advantage in connection with the “improper performance” of a position of trust, or a function that is expected to be performed impartially or in good faith. Bribery does not have to involve cash, or an actual payment exchange and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.

### 3.2 Corruption

“Corruption” is the abuse of entrusted power for personal gain or to gain an unfair advantage.

### 3.3 Other definitions

Other common phrases in the context of bribery and corruption are:

- “Facilitation Payments” are typically small unofficial payments paid to speed up an existing administrative process, or secure the completion of a routine government action by an official.

- “Gifts” are anything of value given to or received from a third party. Gifts are tangible items such as bottles of wine, meals, electronic items and tickets for attendance at a sporting / cultural event without a host. As per the Lookers Gifts & Hospitality reporting Gifts of Cash should not be accepted.
- “Hospitality” is entertainment, food or drink given or received by a colleague, in their capacity as a Lookers employee, including but not limited to: meals, drinks or attendance at sporting, cultural or charitable events
- “Kick Backs” are illicit payments, often in the form of commission, made to someone in return for facilitating a transaction or appointment.

## 4 Risk Appetite

Lookers have a board-approved risk appetite statement in relation to Financial Crime, including Bribery and Corruption, as follows:

**‘Lookers will manage its financial crime risks in a controlled manner and in such ways that reduce its risk exposure to all aspects of financial crime, reducing its net risk exposure to the equivalent of a rare probability of an extreme financial (or other) impact. Lookers has no appetite to knowingly breach financial crime regulatory guidance or requirements’.**

## 5 Minimum Requirements

### 5.1 Bribery

Lookers is committed to conducting all business in an honest and ethical manner, and requires its employees to act professionally, fairly and with integrity in all business-related activities.

Lookers prohibits any employees, or associated third parties, engaging in activities or decisions which could be interpreted as, committing, facilitating, encouraging or soliciting acts of bribery or corrupt behaviour in any form.

If colleagues are uncertain about whether something is a bribe or a gift or act of hospitality, they must seek further advice from the Financial Crime Manager. Lookers will not treat any employee detrimentally for refusing to pay or accept a bribe, or for reporting suspected corrupt behaviour.

### 5.2 Corporate Responsibility

The UK Bribery Act 2010 introduced a corporate criminal offence, punishable by an unlimited fine, which can be levied on commercial organisations that fail to prevent associated persons from engaging in bribery or corrupt activities on their behalf. This includes Bribery offences committed overseas where a party involved has a connection to the UK.

Lookers is committed to ensuring that it does not become subject to this offence and will achieve this by developing and maintaining adequate procedures designed to prevent associated persons from engaging in such activities. Doing so provides Lookers with a defence against criminal prosecution.

### 5.3 Gifts & Hospitality

Lookers recognises that the occasional exchange of business courtesies, such as reasonable and appropriate entertainment, hospitality and gifts, may be a legitimate means for building good business relations and promoting the Group's interests.

However, excessive gifts may improperly influence employees' objective business judgement. Employees should ensure that the receipt of gifts does not in any way impair their objectivity when

working on behalf of Lookers. Equally when offering gifts these should never be used to inappropriately influence business partners or clients.

Lookers will establish and make available to all staff, a Gifts & Hospitality reporting process covering offers both made to and received by Lookers. This process will include financial thresholds where formal reporting of such offers (including those to be rejected) will be required, as well as levels where authorisation must be obtained prior to offering or accepting Gifts or Hospitality.

This Policy and reporting process do not seek to prohibit normal and appropriate hospitality (given and received) to or from third parties, where it is proportionate and in the ordinary course of business. It is Looker's policy that:

- Any gifts and hospitality offers that are to be made or received, will only be done so in accordance with this policy standard and associated reporting process.
- When considering offering or accepting offers of gifts and hospitality, Lookers colleagues must always ensure this will not provide, or appear to provide, the potential for an improper advantage to themselves, or Lookers. This can include corporate acceptance of gifts and hospitality such as funding of Lookers corporate events by third party suppliers and reciprocal arrangements.
- Both Gifts or Hospitality offered or received must:
  - Be authorised and recorded in line with the Gifts & Hospitality Process
  - Be reasonable, justifiable, proportionate, appropriate and not excessive
  - Have a clear business purpose which may include developing cordial relations and promoting Lookers' image, but not create a conflict (e.g. an expectation of something in return) or breach relevant laws, regulations or internal policies.

