

# Group Policy



## Anti-bribery and Corruption

### 1.0 Intent

- 1.1 Air New Zealand is committed to maintaining the highest ethical standards in business conduct and to complying with all applicable anti-bribery and corruption laws. This commitment is embodied in our [Code of Conduct](#) which requires all Air New Zealanders to commit to act with integrity, honesty and transparency and comply with the law.
- 1.2 The purpose of this Policy is to provide guidance and education about what is considered Bribery and Corruption and to set out Air New Zealand's expectations.
- 1.3 Bribery and Corruption are criminal offences in New Zealand and many other jurisdictions. Air New Zealand is bound by laws, including the Bribery Act 2010 of the UK and the Foreign Corrupt Practices Act of 1977, which govern our conduct worldwide. Potential penalties for Air New Zealand include unlimited fines, exclusion from tendering for public contracts and associated reputational damage and for individuals, up to ten years' imprisonment and/or significant fines, as well as personal and career reputation damage.
- 1.4 This Policy extends beyond our individual responsibility to comply with bribery and corruption laws globally, to ensuring that any third parties we engage to act on our behalf do the same.
- 1.5 This Policy should be read in conjunction with the [Gifts and Entertainment Policy](#) and the [Conflict of Interest Policy](#).

### 2.0 Scope

- 2.1 This is an Air New Zealand Group Policy which applies to all employees, contractors and other representatives of the Air New Zealand Group, collectively referred to as "employees".
- 2.2 Local ways of working do not override these policy requirements.

## 3.0 Policy Requirements

### 3.1 Zero Tolerance

3.1.1 Air New Zealand has a zero tolerance approach to bribery and corruption.

3.1.2 No individual shall, either directly or indirectly through third parties:

- a) Offer, promise or give to; or
- b) Seek, accept, request or agree to receive a financial or other advantage from a customer, supplier or any other third party with the intention of inducing or rewarding them to secure an improper business benefit.

Bribery of public officials of any country, as well as companies and private individuals is equally prohibited under the laws of many countries and under this Policy.

### 3.2 Facilitation Payments

3.2.1 Facilitation payments or “kickbacks” of any kind must not be made or accepted.

3.2.2 Individuals who are asked to make a payment on behalf of Air New Zealand must be mindful of what the payment is for, and whether the amount requested is proportionate to the goods and services being provided. Corporate Legal Services should be consulted where there is doubt whether certain payments constitute facilitation payments.

3.2.3 Any request for facilitation payment must be reported to Corporate Legal Services.

### 3.3 Third Parties

3.3.1 Air New Zealand could be liable for the actions of third parties (e.g. agent, contractor, supplier, joint venture partner) acting on its behalf. Individuals engaging third parties must complete sufficient due diligence to confirm that bribery is unlikely, before any agreement or contract is signed or renewed, and before any work is undertaken under that relationship.

3.3.2 If the due diligence process raises concerns, individuals must consult Corporate Legal Services for advice on whether further due diligence or other actions are required. Situations where a significant bribery risk may arise, or “red flags” which may raise concerns are outlined in **Appendix 1** of this Policy.

3.3.3 Results of due diligence must be documented and made available on request by Group Internal Audit or Corporate Legal Services.

3.3.4 When involved in a tender process or award of contracts concerning the provision of goods and services to Air New Zealand, individuals must ensure the appointment process is open, fair and transparent and in compliance with requirements under the [Procurement Policy](#) and the [Gifts and Entertainment Policy](#).

3.3.5 Any new third parties, or third parties whose contracts are being renewed, who provide services on behalf of Air New Zealand must agree to abide by the principles set out in Air New Zealand's Supplier Code of Conduct and this Policy.

### **3.4 Political Donations and Charitable donations**

3.4.1 Political donations shall not be made to political parties, candidates, or to any political cause or election fund. The only valid exception is where a donation has been expressly approved by the Board.

3.4.2 Charitable donations shall not be made for purposes of gaining commercial advantage. All charitable donations must be made in accordance with the [Sponsorships and Donations Policy](#).

### **3.5 Public Officials**

3.5.1 Giving or receiving gifts or entertainment may also be bribery in certain circumstances, as many countries have stringent rules that prohibit giving anything of value to public officials to influence their actions. The provision of money or gifts to any Public Official for the purpose of influencing them in their official capacity is prohibited.

### **3.6 Record Keeping and Internal Controls**

3.6.1 Individuals must maintain accurate and complete records (e.g. receipts and invoices) of payments made to third parties to evidence the business reason for such transactions. No attempts shall be made to facilitate or conceal improper payments.

