

Anti-Bribery and Corruption

Financial crime is a serious threat to financial services, our customers, the vulnerable and the wider community. That's why Virgin Money is committed to countering it.

Bribery is just part of the corruption which exists at all levels of society in varying degrees. It is regarded as a symptom of power and greed. Inadequate governance and corrupt practices in high level political, commercial and industrial dealings are detrimental to the economy, the poor and vulnerable.

Keeping us on the right track

The Bank has a zero-tolerance approach towards bribery and corruption – and we're committed to complying with applicable legal and regulatory requirements, primarily the UK Bribery Act 2010. This enables the prosecution of individuals and commercial organisations that don't have effective controls in place to prevent bribery and corruption.

Overall accountability for risk management lies with the Board. However, it is the Money Laundering Reporting Officer (MLRO), in their role as Senior Manager Function (SMF17) who is accountable for the Group's compliance with our anti-bribery and corruption obligations.

The MLRO, together with the Financial Crime Risk Team, keep our Financial Crime Policy Statement, Policy Standards and underlying supportive guidance up to date. These help us develop systems and controls which reduce our exposure to the risk of bribery and corruption.

The Standards we uphold

To ensure all our colleagues understand their roles and responsibilities in preventing and detecting bribery and corruption, we have what we call Standards.

These are supported by Group-wide Policy Breach & Exemption Guidance, and apply to the entire Virgin Money Group. That includes our employees, contractors, agency workers, and directors. To help colleagues stay up-to-date, all must complete financial crime risk training at least once a year. It covers anti-bribery and corruption, as well as anti-money laundering, counter-terrorist financing, sanctions and embargoes.

We also engage stakeholders across the Bank with training sessions, relevant updates, and regular forums to ensure we are aware of our obligations, with the focus on financial crime risk management.

Our anti-bribery and corruption Policy Standard contains a set of key principles. Here's a summary:

- We have a documented Financial Crime Framework in place that outlines how we manage and oversee financial crime risk in the Bank.
- We conduct a financial crime risk assessment which identifies and assesses the risks of bribery and corruption associated with the Bank's products, jurisdictional exposure, customers, suppliers and procurement process.

- We operate a 'three lines of defence' model which ensures all duties are properly segregated, and controls effectively overseen.
- We have risk-based procedures in place to manage and oversee the procurement and supplier process.
- Our Standards clearly define prohibited activities. These include facilitation payments and corrupt activity, as well as the offer, request, giving or receiving of a bribe.
- No colleagues are permitted to make political donations of any kind on behalf of the Group, except the Board of Directors in limited circumstances relating to activities which form part of the regular operations of Virgin Money such as, communicating with government at local, national, and European level and funding events to which politicians are invited.
- Charitable or sponsorship payments can only be made having obtained the appropriate authorisations.
- Any gifts and hospitality are recorded on our register, and there are thresholds and approval limits on what can be given or received.
- Our high-risk customers and Politically Exposed Persons (PEPs) are subject to enhanced due diligence and monitoring. We have a dedicated team to manage those relationships.
- Across the business, we ensure everyone understands when and how to make a suspicious activity report, and what to look out for after reporting. This guidance also details what our legal obligations are – not only when to report, but the illegality of tipping off a customer that they may be under investigation.
- Policy breaches and exemptions are coordinated through a centralised team, with engagement from the subject-matter experts and policy owners. Where necessary, these breaches and exemptions are reported to senior management.
- The Bank also has Standards for Conflicts of Interest and Whistleblowing.

As a bank, we're completely open about the bribery and corruption-related issues and events we face. Our Financial Crime Risk Forum facilitates regular engagement and information-sharing between colleagues and functions. Plus any risks can be identified, assessed and tracked within our dedicated risk portal.

The Bank ensures that independent, risk-based oversight and assurance activity is in place across all three lines of defence. This allows us to determine the effectiveness of our anti-bribery and corruption framework. Plus it enables compliance with the relevant legal and regulatory obligations.

Our Standards help us make sure that everyone within Virgin Money knows what they are responsible for, and our guidance documents help with understanding those responsibilities.

Overall responsibility for how we monitor, manage and mitigate bribery and corruption risk sits with our Board Risk Committee. It is carried out with absolute transparency:

1. Each year, a Money Laundering Reporting Officer's Report is submitted to the Board Risk Committee for noting. This includes an overview of how effective we are at managing our bribery and corruption risks.
2. Throughout the year, any issues are included in the Group Chief Risk Officer's report, which is shared with the Board Risk Committee.
3. The Board must approve the ABC Policy Standard and Financial Crime Risk Policy Statement on an annual basis.