Gifts & Hospitality records will be subject to regular independent review and challenge by the Financial Crime Manager, with any issues or concerns being escalated to the Chief Risk Officer for consideration of onward reporting to Lookers Executive team and / or Board.

#### 5.4 Conflicts of Interest

One way in which Lookers can be exposed to Bribery & Corruption risk is where unmanaged conflicts of interests occur.

Lookers will establish and make available to all colleagues a Conflicts of Interest Standard and associated reporting process which will include the need for staff to highlight potential conflicts, including outside business interests and shareholdings, accordingly. This will allow Lookers to conduct risk assessments to understand whether the level of risk associated with the conflict is acceptable or whether actions are required to mitigate the risk.

Conflicts of Interest records will be subject to regular independent review and challenge by the Financial Crime Manager, with any issues or concerns being escalated to the Chief Risk Officer for consideration of onward reporting to Lookers Executive team and / or Board.

#### Facilitation Payments

Lookers prohibits the giving or receiving of facilitation payments. Based upon the business that Lookers currently take, the likelihood of exposure to facilitation payments is low. However, should any employee or associated party become aware of requests for such payments, this must be escalated accordingly.

The Serious Fraud Office (SFO) state that a facilitation payment is a type of bribe and should be treated

as such.

### 5.5 Corporate Charitable Contributions

Lookers accepts (and encourages) the act of donating to charities, whether through services, knowledge, time or direct financial contributions (cash or otherwise), however Lookers must ensure that charitable contributions are not used to facilitate and conceal acts of bribery.

- All charitable donations made should be assessed to ensure that they are both legal and ethical under local laws and practices. Any donations offered or made should not proceed without the approval of an appropriate senior manager and all donations must be recorded within the Gifts and Hospitality Register

Donation	Approving Authority
Up to £20,000	Business/Franchise Director
£20,000 to £250,000	Exco
Over £250,000	Board

### 5.6 Corporate Political Donations

Lookers do not make any political donations. Under no circumstances should payments / gifts be offered to or accepted from any Politically Exposed Persons (PEPs), including Government Officials or representatives, Politicians or Political parties.

### 5.7 Reporting suspicions of Bribery & Corruption

Lookers must ensure that:

- It will take all reasonable steps to ensure the identification and escalation of any potential suspicions of bribery or corruption, including ensuring that internal arrangements are in place to enable colleagues to identify/report any suspicions of bribery and corruption in the course of carrying out the duties of their role.
- It aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy standard, even if they turn out to be mistaken.
- Colleagues should inform their line manager of any concerns they may have in relation to bribery or corruption for onward reporting to the Financial Crime Manager. A non-exhaustive list of red flag indicators is detailed in Appendix 1.
- Where this is not possible, or the colleague does not wish to use this route, concerns can be raised confidentially and anonymously (if desired) under the Whistleblowing Policy.
- It is committed to ensuring that no colleague suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.
- The Financial Crime Manager will ensure that any allegations of bribery and corruption are thoroughly investigated and escalated as appropriate and will assist regulatory and law enforcement agencies in any enquiries/prosecutions.

### 5.8 Training

Lookers must ensure that all: Colleagues, Contractors, Secondees, Non-Executive undergo comprehensive Anti-Bribery & Corruption related training which covers all aspects of this policy (on joining the firm and annually thereafter).

- The training must allow Group colleagues to understand their responsibilities under the procedures to combat Bribery & Corruption.
- All colleagues must complete an assessment with respect to the training received with the minimum pass rate at least once every 12 months, and line managers must ensure that training is completed within the allocated timelines.
- All colleagues must be advised that they:
  - Must not manipulate any information relating to Customers or Transactions with a view to circumventing any Bribery laws and this Anti-Bribery & Corruption Policy, and
  - May face disciplinary proceeding for breaches of external legal or internal policy standard requirements, as well as through court proceedings for a criminal offence.

