

## Foreword

Our good reputation is a hard-won asset which we must protect. Our ability to tender for new business and our relationship with the full range of our stakeholders depends a great deal upon that good reputation. This means all of us acting to the highest personal, ethical and corporate standards in everything we do. It means making sure all our actions and decisions support the Group's values.

This policy is designed to help you understand not just the legislation relevant to bribery and corruption but also our rules on gifts and hospitality (that might be given or received) and the record keeping related to that. This policy provides details of further help and training for you. I encourage you to seek further guidance or assistance if feel you need it in any way. Your personal contribution to protecting and enhancing our reputation by complying with this policy is important to me and the Kier Board. If each one of us is aware of the law and comply with it then we can protect and enhance the reputation of the Group.

I am committed to this policy and would ask you to show your commitment too by reading it and, if you have any queries or concerns at all, getting in touch as set out at the end of the policy.



**Andrew  
Davies Chief  
Executive**

For and on behalf of Kier Group plc

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## Introduction

Our<sup>1</sup> policy is to comply with the law wherever we operate.

It is an offence to offer, promise or provide – or request or accept - a bribe. It is also an offence for a commercial organisation to fail to prevent an incident of bribery being committed either by the company or by someone associated with it in order to obtain or retain a business advantage.

Bribery and corruption have absolutely no place at Kier. We do not tolerate bribery in any form whether directly or through third parties.

The giving or receiving gifts and hospitality is an area in which we need to take particular care. In a commercial setting it can foster good working relationships. This policy also clarifies when gifts and hospitality may be offered or accepted and the associated record-keeping requirements.

This policy applies to everyone at Kier – full or part-time employees and temporary staff wherever based. It also applies to business partners who supply services to Kier including agents and intermediaries. We also rely on the services of contractors, sub-contractors and consultants, and here we only want to do business with those who accept the terms of our policy or whose own policy sets standards to match our own.

We want you to act according to the spirit of this policy and the Kier values in whatever you do for Kier.

## Part A – Bribery and corruption

### Legislation

The Bribery Act 2010 (the ‘Act’) provides a comprehensive set of bribery offences that enable courts and prosecutors to respond to bribery at home or abroad.

Key elements of the Act are offences of:

- offering, promising or giving of an advantage, and requesting, agreeing to receive or accepting of an advantage
- bribery of a foreign public official
- failure by a commercial organisation to prevent a bribe being paid for or on its behalf (the only defence is if to show the organisation has “adequate procedures” in place to prevent bribery).

Because Kier is a UK registered and listed company, its subsidiaries, its directors and employees are subject to the Act wherever you are located.

### Penalties for engaging in bribery and corruption

The penalties for engaging in bribery or corruption are severe. Companies can face punitive fines and individuals can be fined and/or imprisoned.

A conviction for a bribery or corruption related offence for a company such as Kier could have severe consequences for us including possible exclusion from tender lists or being overlooked when bidding; loss of business; or a decrease in investor confidence, all of which could have severe financial consequences for our business.

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<sup>1</sup>Throughout this policy “our”, “us” or “we” are references to Kier Group plc and its subsidiaries, unless the context indicates otherwise.

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## Understanding and recognising bribery and corruption

Bribery and corruption can occur in many forms; so understanding them and recognising when they might occur is a key step in guarding against them.

**Bribery** is when a person offers, promises or gives a financial (or other) advantage to another person with the intention of inducing or rewarding that person to act improperly (active bribery), or when a person requests, agrees to receive or accepts a financial (or other) advantage to act improperly (passive bribery).

**Corruption** is any form of illegal, dishonest or bad behaviour, especially by people in positions of power.

In our industry, bribery could occur in situations such as tendering, appointing preferred suppliers, contractors and agents, awarding licences and so on. Bribery and corruption can be found at all levels from governments and government officials through to site operatives.

Wherever we work in the world – even where bribery may be seen as the norm - we must be clear that we will not participate in or condone any form of bribery in our dealings whether with the public or private sectors.

Bribes are not always a matter of handing over cash. Gifts, hospitality and entertainment can be bribes as well as offers of employment or gifts to charities if they are intended to influence a business decision.

Transparency and openness are effective tools against bribery, so be ready to challenge any arrangements that compromise them. Even political contributions, charitable donations and sponsorship arrangements can be used as a subterfuge for bribery.

