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Anti Bribery & Anti Corruption Board Policy

Approved by the Board: 8 December 2017

CONTENTS

1.	POLICY STATEMENT	3
2.	OBJECTIVES	3
3.	SCOPE	3
4.	POLICY DETAILS	3
5.	ROLES AND RESPONSIBILITIES	7
6.	MONITORING, EVALUATION AND REVIEW	7
7.	DEFINITIONS AND ABBREVIATIONS	8
8.	ASSOCIATED DOCUMENTS	8
9.	REFERENCES	8

1. POLICY STATEMENT

IDP Education Limited (IDP) has a long held reputation for conducting business in an ethical and honest way. This reputation is built on our brand values of expertise, integrity, quality, caring and community, which are the foundation for the IDP Code of Conduct Policy and Code of Business Conduct Handbook (collectively referred to as the Code of Conduct).

IDP strives to participate as a strong competitor in our global market, and is committed to doing so without the use of bribery or other corrupt practices to obtain an advantage.

Bribery and corruption are morally and ethically wrong and could seriously damage IDP's reputation. Bribery is a criminal offence and any corrupt act exposes IDP and its employees to the risk of prosecution fines and imprisonment.

IDP applies a 'zero tolerance' approach to acts of bribery and corruption by any of our employees, officials, directors or third-party representatives, collectively referred to as an 'IDP Person'. Country and Regional Management has the primary responsibility for implementing this Policy within their areas of responsibility.

Any breach of this Policy will be regarded as a serious matter by IDP and will result in disciplinary action which may include termination of employment or contract and referral to law enforcement.

2. OBJECTIVES

The purpose of this Policy is to ensure awareness of IDP's Anti Bribery and Anti Corruption policies and obligations and to ensure that compliance with the Anti Bribery and Anti Corruption obligations, as outlined in this Policy, is monitored and enforced.

3. SCOPE

This policy applies to IDP business operations, major business initiatives, projects and all IDP employees and directors and the principles of this policy, as outlined in the Policy Statement, and applies across IDP globally. The Policy must be read in conjunction with, and is subject to, the laws relating to employment and the responsibilities, if any, of employers and employees in the many local environments in which IDP operates.

4. POLICY DETAILS

Bribery and Corruption Laws and Enforcement

Bribery is a criminal offence and penalties can be severe for both companies and individual employees.

There is legislation in many countries, including Australia (the Criminal Code Act), China (Anti-Unfair Competition Law as well as other regulation), the United States (the Foreign Corrupt Practices Act and Anti-Kickback Statute) and the United Kingdom (the Bribery Act), that prohibit bribery and corruption and are vigorously enforced by their respective enforcement authorities. Acts of bribery and corruption committed overseas may also result in a prosecution at home and in other jurisdictions.

Who may be guilty of Bribery and Corruption?

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

- An employee, officer or director
- Any person acting on behalf of another (i.e. a third-party representative)
- Organisations which authorise, permit or facilitate others to carry out such acts.

People who are likely to be approached with bribes or to engage in corrupt conduct are generally those who are able to obtain, retain or direct business, or government officials involved in some aspect of the regulation or purchase of a company's products and services. For example, this could involve tendering and contracting, or the handling of administrative tasks such as licences, customs, taxes or import/export matters.

For the purposes of this policy, a 'government official' could be (but not limited to):

- A public official, whether foreign or domestic
- A political candidate or party official
- A representative of a government-owned/majority-controlled organization or a representative carrying out public services, e.g. education services
- An employee of an international organisation (e.g. World Bank)
- An education professional working for a government or other public educational institution

Bribery and Corruption Prevention

1: Risk Assessment

Country Management will assess the vulnerability of their operations to bribery and corruption risks. Where exposure to bribery and corruption risk is identified the risk will be managed in line with IDP's established risk management framework. Country Management will consult with the Regional Director and the Internal Audit Manager who will assist in applying IDP's risk management policies in relation to the potential risks identified.

2: Accurate Books and Record-Keeping

Country Management must ensure that books, records and overall financial reporting are transparent. That is, they must accurately reflect each and all underlying transactions. The obligations in relation to business and financial records are addressed in the Code of Conduct Policy and Handbook.

3: Effective Monitoring and Control

Country Management must take the necessary steps to maintain an effective system of internal control and monitoring to prevent bribery and corruption. This includes education and training of employees.