3.6.2 An effective system of internal control and monitoring of transactions must be maintained at all times.

3.6.3 Any suspicions, concerns or queries regarding a payment should be raised with Corporate Legal Services immediately.

### **3.7 Training**

3.7.1 Training is an important part of the effective implementation of this Policy. All employees will be provided suitable training on the Code of Conduct as part of their induction process and on an annual basis thereafter. Training includes responsibilities around avoiding bribery and corruption.

## 4.0 Definitions

**Bribe:** The offer, promise or giving of anything of value in order to improperly influence a person's actions or decisions to gain or retain a business benefit. Bribery and corruption can take many forms including, the provision or acceptance of cash payments, facilitation payments, kickbacks, political contributions, charitable contributions, social benefits, gifts, travel, hospitality and rebates or reimbursements.

**Corruption:** The misuse of entrusted power or office, whether in the public or private sector, for private gain.

**Due Diligence:** An investigation of a business or person prior to signing a contract, or a standard of care taken before entering into an agreement or a transaction with another party.

**Facilitation Payments:** Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. These constitute Bribes under the law, regardless of whether they are a "way of doing business" in a particular country.

**Public Official:** Those in government departments, including employees of government-owned commercial enterprises, international organisations, political parties and political candidates.

**Kickback:** Payment for awarding business given to a person in a position of power or influence for having assisted the supplier in relation to awarding of the business.

## 5.0 Roles and Responsibilities

**All Individuals** are responsible for:

- Reading, understanding and complying with this Policy at all times.
- Being vigilant to “red flag” issues or significant bribery risks, which necessitate further due diligence.
- Reporting any incidents of facilitation payments or kickbacks, or any other actual or potential breaches of this Policy or concerns to Corporate Legal Services.

**Management:** Responsible for ensuring that all those reporting to them understand and comply with this Policy and are provided adequate and regular training on the Policy.

**Corporate Legal Services:** Responsible for:

- Anti-bribery and anti-corruption training and awareness for individuals to support them in complying with their obligations under this Policy.

## 6.0 Compliance

6.1 Bribery and Corruption are viewed by Air New Zealand as serious misconduct and will be treated as a disciplinary matter.

6.2 Breach of this Policy may lead to disciplinary action, up to and including dismissal (or termination of existing contractual arrangements for contractors or other agents) in accordance with Air New Zealand’s Disciplinary Policy. In some circumstances, a breach of this Policy may result in civil or criminal liability.

6.3 The only valid exception to this Policy is where there is an imminent threat of physical harm. In this scenario, the incident must be reported immediately to Group Security and Corporate Legal Services for investigation and action.

6.4 **SPEAK UP** - Any known violations of this Policy may be notified to a Manager, HR Business Partner or confidentially through the [Speak Up](#) Reporting Line.

Retaliation against an individual for raising concerns or reporting improper, inappropriate or unethical behavior in good faith under the provisions of this Policy, or participating in the investigation of a complaint, is prohibited.

## 7.0 Related Documents

- [Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Procurement Policy](#)
- [Sponsorships and Donations Policy](#)
- [Conflict of Interest Policy](#)
- [Gifts and Entertainment Policy](#)

## 8.0 Governance and Maintenance

### 8.1 Review Timetable

This Policy shall be reviewed regularly by Corporate Legal Services and be amended to reflect material changes in law or practice. At a minimum, this Policy will be formally reviewed once every three years by the Policy Management Committee.

## Appendix 1: Potential Bribery/Corruption risk scenarios: "red flags"

There are a number of issues i.e. "red flags" that may raise concerns and require further investigation/due diligence into whether a particular transaction presents a potential bribery issue. Potential issues that may call for further investigation include (this list is not intended to be exhaustive):

- A third party engages in, or has been accused of engaging in, improper business practices;
- 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;
- 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 Air New Zealand;
- 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;
- A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- A third party requests an unexpected additional fee or commission to "facilitate" a service, or a fee that is not published;
- A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- A third party requests that a payment is made to "overlook" potential legal violations;
- A third party insists on the use of side letters or refuses to put terms agreed in writing;
- 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 Air New Zealand;
- An individual is offered an unusually generous gift;
- We receive an invoice from a third party that appears to be non-standard or customised;
- We have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;

- The prevalence of bribery in a country (see the Corruption Perceptions Index 2013 compiled by Transparency International)
- Payments of unusually high fees or commissions;
- Requests for cash payments;
- Request for payments to different companies or to different countries;
- Undefined or unreported payments to third parties made on Air New Zealand's behalf;
- Absence of written agreements;
- Unusually close relationships with government officials;
- A refusal to certify compliance with this Policy.

Individuals who encounter any of these red flags must report them promptly to their Line manager and to Corporate Legal Services.