## Preventing bribery

Our 'no tolerance' of bribery relies on every person at Kier and our associated persons always choosing to do the right thing. All this takes is a few simple commitments:

### We will always:

- Comply with this Anti-Bribery and Corruption Policy
- Comply with company rules on gifts and hospitality, political contributions and charitable donations
- Comply with our requirements concerning any conflicts of interest
- Record **all** activities and transactions accurately, completely and transparently
- Follow appropriate due diligence and risk mitigation procedures before proceeding with any contract or other arrangement
- Seek advice if unsure how to proceed
- Report any suspected or actual breaches of this policy promptly and accurately to the relevant Kier line manager or via the Speak Up Helpline
- Be alert to 'red flags' and immediately report or seek guidance about them
- Complete a bribery and approach record

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**We will never:**

- Without approval enter into any contract or agency agreement with a third party directly or indirectly to secure or procure on Kier's behalf (whether in the UK or overseas):
  - Work on any contract whether or not any payment or benefit is provided; and / or
  - Business contacts for any direct or indirect payment or benefit in return
- Participate in any form of corrupt behaviour
- Use company funds, in the form of payments or gifts and hospitality for any unlawful, unethical or improper purpose
- Authorise, make, tolerate or encourage, or invite or accept, any improper payments to obtain, retain or improve business
- Permit anyone to offer or pay bribes or make facilitation payments on our behalf, or do anything else we would not be permitted to do ourselves
- Offer or give anything of value to a public official (or their representative) to induce or reward them for acting improperly in the course of their public responsibilities
- Offer or accept gifts or hospitality, if we think this might impair objective judgement, improperly influence a decision or create a sense of obligation, or if there's a risk it could be misconstrued or misinterpreted by others

**Understanding specific areas of risk**

While high profile cases of bribery, involving large sums of cash and senior executives, are most likely to hit the headlines, bribery can be a risk in many areas of our industry. It might take the form of:

- Facilitation payments
- Kickbacks and reciprocal agreements
- Corrupt third parties (including agents, consultants, contractors or sub- contractors)
- Excessive gifts and hospitality
- Inadequate financial controls or record keeping.

**Facilitation payments** are usually small payments (or gifts) made to public officials in order to speed up or 'facilitate' actions the officials are already duty-bound to perform. We make no distinction between facilitation payments and bribes, regardless of their size or the local culture.

The only exception is where a payment is extorted from an employee. If an employee feels coerced or that their personal safety (or that of family or colleagues) is at risk, then they should make the payment but report it immediately to their Kier line manager or via the Speak-Up Helpline.

**Kickbacks and reciprocal agreements** or any other form of 'quid pro quo' are never acceptable. We will not participate in cartels, cover pricing, bid-rigging or any form of collusion. We will neither accept nor make improper payments to obtain new business, retain existing business, or secure any improper advantage.

**Corrupt third parties** can include a range of people acting on our behalf such as agents, consultants, contractors or sub-contractors. We wish to work only with those who are committed to our standards and will undertake due diligence to ensure this. We will engage a third party only when there is a clear business rationale for doing so and with an appropriate contract. We will ensure all payments made to third parties are properly authorised and recorded.

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**Excessive gifts and hospitality** can be used to exert improper influence on decision makers. We will only accept gifts and hospitality in accordance with Part B of this policy. We will ensure any gifts or hospitality we offer are reasonable in terms of value and frequency. We will never offer or accept gifts or hospitality if we feel it could influence a business decision or give the appearance of doing so.

**Inadequate financial controls or record keeping** can be exploited to hide bribes or corrupt practices. We will ensure we have robust controls in place so that our financial and other records are accurate and complete and never misleading.

## Part B – Gifts & Hospitality

### What types of gift/hospitality are never acceptable?

Certain gift and/or hospitality should **never be given or accepted**. These include:

- Gifts and hospitality that have been requested by our clients or other third parties
- Cash or cash equivalents (such as gift cards or gift vouchers)
- Anything that is illegal, unsavoury or sexual in nature
- Anything that is received on the basis of a quid pro quo (i.e. on the basis that it is conditional upon receiving something in return)
- Anything that might give rise to a perception or suspicion that the recipient has been unduly influenced
- Gifts or hospitality which are lavish or extravagant
- Gifts or hospitality offered during a tender or bid process, to or from any party involved
- Gifts or hospitality which is recurring, regular and/or could be part of a reciprocal arrangement.

### What do we mean by “gifts” and “hospitality”?

A “**gift**” is any item of value provided or offered for the personal benefit of the recipient or a close contact (family, friend or colleague) at no cost, or a cost that is less than its commercial value. Gifts can also include offers of employment to family members.