Country Management must provide a sign-off as part of the bi-annual control self assessment (CSA) process to assure that the business that they are responsible for has assessed the vulnerability of its operations to bribery and corruption risks; that appropriate controls and monitoring have been put in place to prevent bribery and corruption; and, that there have to the best of their knowledge been no instances of bribery or corruption that have not otherwise been reported to a member of the Global Leadership Team and the Internal Audit Manager.

Key Risk Areas for Bribery and Corruption

1: Gifts, Entertainment and Hospitality

Gifts, entertainment and hospitality 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 only acceptable if they:

- Are of modest or symbolic value and are in line with customary business practice in the country (see 'Determining Acceptable Value' section below)
- Do not influence, or are not perceived to influence, objective business judgement
- Are not prohibited or limited by applicable laws or applicable industry codes.

IDP Persons must not accept gifts or entertainment where to do so might influence, or be perceived to influence, objective business judgement.

As a general rule, IDP Persons should not provide any gifts to, or receive them from, government officials. With the prior approval of the Regional Director, rare exceptions may be permitted where a gift is part of an important local/cultural custom, is permitted under applicable law and is of nominal value.

How to evaluate what is “acceptable”

An IDP Person should consider the following when giving or receiving any gift, entertainment or hospitality:

- What is the intent – is it to build a relationship which supports both parties in working positively together or could the intent be to have the IDP person indebted to the provider?
- How would this look if these details were reported on the front of a newspaper – could it impact negatively on IDP?
- What if the situation was reversed – would there be a double standard, could IDP be perceived to be providing the gift to get an unfair advantage?

The answers to these questions should assist in determining if there is a risk involved that the gift, entertainment or hospitality could be, or could appear to be, improper and could potentially damage IDP'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 benefit or advantage offered for something in return
- Gifts in the form of cash/or cash equivalent vouchers
- Entertainment of a sexual or similarly inappropriate nature
- Making incomplete, false or inaccurate entries in IDP's books and records

Sometimes acceptable

Activities that may be acceptable depending upon the particular country and the particular person IDP does business with include:

- Modest/occasional meals
- Occasional attendance at ordinary sports, theatre and other cultural events
- Gifts of nominal value, such as pens, or small/low value promotional items

If the person IDP does business with is an educational professional or government official there may be local laws and applicable industry codes that would further restrict activities that may otherwise be considered acceptable. It is the responsibility of the IDP person to be aware of these and ensure that such further restrictions are adhered to.

If a situation does not fall under the above categories, guidance should be sought from the Country or Regional Director. Generally, such instances would not be permissible without prior approval.

Determining Acceptable Value

A variety of factors such as local laws, applicable industry codes, customs, culture and currency may influence the level of acceptability. A maximum limit on the value of any gift is set at AUD100 and a maximum total limit for meals, entertainment and events is set at AUD200 per person. If an IDP Person considers that there is a need to exceed these limits, approval must be obtained from the Regional Director and Regional CFO and such approval must be formally recorded.

2: Facilitation Payments

A facilitation payment is a small payment made to a government official to secure or expedite the performance of a routine or necessary action (for example, the issue of a permit or license) to which the payer of the facilitation payment is entitled.

As a general rule, it is IDP's policy that facilitation payments must not be made.

In the event that a IDP Person encounters a request for, or a perceived need for, a facilitation payment, the IDP Person must notify the Country and Regional Director. In limited circumstances, where not prohibited by local or applicable laws, and where not in contravention with this Policy, a facilitation payment may be approved by the Regional Director in consultation with the Corporate CFO. In all such cases, the payment must be appropriately and accurately recorded within IDP's books and records to reflect the substance of the payment and the underlying transaction.

3: Political Donations, Charitable Donations and Sponsorships

Neither IDP nor any IDP Person may make any direct or indirect contribution to any political party, organisation or individual engaged in politics. All forms of political donations are prohibited.

IDP must ensure that any charitable contribution or sponsorship is not being used as a subterfuge for bribery. All charitable donations and sponsorships must be made in accordance with applicable local laws and regulations and in accordance with IDP's Delegation of Authority framework.

