



Anti-Bribery & Corruption Policy

Foreword

As set out in our [Code of Conduct](#), it is our policy to conduct business in an honest way – without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

Successful implementation of our policy requires pro-active adoption at the following levels:

- **You** – As an employee of Macmillan, you are required to read and understand all aspects of this policy, and abide by it
- **Local Management** – The business unit's overall compliance with the requirements of this policy is the responsibility of the Local Managing Director. Local Finance Directors, subject to approval by Local Managing Directors, will ensure their business unit's adherence to sections 6, 7 and 8 of this policy.
- **Divisional Management** – Divisional Management are responsible for the compliance of business units within their division.
- **Macmillan Ltd Board** – The Board will assist each business unit with continuous refreshing and reinforcing of this policy via application guidance and monitoring

This policy sets out the general rules and principles to which we adhere. It has been communicated to all businesses and employees overseen by the Macmillan Limited ("Macmillan") UK board. It is also being communicated to relevant business partners and other necessary individuals and entities on a continuous basis. Those who work in areas within our business identified as being particularly high risk will receive additional training and support in identifying and preventing corrupt activities.

For further guidance, contact the [Group Compliance Officer](#). If you wish to report a concern you may do so either directly or via our Anonymous Option reporting website <http://speakup.macmillan.com>.

Table of Contents

1.	Introduction	1
2.	What is Bribery and Corruption?	1
3.	What is a Bribe?	1
4.	Who Can Engage in Bribery or Corruption?	2
5.	What Does the Law Say about Bribery and Corruption?	2
6.	What Steps Can We Take to Prevent Bribery and Corruption?	3
	A. Risk Assessment	3
	B. Accurate Books and Record-Keeping	3
	C. Effective Monitoring and Internal Control	3
7.	Where do the Bribery and Corruption Risks Typically Arise?	4
	A. Use of Third-Party Representatives	4
	B. Business Courtesies.....	4
	C. Facilitation Payments	6
8.	Local Adaptation	6
9.	How to Raise a Concern	6
10.	Conclusion and Certification	7

1. Introduction

It is Macmillan's policy to conduct business in an honest way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

Macmillan is committed to ensuring adherence to the highest legal and ethical standards. This must be reflected in every aspect of the way in which we operate. We must bring integrity to all our dealings. Bribery and corruption harms the societies in which these acts are committed and prevents economic growth and development.

This is not just a cultural commitment on the part of the organisation; it is a moral issue and a legal requirement. Bribery is a criminal offence in most countries in which Macmillan operates, and corrupt acts expose the Company and its employees to the risk of prosecution, fines and imprisonment, as well as endangering the Company's reputation.

This policy has been adopted by the Macmillan main board and is to be communicated to everyone involved in our business to ensure their commitment to it. The board attaches the utmost importance to this policy and will apply a "zero tolerance" approach to acts of bribery and corruption by any of our employees or by business partners working on our behalf. Any breach of this policy will be regarded as a serious matter by the Company and is likely to result in disciplinary action.

2. What is Bribery and Corruption?

Bribery and corruption has a range of definitions in law, but the fundamental principles apply universally.

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

Corruption is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.

Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. For the purposes of this policy, whether the payee or recipient of the act of bribery or corruption works in the public or private sector is irrelevant.

The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve sales initiatives, such as tendering and contracting; or, it may simply involve the handling of administrative tasks such as licences, customs, taxes or import/export matters. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of administrative tasks.

3. What is a Bribe?

Bribes can take on many different shapes and forms, but typically they involve corrupt intent. There will usually be a '*quid pro quo*' – both parties will benefit. A bribe could be the:

- Direct or indirect promise, offering, or authorisation, of anything of value
- Offer or receipt of any kickback, loan, fee, reward or other advantage
- Giving of aid, donations or voting designed to exert improper influence

4. Who Can Engage in Bribery or Corruption?

In the eyes of the law, bribery and corrupt behaviour can be committed by:

- An employee, officer or director
- Any person acting on behalf of the Company (eg our business partners)
- Individuals and organisations where they authorise someone else to carry out these acts

Acts of bribery and corruption will commonly, but not always, involve public or public officials (or their close families and business associates). For the purposes of this policy, a public official could be:

- A public official, whether foreign or domestic
- A political candidate or party official
- A representative of a government-owned/majority-controlled organisation
- An employee of a public international organisation (eg World Bank)

5. What Does the Law Say About Bribery and Corruption?

Bribery is a criminal offence in most countries in which Macmillan operates, and penalties can be severe. In the UK the Bribery Act 2010 not only makes bribery and corruption illegal, but also **holds UK companies liable for failing to implement adequate procedures to prevent such acts by those working for the company or on its behalf, no matter where in the world the act takes place.** In addition, current US legislation (Foreign Corrupt Practices Act or FCPA) offers similar prohibitions and potential penalties and is enforced with vigour by the US authorities. It is therefore in your interests, as well as those of Macmillan, that you act with propriety at all times. Corrupt acts committed abroad, including those by business partners working on our behalf, may well result in a prosecution at home.

