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**Group / Legal**

**Anti-Bribery and**

**Anti-Corruption Policy**

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### Anti-Bribery & Anti-Corruption Policy Statement



This Policy has been prepared to assist you in understanding and complying with the rules against bribery and other corrupt conduct that apply to the DS Smith Group, its Employees and Third Parties.

DS Smith aims to conduct its business in accordance with the highest ethical standards and does not tolerate any form of corruption in any part of its business.

DS Smith is committed to complying with applicable anti-corruption laws in all countries in which it operates, and ensuring that opportunities for corruption and bribery are reduced to

the lowest practicable level of risk.

I expect all Employees and Third Parties to act with honesty and integrity at all times in accordance with DS Smith's values. Compliance with this policy is an essential requirement for all Employees and Third Parties, and failure to comply will be treated as a disciplinary matter and may lead to dismissal or termination of an Employee or Third Party's engagement with the DS Smith Group.

This document together with the *Compliance Framework Policy Anti-Bribery & Corruption and Anti-Trust* sets out the policy on the control of actual and suspected corruption and bribery within DS Smith, and the processes to be followed in the event of an actual or suspected instance of corruption or bribery being discovered.

This document is also supplemented by the DS Smith Commercial Agents Policy and the DS Smith Gifts & Hospitality Policy. These provide more detail on those two specific risk areas and compliance requirements.

If you become aware of any circumstances which are or may be in breach of this policy, you should promptly report them by:

- Submitting details via the secure DS Smith Speak Up! Website: <https://dssmith.integrityline.org/>
- Calling the confidential 24 hour "Speak Up!" hotline. Country specific phone numbers are included in the "Speak Up!" Policy;
- Sending an email to the Group General Counsel & Company Secretary ([AskCoSec@dssmith.com](mailto:AskCoSec@dssmith.com)); or
- Contacting your usual contact in the Legal Team or sending an email to [Legal@dssmith.com](mailto:Legal@dssmith.com).

All reported incidences of actual or suspected bribery or corruption will be promptly and thoroughly investigated.



Please read this policy carefully and ensure that you, and any Employees and Third Parties who report to you, are familiar with its contents.

If you have any further questions, please contact the Legal Team.

**Miles Roberts**  
**Group Chief Executive**

November 2021



## 1. Definitions

Capitalised terms in this Policy have the following meanings:

### ***Bribe/Bribery:***

- Offering, promising or giving anything of value or authorising the same, to improperly influence another in order to obtain or retain a business advantage or prevent or limit a disadvantage for the DS Smith Group or an individual; or
- Requesting or accepting anything of value as a reward for or as an inducement to act improperly in relation to the awarding of business by the DS Smith Group.

Bribes can include money, gifts, hospitality, expenses, reciprocal favours, political or charitable contributions, offers of employment, or any direct or indirect benefit or consideration.

***Corruption:*** Describes any dishonest conduct. This may include the giving or receiving of bribes but also any fraudulent act, or acting in a way that puts your interests in conflict with those of DS Smith, whilst in the course of employment or engagement with the DS Smith Group or whilst associated with the DS Smith Group.

***Employees:*** All individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), individual contractors/individuals provided by contractors, trainees, seconded staff, casual workers and agency staff, volunteers, interns, sponsors, or any other person associated with the DS Smith Group, or any of its subsidiaries or their employees, wherever located.

***Facilitation Payments:*** Small payments to Foreign Public Officials to facilitate routine, non-discretionary governmental action such as:

- Processing licences, permits, or other official documents to which the applicant is entitled;
- Processing government paperwork such as visas and work orders; and
- Providing required services such as police protection and mail pick-up and delivery.

***Foreign Public Officials:*** Officials of any government department or agency; officials of any public international organisation (e.g. the United Nations); political parties and party leaders; candidates for public office; executives and employees of state-owned or state-run



companies (such as a doctor in a state-controlled hospital); anyone acting on behalf of any of these officials; an individual holding a legislative, administrative or judicial position.

**Third Party/Parties:** Agents, brokers, partners, consultants, contractors, joint venture partners and any other representatives performing services for the benefit of the DS Smith Group or any of its subsidiaries, wherever located.

## 2. Who does the Policy apply to?

- 2.1. This Policy applies to all DS Smith Group operations worldwide, and all DS Smith Group Employees and Third Parties wherever located.
- 2.2. Employees and Third Parties are required to familiarise themselves with the applicable laws in each jurisdiction in which they conduct business on behalf of the DS Smith Group.