## 5.9 Record Keeping

It is Lookers policy that:

- **Expenses:** All colleagues must ensure any expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Lookers colleague expenses and travel policy and specifically record the reason for the expenditure. It should be noted that the submission of expenses is in addition to, not in place of logging Gifts & Hospitality in accordance with the procedures noted above.
- **Accounting:** All accounts, invoices, memoranda and other documents and records relating to dealings with third parties (such as clients, suppliers and business contacts) should be prepared and maintained with strict accuracy and completeness and retained in line with the Record Management Policy Standard. No accounts must be kept “off-book” to facilitate or conceal improper payments.
- **Gifts and Hospitality Register:** Full details of any corporate charitable donations, gifts and hospitality must be logged on to the gifts and hospitality register as soon as reasonably possible.
- **Conflicts of Interest Register:** All conflicts of interest should be recorded on the relevant central register managed by the following departments:
  - **Employee Conflicts – Human Resources**
  - **Product and Services – Finance and Insurance**
  - **Governance – Secretariat**
- **Outside Business Interest Register:** All outside business interests should be recorded on the outside business interest register maintained by the Human Resources department.

## 6 Roles & Responsibilities

The Lookers Risk Management Framework Policy outlines the three lines of defence model adopted across the business, with the following high-level split of Anti-Bribery & Corruption responsibilities:

### 1<sup>st</sup> line of Defence (Operations)

- Owning, implementing and maintaining effective procedures that are compliant with Lookers Anti-Bribery and Corruption Policy and designed to manage the risk within appetite;
- Undertaking remedial actions needed to rectify gaps against policy, or resolve Anti-Bribery and Corruption related issues;
- Undertaking the BAU testing of core processes relevant to Anti-Bribery and Corruption to ensure that key outcomes remain effective and compliant;
- Produce operational MI for key processes linked to Anti-Bribery & Corruption e.g. Gifts &

Hospitality metrics, reported conflicts of interest or outside business interests and any actions taken to mitigate identified risks.

### **2<sup>nd</sup> Line of Defence (Financial Crime Risk/MLRO)**

- Setting and updating the Anti-Bribery and Corruption Policy;
- Advising 1<sup>st</sup> line business areas and outsourced service providers on their interpretation and implementation;
- Authorising any waivers/risk acceptance.
- Providing oversight of the end-to-end Anti-Bribery and Corruption framework.

### **3<sup>rd</sup> Line of defence (Internal Audit)**

- Responsible for conducting independent assurance work to validate that the control and governance frameworks operated by Lookers are: a) Compliant with this Anti-Bribery and Corruption Policy and supporting Policy Standards; b) Effective in managing the risk within defined risk appetite levels set by the Board.

## **7 Policy Governance**

This policy is owned by the Chief Risk Officer (CRO). The following governance applies:

- The Anti-Bribery & Corruption Policy supports the Lookers PLC Financial Crime Risk Policy, which is approved by the Board on an annual basis.
- The Anti-Bribery and Corruption Policy is approved by the Executive Committee.
- The Anti-Bribery & Corruption policy will (as a minimum) be reviewed and subsequently updated/re-approved by the Executive Committee every 12 months, to ensure that it remains fit for purpose.
- The Anti-Bribery & Corruption policy will be updated (and re-approved/adopted as above) on an ad-hoc basis in response to any material changes to UK or Irish Law and Regulation or any material change to Lookers Financial Crime Operating Model or Governance Framework, at the discretion of the CRO.
- Bribery & Corruption, including the effectiveness of this Policy, is a regular part of plans in place for independent assurance via Internal Audit and / or Compliance Monitoring.

## **8 Dispensations, Waivers, Breaches**

Compliance with this risk policy is mandatory. Any instances of non-compliance may be grounds for disciplinary action, including sanctions up to and including termination of employment.

### **Dispensations**

Dispensations will only be allowed under exceptional circumstances. All dispensations will require approval by the Lookers Executive Committee.

### **Waivers**

Under no circumstances will business functions be able to waive their obligations under the Anti-Bribery and Corruption Policy.

### **Breaches**

Breaches to the Policy must be reported and escalated to Lookers Executive Committee.

## 9 Related Documents

The following documents should be read in conjunction with this Policy:

- Financial Crime Risk Policy
- Suspicious Activity Report (SAR) process
- Whistleblowing Policy
- Anti-Money Laundering Policy
- Anti-Bribery & Corruption Policy
- Discipline policy and procedure
- Gifts & Hospitality Reporting Process
- Conflicts of Interest Standard