6. What Steps Can We Take to Prevent Bribery and Corruption?

We can take the following steps to assist in the prevention of bribery and corruption:

A. Risk Assessment

Effective risk assessment lies at the very core of the success or failure of this policy. Risk identification pinpoints the specific areas in which we face bribery and corruption risks and allows us to better evaluate and mitigate these risks and thereby protect ourselves. Business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular region – any of which can vary. Local Management must assess the vulnerability of each business unit to these risks on an ongoing basis, subject to review by Divisional Finance Directors, the Group Compliance Officer and the Macmillan Group Chief Financial Officer.

N.b. risk assessment is intended to be an ongoing process with continuous communication between Local Management and the Group Compliance Officer.

B. Accurate Books and Record-Keeping

Many serious global bribery and corruption offences have been found to involve some degree of inaccurate record-keeping. We must ensure that we maintain accurate books, records and financial reporting within all Macmillan business units and for significant business partners working on our behalf. Our books, records and overall financial reporting must also be transparent. That is, they must accurately reflect each of the underlying transactions. False, misleading or inaccurate records of any kind could potentially damage Macmillan.

C. Effective Monitoring and Internal Control

Our businesses must all maintain an effective system of internal control and monitoring of our transactions. Once bribery and corruption risks have been identified and highlighted via the risk assessment process, procedures can be developed within a comprehensive control and monitoring programme in order to help mitigate these risks on an ongoing basis.

Each Divisional Finance Director must ensure that Local Management engages in effective risk assessment and implements the necessary steps to prevent bribery and corruption. As these steps will vary by geography and business unit, Divisional Finance Directors should consult with the Group Compliance Officer, who will make available guidelines, principles and methodologies for the identification, mitigation and monitoring of these risks.

7. Where Do the Bribery and Corruption Risks Typically Arise?

Bribery and corruption risks typically fall within the following categories:

A. Use of Business Partners

The definition of a business partner is broad, and could include agents, distributors, booksellers, joint venture partners or partners in Macmillan's supply chain who act on behalf of the company. Whilst the use of business partners can help us reach our goals, we need to be aware that these arrangements can potentially present Macmillan with significant risks.

Risk can be identified where a business partner conducts activities on Macmillan's behalf, so that the result of their actions can be seen as benefiting Macmillan. **Business partners who act on Macmillan's behalf must be advised of the existence of and operate at all times in accordance with this policy.** Local Management is responsible for the evaluation of each relationship and determining whether or not it falls into this category.

Where risk regarding a business partner arrangement has been identified, Local Management – in conjunction with the guidance entitled ['Due Diligence and Vetting Considerations for Business Partners'](#) – must:

- Evaluate the background, experience, and reputation of the business partner
- Understand the services to be provided, and methods of compensation and payment
- Evaluate the business rationale for engaging the business partner
- Take reasonable steps to monitor the transactions of business partners appropriately
- Ensure there is a written agreement in place which acknowledges the business partner's understanding and compliance with this policy

Macmillan is ultimately responsible for ensuring that business partners who act on our behalf are compliant with this policy as well as any local laws. Ignorance or "turning a blind eye" is not an excuse. As the business partner evaluation process will vary by business unit and type of business partner, Local Management should consult in the first instance with their Divisional Finance Director. Local Management and Divisional Finance Directors should consult with the Group Compliance Officer where necessary.

B. Business Courtesies

Business Courtesies include gifts, entertainment, hospitality, promotional items, sponsorships, donations to charity. They include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business. These activities are acceptable provided they fall within reasonable bounds of value and occurrence.

How to evaluate what is 'acceptable':

First, take a step back and ask yourself the following:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?
- How frequently is the business courtesy occurring?

If you find it difficult to answer one of the above questions, there may be a risk involved which could potentially damage Macmillan's reputation and business. The action could well be unlawful.