## 3. Who is responsible for this Policy?

- 3.1. The DS Smith Board of Directors has overall responsibility for this Policy and for ensuring that the DS Smith Group always complies with its legal and ethical obligations with respect to applicable anti-bribery and corruption legislation.
- 3.2. The Group General Counsel and Company Secretary has primary and day-to-day responsibility for implementing this Policy, monitoring its use and effectiveness, dealing with any queries about it, and monitoring internal control systems and procedures to ensure they are effective in countering bribery and corruption.
- 3.3. DS Smith management at all levels are responsible for ensuring that those Employees who report to them understand and comply with this Policy and complete the training issued by the Legal Team with respect to this Policy.

## 4. Zero-tolerance approach to Bribery and Corruption

DS Smith has a zero-tolerance approach to Bribery and Corruption.

Employees and Third Parties must not:

- Pay or receive Bribes to or from any person, including Foreign Public Officials
- Be involved in any form of Bribery or Corruption

- 4.1. The DS Smith Group (acting through its Employees and Third Parties) will not, whether



directly or indirectly, pay or receive any Bribes. There is no set monetary threshold that defines a Bribe and there is no need for the Bribe to be successful to be viewed as corrupt, as the promising or offering of it is enough to amount to a criminal offence. This principle applies across the DS Smith Group worldwide.

- 4.2. The DS Smith Group will not tolerate its Employees and/or Third Parties being involved in any level of Corruption or Bribery. All reported incidents of actual or suspected Corruption or Bribery will be promptly and thoroughly investigated and dealt with appropriately.
- 4.3. The DS Smith Group, its Employees and Third Parties must not offer, directly or indirectly, accept, promise, pay or authorise a Bribe to any Foreign Public Official with intent to influence them in their capacity as a Foreign Public Official, whether or not it would be an offence for the official to accept the bribe within an overseas jurisdiction.
- 4.4. Employees and Third Parties are required to draw attention to circumstances where they believe that there is, may be, has been, or may have been improper behaviour by other Employees or Third Parties (including external contacts of the DS Smith Group) in accordance with this Policy. All matters will be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure Act 1998 (applicable only in the United Kingdom), which protects the legitimate personal interests of employees and workers, and other similar applicable laws in the jurisdictions where the DS Smith Group operates.
- 4.5. Some bribery and corruption "Red Flags" are set out in **Appendix 1**.

## 5. Facilitation Payments

The DS Smith Group prohibits Facilitation Payments

- 5.1. The DS Smith Group prohibits, and has a zero-tolerance approach towards, Facilitation Payments as they are a form of Bribery and Corruption. Such payments are also prohibited by law in many jurisdictions, including in the United Kingdom.
- 5.2. If you have any questions or concerns about whether a payment might constitute a Facilitation Payment you should contact the Legal Team for advice.



## 6. Working with Third Parties

DS Smith may be liable for the corrupt actions of its Third Parties. Always exercise caution, and conduct appropriate due diligence, when working with Third Parties.

- 6.1. The DS Smith Group may be liable for “indirect” payments made or offered to any entity or person on its behalf by a Third Party.
- 6.2. Our zero-tolerance approach to bribery and corruption must be communicated to all Third Parties at the outset of our business relationship with those Third Parties and as appropriate thereafter.
- 6.3. When working with a Third Party it is essential that appropriate due diligence is carried out on the Third Party’s background and reputation and to understand any bribery and corruption risks that may exist.
- 6.4. At a minimum, an appropriate due diligence exercise should include a review of online and publicly available sources and, if deemed necessary, a search carried out by a third party investigative agency. Where possible, the due diligence process should also include a face-to-face meeting with the proposed Third Party.
- 6.5. The DS Smith Group considers that the following areas in particular require due diligence and risk assessment before entering into any business relationship, transaction or project (which for the avoidance of doubt includes Third Parties, joint ventures or acquiring a company):
  - a) assessing the fraud, Bribery and Corruption risk associated with the country in which the business is to be conducted;
  - b) reviewing the Third Party’s potential business partners;
  - c) reviewing the Third Party’s suitability for the engagement and circumstances under which the Third Party was selected;
  - d) reviewing the payment terms and arrangements for the Third Party; and



- e) reviewing the proposed project or business transaction in order to identify as far as possible the risk of Corruption or Bribery.