4: Use of Third Party Representatives

For the purposes of this Policy, the term 'third-party' includes anyone who is not an IDP employee or officer of the company. As such, a 'third-party' includes licensees, contractors and sub contractors, service providers and joint venture partners. Risk can be identified where a third-party conducts business activities on IDP's behalf or distributes IDP's products, so that the result of their actions can be seen as benefiting IDP.

Third-parties who act on IDP's behalf or distribute IDP's products must operate at all times in accordance with IDP's Code of Conduct and this Policy.

The Country Director is responsible for the evaluation of each third-party relationship and assessing risk. Where the third party is in relation to IELTS the approval of IELTS management will be required. Where potential risk regarding a third party arrangement has been identified the Country Director must:

- Evaluate the background, experience, and reputation of the third-party
- Understand the services to be provided, and methods of compensation and payment
- Evaluate the business rationale for engaging the third-party
- Provide a due diligence report to IELTS management
- Take reasonable steps to monitor the transactions of the third party

How to Raise a Concern

All IDP Persons have a responsibility to help detect, prevent and report instances not only of bribery and corruption, but also of any other suspicious activity or wrongdoing in connection with IDP's business.

IDP is committed to ensuring that all IDP Persons have a safe, reliable, and confidential way of reporting any suspicious activity.

IDP has established and will continue to maintain multiple channels that facilitate the reporting of any suspected incidence of bribery or corruption. An IDP Person may report the issue/concern to their Manager in the first instance.

If for some reason it is not possible to speak to their Manager then the issue/concern should be reported to another Manager, the Country or Regional Director, or the Internal Audit Manager.

If an IDP Person is not comfortable with speaking directly to a colleague or anyone mentioned above, they should refer to IDP's Whistleblower Protection Policy and / or access 'Your Voice' as outlined in the Code of Conduct.

In the event that an incident of bribery, corruption, or wrongdoing is reported, IDP will act as soon as possible to evaluate the situation. IDP has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. In addition to any internal procedures, this includes the referral to appropriate government enforcement agencies.

5. ROLES AND RESPONSIBILITIES

Global Leadership Team (GLT) – The GLT has responsibility to set the tone and for embedding the Anti Bribery & Anti Corruption policy across the organisation. The GLT will actively foster application of the Policy and will address breaches of the Policy reported to them.

Regional Directors – have individual responsibilities to assist Country Directors in applying the Policy within their region.

Country Directors – have responsibility for applying the principles and requirements of this Policy in their country in a manner which is cognisant of local requirements and regulations.

Internal Audit Manager – has a responsibility to address matters raised with him / her in accordance with this Policy and to provide assistance as requested to Country Directors in relation to implementing suitable prevent and detect controls.

Managers – are expected to support staff in the application of this Policy and to escalate to Country or Regional Management matters raised in accordance with this Policy which warrant action or addressing by senior management.

All staff – are required to acknowledge their understanding of and commitment to abide by the Policy. Staff are also expected to raise breaches or potential breaches of the Policy with their manager or others in accordance with this Policy.

6. MONITORING, EVALUATION AND REVIEW

This policy must be reviewed every two years from the date the policy was initially released or last reviewed.

7. DEFINITIONS AND ABBREVIATIONS

Term	Meaning
Bribery	<p>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.</p> <p>Bribes can take on many different shapes and forms, but typically there will be a “<i>quid pro quo</i>” – meaning that both parties or a party’s designate will benefit. A bribe could be:</p> <ul style="list-style-type: none"> ▪ The direct or indirect promise, offering, or authorization, of anything of value (whether the value is material or not) ▪ The offer or receipt of any kickback, loan, fee, reward or other advantage ▪ The giving of aid, donations or voting designed to exert improper influence. <p>Acts of bribery are designed to influence individuals to act dishonestly in the performance or discharge of their duty. For the purpose of this Policy whether the target of the act of bribery works in the public or private sector is irrelevant.</p>
Corruption	The misuse of office or power or influence for private gain.

8. ASSOCIATED DOCUMENTS

- Code of Conduct Policy
- Code of Business Conduct Handbook
- Fraud Prevention Board Policy
- Fraud Prevention Operational Policy
- Whistleblower Protection Board Policy
- Delegation of Authority Board Policy
- Delegation of Authority Operational Policy

9. REFERENCES

No references noted.

Policy Owner: Chief Financial Officer

Action	Date	Responsibility
Approved	17 August 2012	Board
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