

Risk Committee report continued

Development risks

The Risk Committee's role is to gain assurance that risks are being identified, effectively managed and where possible mitigated.

At each meeting during 2020, the Risk Committee met with the Director of Development, Richard Baldwin, and members of the Development team to discuss the Group's largest development projects and the management of risks.

We have classified three development-related risks as principal to the Group – reduced development returns, 'on-site' risk and contractor/subcontractor default – these are discussed in further detail on pages 92 and 93.

p.92 Risks arising from our development activities

Brexit

The Committee's responsibility during 2020 was to ensure that management was proactively planning for the risks and challenges which could arise from the Brexit transition negotiations and the eventual outcome.

At each annual strategic review since the referendum decision, the Board as a whole considered potential Brexit scenarios on the Group's five-year strategic plan and long-term viability.

In 2021, the Committee will continue to monitor international trade negotiations, including the UK application to join the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) and the agreement of terms with the EU in respect of the financial services sector (see pages 88 and 89).

p.85 Brexit-related risks

Anti-bribery and corruption

We are committed to the highest standards of ethical conduct and integrity in our business practices and adopt a zero-tolerance approach to bribery and corruption. An overview of our policies and procedures in this area is contained in the table below.

Test	Purpose
Corporate hospitality	Hospitality must be reasonable in value, appropriate to the occasion and provided openly and transparently. It must not compromise, nor appear to compromise, the Group nor the business judgement of our staff.
Business gifts	Generally, gifts should not be accepted unless valued less than £50, are not cash or a cash equivalent (e.g. gift certificate), are appropriate to the circumstances and are not given with the intention of compromising or influencing the party to whom it is being given.
Hospitality and Gift Returns	All staff are required to complete quarterly Hospitality and Gift Returns which document all instances of third-party hospitality or gifts (given or received) over that three-month period if the value is in excess of £50 for hospitality and £10 for gifts. The Hospitality and Gift Returns are subject to review by the Risk Committee.
Political donations	The Company strictly prohibits any political donations being made on its behalf.
Charitable donations	Charitable donations are handled by the Sponsorships and Donations Committee. 'Know your client' procedures are applied to charitable organisations to ensure we are dealing with a valid body acting in good faith and with charitable objectives.
Contractors and suppliers	Our zero-tolerance approach is communicated to all suppliers, contractors and business partners. Due diligence procedures determine if a third party has previous convictions under the Bribery Act. All contracts with suppliers or contractors prohibit the payment of bribes or engaging in any corrupt practice. The Company has the right to terminate agreements in the event a bribe is paid or other corrupt practice undertaken.
Supply Chain Sustainability Standard	Contains the minimum standards we expect from our major suppliers (further information on page 148).
Payments	All payments made must be warranted, transparent and proper. All payments must be accurately recorded through the normal accounting and financial procedures without any deception or disguise as to the recipient's identity or the purpose of the payment in question. No one approves their own expense claim. All expense claims must be approved by a Director or senior manager.
Facilitation payments	Facilitation payments are bribes and are strictly prohibited.
Conflicts of interest	All conflicts of interest or potential conflicts of interest must be notified to the Company Secretary and a register of such notifications is maintained. The Corporate governance statement on page 119 explains our process for managing potential conflicts.
Training	We provide our employees with guidance notes and regular training on anti-bribery, corruption, ethical standards and the prevention of the facilitation of tax evasion.
Whistleblowing procedures	A confidential helpline is available for staff to report concerns anonymously. Further information on page 116.