Watch out for potential "Red  
Flags"

6.6. When dealing with Third Parties, some "Red Flags" to watch out for as indicators of potential violations of anti-bribery or anti-corruption laws include:

- a) A Foreign Public Official recommends that the DS Smith Group hire a specific third party;
- b) The proposed compensation of a Third Party retained by the DS Smith Group is unreasonably high compared to the market rate without a reasonable explanation or there appear to be no or extremely limited services to be carried out;
- c) A Third Party retained by the DS Smith Group requests that payments:
  - i. be made off-shore;
  - ii. be made to a party other than the Third Party;
  - iii. be split among multiple accounts; or
  - iv. be made to an account in a country other than where the Third Party is located or business is to be performed;
 or any other unusual financial arrangements are proposed.
- d) A Third Party the DS Smith Group seeks to retain lacks qualifications or staff to perform the expected services;
- e) A Third Party relies heavily on political or government contacts instead of technical skills or time invested;
- f) Upon checking references, you find that the Third Party has an unsavory reputation or is not well known in the industry;
- g) A Third Party the DS Smith Group seeks to retain will not agree to terms requiring compliance with anti-bribery or anti-corruption laws;





- h) A country in which the DS Smith Group is conducting or seeks to conduct business is a high-risk location for corruption; or
- i) The same Third Party is repeatedly used for business without any reasonable justification for their repeated appointment.

6.7. Please note that this is a non-exhaustive list and other instances exist which may flag potential violations of anti-bribery or anti-corruption laws. Further "red flags" are included in **Appendix 1**.

6.8. If any such Red Flags are identified, their existence should be notified immediately to the Legal Team who will advise what measures need to be taken.

Suppliers must agree to our Global Supplier Standards which contain commitments against Bribery & Corruption.

Commercial Agents are subject to further specific requirements set out in the Commercial Agents Policy.

6.9. Unless otherwise agreed with the Legal Team, you must ensure that all DS Smith Group suppliers agree to DS Smith's Global Supplier Standards which contain commitments against Bribery and Corruption before they commence any work for DS Smith.

6.10. Commercial Agents are subject to specific due diligence, monitoring and documentation requirements that are set out in the Commercial Agents Policy. If you intend to engage a Commercial Agent or have an existing Commercial Agent, you must comply with the terms of the Commercial Agents Policy. In some countries the use of third party agents is banned by law due to the risk of corruption.

6.11. Consultants are also subject to additional requirements. If you intend to engage a consultant, you must comply with the DS Smith Consultancy Rules of Engagement.

6.12. Please consult with the Legal Team before engaging with other Third Parties as it may be appropriate for them to sign commitments against Bribery & Corruption.



## 7. Gifts & Hospitality

Employees must comply with our Gifts & Hospitality Policy

7.1. The DS Smith Group recognises that the act of giving and accepting gifts can be part of building normal business relationships. In different geographical locations this practice can vary significantly, often depending on local laws and specific customs. However, some gifts and hospitality can create improper influence and conflicts of interests. In some instances they can be viewed as Bribes that could damage the DS Smith Group's reputation or even break the law.

7.2. DS Smith's policy regarding the giving or receiving of Gifts & Hospitality, including with respect to Foreign Public Officials, is set out in a separate Gifts & Hospitality Policy.

## 8. Political donations

DS Smith does not make political donations or engage in political activities

8.1. The DS Smith Group will not make any political donations or participate in political activities in any jurisdiction. The DS Smith Group may, however, make representations to governments about matters affecting the Group's legitimate interests.

8.2. This policy does not limit the ability of Employees to make political donations, or to participate in political activities, in their personal capacity, but Employees must not suggest that they are representing the DS Smith Group in doing so.

## 9. Charitable contributions

Charitable contributions must be approved in accordance with SODA and not be for an improper purpose

9.1. All charitable contributions by the DS Smith Group, whether made directly or indirectly, must comply with applicable laws, must be publicly disclosable and must not be made to improperly influence the recipient or in exchange for any business advantage. Prior authorisation in accordance with the applicable DS Smith Schedule of Delegated Authorities (SODA) must be obtained before making any charitable donation.



9.2. This policy does not limit the ability of Employees to make charitable contributions in their personal capacity, but Employees must not suggest that they are representing the DS Smith Group in doing so.