“**hospitality**” is any offer of travel, accommodation, food, drink or an invitation to any event (e.g. concert, sporting event, either as a spectator or participant) in the company of a third party (including a client), which the recipient has received, or has themselves offered, as a result of their or their business’ employment by Kier. If a representative of the third party is not present at an event as the host, tickets for the event will be regarded as a gift and will be subject to the gifts value threshold and procedure stated below.

This policy does not apply to private gifts or hospitality either by Kier to its employees (for example rewards for long service or between Kier employees (for example for a birthday). That is at the discretion of the employees concerned. Gifts or hospitality provided to Kier employees which is partially or fully funded by Kier should be referred to the business unit FD or FBP (and onwards to Group Tax) to ensure it receives the appropriate tax treatment.

### What can we accept?

Remember that the acceptance of any gift or hospitality requires careful judgement at all times. The table below sets out the rules in connection with gifts/hospitality we may receive and give to business partners who are not government officials (see section 6 for the rules relating to government officials).

For employees involved in procurement, contract negotiation, tender/bid submission or those involved in the payment approval process, all gifts and hospitality (no matter how small) must be disclosed on a G&H Received Form and are subject to the approvals noted below.

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Value (inc. VAT)	Gift	Hospitality
<b>Received (G&amp;H Received)</b>		
Of less than £40 in value.	Items can be accepted and do not need to be recorded. However, if multiple items of less than £40 are offered to you in one year, they must be recorded on a G&H Received Form.	A working lunch may be accepted and does not require completion of a G&H Received Form. All other offers of hospitality should be recorded by completing and submitting a G&H Received Form.
Between £40 and £100 in value	Items can be accepted but you must record all instances of gifts offered to you, (whether or not accepted), by completing a G&H Received Form.	
In excess of £100 in value	You cannot accept offers of gifts or hospitality unless this has the prior approval of your line manager and Business Unit Finance Director (FBP) by completing and submitting a G&H Received Form.	
In excess of £250 in value	You cannot accept offers of gifts or hospitality unless this has been approved by the Business Division Finance Director for your Business Division (BDFD) (for Kier Corporate Functions this is by the Group Finance Director (GFD)) by completing and submitting a G&H Received Form.	
<b>Offered (Given) to business partners (incl. clients)</b>		
	<b>Gifts/Hospitality</b>	
Of less than £100 in value	All gifts to be offered must be recorded on a G&H Given Form and authorised in advance by your line manager on a G&H Given Form.	A working lunch may be offered and does not require completion of a G&H Given Form. All other offers of hospitality must be authorised in advance by your line manager on a G&H Given Form.
In excess of £100 in value	Any offers of gifts or hospitality must be authorised in advance by your line manager and relevant (FBP) via authorisation on a G&H Given Form.	
In excess of £250 in value	Any offers of gifts or hospitality must be authorised in advance by your line manager and BDFD (for Kier Corporate Functions this is the GFD) prior to any offer being made via authorisation on a G&H Given Form.	

**Notes:**

- (1) Value includes all associated costs for the gift or hospitality e.g. travel, accommodation etc. not just the ticket price. Overseas employees should use local currency equivalent.
- (2) A working lunch is a simple meal during or at the conclusion of a meeting (at which there was a formal agenda) and has a small intrinsic value i.e. of less than £20 per head (£40 in central London) in total.
- (3) Group Tax must be informed of any hospitality being extended to the spouses or partners of those attending, whether of third parties or Kier employees, via a G&H Given Form.
- (4) For employees in Kier Corporate Functions where FBP approval is required this may be given by the Head of the relevant Central Function but must still be recorded.

### Gifts, hospitality and government officials

Particular care must be exercised whenever you wish to offer gifts or hospitality to government officials. Government officials are typically employees of national, regional, or local government. They can include employees of companies owned or controlled by national, regional or local government as well as members of government (MPs, Ministers, Councillors among others).

Value (inc. VAT)	Gifts offered to government officials	Hospitality offered to government officials
Of less than £40 in value	Gifts can be offered but must be recorded, (whether or not accepted), by completing a G&H Given Form.	A working lunch may be offered and does not require completion of a G&H Given Form. All other offers of hospitality must be recorded, (whether or not accepted) by completing a G&H Given Form.
Between £40 and £100 in value	Any offers of gifts or hospitality must be approved in advance by your line manager and relevant Finance Business Partner (FBP) via authorisation on a G&H Given Form.	
In excess of £100 in value	Any offers of gifts or hospitality must be authorised in advance by the Group Compliance Director via authorisation on a G&H Given Form.	
In excess of £250 in value	Any offers of gifts or hospitality must be authorised in advance by the Group Finance Director and the General Counsel and Company Secretary via authorisation on a G&H Given Form.	