Although no two situations are the same, the following guidance should be considered globally:

Never acceptable

Circumstances which are never permissible include examples that involve:

- A 'quid pro quo' (offered for something in return)
- Gifts in the form of cash/or cash equivalent vouchers
- Entertainment of a sexual or similarly inappropriate nature

As a general rule, Macmillan employees and business partners should not provide business courtesies to, or receive them from, those meeting our definition of a public official in section 4 (or their close families and business associates). However, we do understand that in certain countries gift giving and receiving with these individuals is a cultural norm and in certain Macmillan businesses there are high levels of contact with public officials.

Additional rules apply to business courtesies to/from public officials. Make sure you understand them before engaging with public officials and if in doubt please consult with your Local Compliance Officer or the Group Compliance Officer before proceeding.

Usually acceptable

Possible circumstances that are usually acceptable include:

- Modest/occasional meals with someone with whom we do business
- Occasional attendance at ordinary sports, theatre and other cultural events
- Gifts of nominal value, such as pens, or small promotional items

A variety of cultural factors such as customs, currency and expectations may influence the level of acceptability. If you feel uncertain at any time regarding cultural acceptability of gifts, entertainment or hospitality, please consult with your Local Compliance Officer or the Group Compliance Officer. In addition, if an example does not fall under the above

categories, please in the first instance seek guidance from your Local Compliance Officer. Generally, such examples would not be permissible without prior approval.

Transparency is key

Each Division will be required to maintain and monitor its [gifts, entertainment and hospitality register](#). Any form of business courtesy given, received or offered – which meets or exceeds the equivalent of £75 in value – must be appropriately recorded in the register. In the event that an impermissible business courtesy has been given or accepted, you must appropriately record the transaction within the register and contact the Group Compliance Officer immediately.

C. Facilitation Payments

In many countries, it is customary business practice to make payments or gifts of small value to junior public officials in order to speed up or facilitate a routine action or process. It may be that we need to obtain licences or permits faster than the normal course; or, we may need lawfully to import or export books or materials.

Despite this, facilitation payments as defined here are against this Macmillan policy and we take the view that they are illegal within the UK as well as within most countries in which we operate. The UK Bribery Act 2010 makes no distinction between facilitation payments and bribes – regardless of size or local cultural expectations, even if that is “how business is done here”.

However, in the event that a facilitation payment is being extorted, or if you are forced to pay under duress or faced with potential safety issues or harm, such a payment may be made, provided that certain steps are followed. If you are ever placed in such a situation, you must contact the Group Compliance Officer as soon as possible and you must record the payment appropriately within Macmillan’s books and records to reflect the substance of the underlying transaction.

If you are unsure whether certain payments which resemble the definition of facilitation payments are permissible, please contact the [Group Compliance Officer](#).

8. Local Adaptation

In order for this policy to be effective, it is necessary for it to be applied across the Group worldwide, taking into consideration the diverse cultural environments in which we operate. This may require each business unit to adapt certain sections of this policy – such as gifts, entertainment and hospitality – to ensure they are fair, appropriate and applicable (whilst maintaining a consistent level of control across the group).

To ensure consistency, Local Management – in conjunction with Divisional Finance Directors – are responsible for reporting and confirming any local adaptations to this global policy with the Group Compliance Officer.

9. How to Raise a Concern

As individuals who work on behalf of Macmillan, we all have a responsibility to help detect, prevent and report instances not only of bribery, but also of any other suspicious activity or wrongdoing. Macmillan is absolutely committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every one to know how they can “speak up”.

If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance can only help. The sooner you act, the better for you and for the Company. To help, we have created multiple channels to allow you to do this.

If you are concerned that a corrupt act of some kind is being considered or carried out – either within Macmillan, by any of our business partners or by any of our competitors – you must report the issue/concern to your Line Manager and the Group Compliance Officer. If for some reason it is not possible to speak to your Line Manager, please then report it to another Senior Manager, the Company Secretary, or the Legal Department.

If you are not comfortable with speaking directly to a colleague or anyone mentioned above, Macmillan has introduced an online reporting facility for all employees and relevant business partners to use – speak-up.macmillan.com. The online facility has the capacity to handle anonymous complaints.

In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. Macmillan has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. If you have any questions about these procedures, please contact the Group Compliance Officer or the Legal Department.

10. Conclusion and Certification

It is the ultimate responsibility of the main board routinely to refresh and reinforce this policy and its underlying principles and guidelines. Local Management, under the overview of Divisional Finance Directors, are responsible for the establishment and ongoing monitoring of compliance with sections 6, 7 and 8 of this policy. All Macmillan business unit employees and relevant business partners are responsible for annual certification as to the receipt and understanding of this policy as part of our annual compliance training.

September 2012
Macmillan Ltd