## 10. Recordkeeping

Payments made or received by the DS Smith Group must be accurately recorded and comply with the Group SODA

10.1 Information related to all payments made or received by the DS Smith Group must be accurately recorded in the DS Smith Group books and records.

10.2 All disbursements and other financial transactions must be authorised by management in accordance with the applicable DS Smith Schedule of Delegated Authorities (SODA).

10.3 Undisclosed or unrecorded funds may not be established for any purpose.

10.4 DS Smith Group funds must not be placed in any personal or non-corporate account.

## 11. Protection for Employees who report Bribery or Corruption

11.1. Employees who refuse to accept or offer a Bribe or engage in Corruption, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

11.2. We are committed to ensuring no one 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. If you believe that you have suffered any such treatment, you can report it to your usual HR contact via your local grievance policy procedure, or to the Group HR Director or through the "Speak Up!" Policy.



## 12. Penalties, Enforcement and Discipline for Non-Compliance

You are encouraged to raise concerns with any member of the Legal Team about any issue or suspicion of bribery or corruption at the earliest possible stage.

- 12.1. The DS Smith Group views Corruption and Bribery very seriously. After investigation, the DS Smith Group will take legal and/or disciplinary action in all cases where it is considered appropriate.
- 12.2. A violation of this Policy by an Employee may result in disciplinary action as appropriate, up to and including termination of employment or termination of engagement. Where a case is referred to the police, the DS Smith Group will co-operate fully with police enquiries and these may result in the offender(s) being prosecuted.
- 12.3. Penalties for violations of anti-bribery and anti-corruption laws include both civil and criminal sanctions for both the DS Smith Group and the person and/or Third Party found to have committed the offence. Available criminal sanctions will vary between jurisdictions but include unlimited fines (which the DS Smith Group will not pay on behalf of any individual or Third Party) and imprisonment for up to ten years.
- 12.4. If you suspect any actual or potential breach of this Policy, please refer to the 'Speak Up!' Policy.

## 13. Training

- 13.1 The DS Smith Group will provide online and, where appropriate, in-person training on the risks of engaging in Bribery and Corruption, and the requirements of this Policy ("**ABC Training**"), to relevant Employees identified by the Legal Team on a regular basis.
- 13.2 All DS Smith Group line managers are responsible for ensuring that their direct reports who have been asked to complete ABC Training have completed the training, and may be asked periodically to confirm this to the Legal Team. Line managers should contact the Legal Team if they believe additional training is required for any of their direct reports or in their businesses.
- 13.3 Confirmation of compliance with this Policy is also required under the twice-yearly Group policy certification process, which applies to management and certain customer and supplier facing Employees identified by the Legal Team. This process is described further in the Compliance



Framework Policy – Anti-Bribery & Corruption and Anti-trust.

**14.Review**

The DS Smith Group will regularly review this Policy and revise it as appropriate including in light of any changes in applicable law.

**15.Questions and further information**

15.1. We have set out in **Appendix 2** some frequently asked questions that may assist you.

15.2. If you have any other questions or require further information on any aspect of this Policy, please contact either:

- The Group General Counsel & Company Secretary who has been appointed as the Bribery & Corruption Officer and has overall responsibility on the executive team for corruption and bribery matters and who can also provide the laws governing anti-corruption and bribery; or
- The Legal Team.

**Key Related Documents**

Ref Number	Title
	Speak Up! Policy
	Gifts & Hospitality Policy
	Commercial Agents Policy
	Compliance Framework Policy ABC & Anti-Trust
	DS Smith Global Supplier Standards
	Consultancy Rules of Engagement



**Document Change Record**

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V1	August 2017	First Version	Jeremy Aron	Iain Simm
V2	November 2021	Amendments made following review by Legal and Internal Audit	Wendy Ko	Iain Simm



### **Appendix 1 – Potential “red flags” that may indicate bribery and/or corruption**

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of the following risk scenarios/red flags while working for us, you must report it, either through the ‘Speak Up!’ Policy or to the Group General Counsel & Company Secretary or to the Legal Team:

- a. you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- b. you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- c. a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- d. a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- e. a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- f. a third party requests an unexpected additional fee or commission to "facilitate" a service;
- g. a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- h. a third party requests that a payment is made to "overlook" potential legal violations;
- i. a third party requests that you provide employment or some other advantage to a friend or relative;
- j. you receive an invoice from a third party that appears to be non-standard or customised;
- k. a third party insists on the use of side letters or refuses to put terms agreed in writing;



- i. you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- m. a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- n. you are offered an unusually generous gift or offered lavish hospitality by a third party;
- o. a third party requests a fixed fee rather than commission for sales earned or the fee/commission rate is unusually high; or
- p. a third party makes a payment directly to your relatives, or makes donations to charities set up by relatives.