### Sponsorship and political and charitable donations

This policy does not restrict staff from their own personal charity activities. Please consider carefully any requests you make for sponsorship from third parties who are in a business relationship with Kier. Any approach from an external party requesting sponsorship must be referred to the Communications and Marketing department. Any approach from third parties for items to be gifted, e.g. for inclusion in charity raffles or local fêtes, must be referred to the Group's corporate Communications and Marketing department.

Kier does not make donations to any political parties. Any requests for such a donation must be declined, and repeated requests received should be reported to the Group Compliance Director.

Any approach requesting a charitable donation must be referred to the Communications and Marketing department.

### Reporting and authorisation procedures

G&H [Received](#) and [Given](#) forms should be used to report appropriate gifts and hospitality offered or received. The forms are available on MyKier.

Forms must be completed in sufficient detail so they could be understood by an independent third party, i.e. use names not initials, full organisation names, and provide a description of the actual event(s) not just location(s). You must include details of all Kier attendees at an event, not just third parties as well as names of any partners or spouses who attend.

Forms should be submitted via the employee's line manager, who will pass completed forms to the relevant FBP. Where forms are used for retrospective notification, forms should be completed and submitted within a fortnight of the gift being given or of the date of the event.

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If a form has been authorised in advance, and details change subsequently (e.g. due to illness, or different parties attend an event) then a revised form must be submitted.

It is the responsibility of the FBPs to consolidate their business unit's or corporate functions' individual forms on the business unit's/function's [G&H register](#) (please see template form on MyKier).

At least quarterly, this register must be presented to the relevant business unit's Board/corporate function lead for consideration. The FBP should also compare the current quarter with previous ones, and any trends should be brought to the Board's/function lead's attention. The Board/function lead should consider the pattern of G&H received and offered to determine if this is appropriate, as well as the rolling annual spend by the business/function. Following such review, the FBP and another business unit director or the function lead or an appropriate delegate of the foregoing should sign the register on behalf of the business unit/function, prior to its submission, together with the Board/function lead sign-off (or their delegate), by the FBP to Group Tax and to the Group Compliance Director. The register must be sent to Group Tax and the Group Compliance Director at least once every six months shortly after the period in question covering the period since the last submission to them.

### Disciplinary action

Non-compliance with this policy by employees may result in disciplinary action up to and including summary dismissal, and by contractors or agents to termination of contract.

A breach of this policy could also be a violation of local laws and therefore result in civil and criminal penalties for the all concerned.

### Speaking up

If you have a concern or suspect a violation of this policy, we want you to speak up immediately. Speaking up can be a difficult thing to do, so be reassured that all information received will be treated seriously and investigated appropriately. If you act in good faith, believing your information is accurate, we will protect you even if you are wrong. Some concerns can be addressed by speaking to the person whose conduct is the cause for concern. We understand that this is not always possible, so we suggest that you speak to your line manager. If, for whatever reason, you do not feel comfortable doing this, you can contact any member of the Compliance or Legal departments. Alternatively, you may prefer to use the Speak-Up line, which is run by an independent, external company.

### Kier contact information:

Speak-up mailbox: [speakup@kier.co.uk](mailto:speakup@kier.co.uk)

David Foster: E-mail [david.foster@kier.co.uk](mailto:david.foster@kier.co.uk)

Mobile: 07580 905917

Amish Chauhan: E-mail [amish.chauhan@kier.co.uk](mailto:amish.chauhan@kier.co.uk)

Mobile: 07834 800 193

### Safe call, independent speak-up contact information:

- If you are calling from the UK the number is 0800 915 1571
- If you are calling from Hong Kong the number is 800 90 8258
- If you are calling from the UAE the number is 8000 4413376
- If you are calling from Saudi Arabia the number is 800 8442067
- If you are calling from Australia the number is 0011 800 72332255

The line is available 24 hours a day. Calls are free of charge and can be made in complete confidence. You can also make a report via the website: [www.safecall.co.uk/report](http://www.safecall.co.uk/report) or email [kier@safecall.co.uk](mailto:kier@safecall.co.uk)

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