## Appendix 2 – Frequently Asked Questions

**Q:** *How can I find out if a country has an anti-bribery or anti-corruption law in place?*

**A:** Always assume a country has anti-bribery or anti-corruption laws in place. In fact some countries have severe penalties including the death penalty for it. The Organisation for Economic Co-operation and Development's (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Anti-bribery Convention) represents the most well-known guidance points for companies. The Anti-bribery Convention itself establishes standards criminalising the bribery of Foreign Public Officials. Countries adopting the Anti-bribery Convention must then adopt their own legislation that criminalises the bribery of Foreign Public Officials. Many countries, states and municipalities have anti-bribery and anti-corruption laws in place. The relevant law in the UK, for example, is the Bribery Act 2010, and the primary relevant law in the U.S. is the Foreign Corrupt Practices Act of 1977 (FCPA). You should contact the Group General Counsel & Company Secretary or the Legal Team for additional information related to these laws.

**Q:** *Where can I find information about a country's corruption level?*

**A:** One resource is Transparency International (<http://www.transparency.org>), a global organisation focused on fighting corruption. Each year, Transparency International publishes its Corruption Perceptions Index, which measures the perceived levels of corruption in different countries.

**Q:** *If certain anti-bribery or anti-corruption laws permit facilitation payments, why does the DS Smith Group prohibit them?*

**A:** In almost every jurisdiction around the world where the DS Smith Group does business, a local law prohibits facilitation payments. In addition to being illegal, corruptly offering money or anything of value for services or to influence a decision is not ethical and is a poor business practice. Such behaviour does not align with the DS Smith Group commitment to conduct business ethically and with integrity.



**Q:** *Can the DS Smith Group still do business with government-owned entities?*

**A:** Yes. Anti-corruption and anti-bribery laws do not prevent the DS Smith Group from conducting legitimate business with government entities or government or Foreign Public Officials. However, you should always be aware of any potential red flags or indicators of corruption and bribery. If you suspect or become aware of corruption or bribery, you should contact the Group General Counsel & Company Secretary or a member of the Legal Team immediately.

**Q:** *Do I need to be aware of any other requirements when interacting with government or Foreign Public Officials?*

**A:** Yes, there are a number of requirements that apply to interactions with government and Foreign Public Officials including requirements relating to prohibitions related to providing gifts, meals and/or entertainment to government or Foreign Public Officials, and restrictions on and disclosure of political contributions. Prior to contacting government or Foreign Public Officials, you should first contact the Legal Team.

**Q:** *What happens if an Employee offers a bribe to a government or Foreign Public Official but does not end up paying the bribe? Can this still be a violation of the applicable anti-bribery or anti-corruption laws?*

**A:** Yes. Even a promise or offer to provide something to a government or Foreign Public Official, or authorisation of any such promise, offer or payment in exchange for the government or Foreign Public Official using his or her position to influence decisions – and not the actual payment – can violate the applicable anti-bribery or anti-corruption laws.

**Q:** *I noticed some payments that seem odd last month, but after briefly discussing the payments with other members of my group, I decided to let the payments go without additional questions. Have I done anything wrong?*



**A:** Looking the other way or failing to raise troubling information or red flags for further review may be viewed as “consent or connivance” and may violate anti-bribery or anti-corruption laws. If you become aware of questionable payments or other red flags or suspicious activity, you must immediately contact the Group General Counsel & Company Secretary or the Legal Team.

**Q:** *What are the penalties for violating anti-bribery or anti-corruption statutes like the UK Bribery Act 2010 or FCPA?*

**A:** Violations of the anti-bribery or anti-corruption statutes can lead to significant criminal penalties for both individuals and corporations.

Other penalties, such as being suspended from doing business with the government or Foreign Public Officials, a bar from participating in the securities business, expulsion from the local jurisdiction and local civil and criminal penalties, may also apply.

