

The GoodCorporation Framework on Bribery and Corruption

The GoodCorporation Framework on Bribery and Corruption is a set of responsible business principles, which acts as a tool to improve the robustness of management practices in relation to the risks of bribery and corruption in an organisation.

The Framework follows the methodology used by the GoodCorporation Standard of responsible business management, which has been in use since 2001.

GoodCorporation uses an independent assessment process that looks at four levels of evidence for each individual practice and assesses them against a four-point scale.

The assessor checks:

that a policy exists

policy documents are reviewed

that a system is in place to implement the policy

systems are examined

that records exist which show that the system works in practice

a sample of records is reviewed

that stakeholders agree that the system works in practice

interviews are held with employees, customers, suppliers, contractors, public sector officials and other relevant stakeholders

The assessor awards a grade:

no action required

the policy and system work well

improvement recommended

there is a policy and system that work but potential improvements have been identified

action required

there is a policy and system but they do not always work and require corrective action to reduce risk

significant action required

there is no policy or system, or it has largely broken down, and significant action is required to reduce risk

Using this Framework, GoodCorporation offers both high-level reviews of head office policies and site-level reviews of their application in operating units.

For every assessment a report is provided, giving an independent analysis and grade for each practice along with recommendations for improvement. The assessment report is intended for internal management purposes only. It is the decision of the assessed organisation whether the content of the report or grades awarded are made public. Content made public must give a balanced and accurate representation of findings.

This Framework assesses the robustness of an organisation's anti-corruption processes. It is not intended to serve as legal advice or as a tool for investigating specific incidents or allegations of corruption. GoodCorporation accepts no liability to third parties for the actions of the assessed organisation or its employees.

The GoodCorporation Framework on Bribery and Corruption

The organisation is committed to conducting its business with the utmost integrity.

No form of bribery or corruption is tolerated.

1. Top-level commitment

- TC1: There is a written and clearly articulated anti-bribery and corruption (ABC) policy.
- TC2: The policy of zero tolerance of bribery and corruption has been formally approved by the board or equivalent.
- TC3: There is high-level and clear ownership of ABC controls.
- TC4: ABC issues and related policies are regularly considered by the board or equivalent.
- TC5: The policy of zero tolerance of bribery and corruption has been made public, together with the organisation's supporting policies and implementation.
- TC6: The organisation actively participates in appropriate ABC initiatives.

2. Communication and training

- CT1: Employees receive the ABC policy and make personal commitments to follow it.
- CT2: Employees are trained on the company's ABC policies.
- CT3: The organisation communicates its ABC policies to its suppliers, customers, agents and intermediaries and obtains their commitment to follow equivalent principles.
- CT4: The organisation communicates its ABC policies to its joint venture partners and obtains their commitment to follow equivalent principles.
- CT5: Sales and marketing intermediaries are trained on the company's ABC policies.
- CT6: ABC guidance and advice are provided to directors, managers, employees, agents and intermediaries.

3. Risk assessment

- RA1: There is a risk assessment that evaluates the risks of bribery and corruption in markets, countries and sectors where the company is operating, or is considering operating.
- RA2: The ABC controls are monitored and regularly reviewed to ensure that they are up-to-date and suitable.

4. Due diligence

- DD1: There is a process for deciding when due diligence regarding bribery and corruption is required.
- DD2: There are clear due diligence procedures to examine the ethical practices of current and prospective agents, intermediaries, key suppliers, wholesalers and distributors.

DD3: There are clear ABC due diligence procedures relating to mergers and acquisitions as well as joint venture projects.

DD4: Where due diligence identifies contracts or entities as high risk, processes are in place to manage the risks identified.

5. Key business functions

Sales and marketing

- SM1: ABC safeguards are built into sales and marketing processes.
- SM2: Customers and sales and marketing intermediaries have clear terms and conditions with appropriate ABC clauses.
- SM3: There are well-defined guidelines for carrying out major bids to supply goods and services, which ensure that expenditure is devoted to the quality and communication of the bid only.
- SM4: There are procedures and controls to ensure that commercial sponsorship avoids any element of bribery or inappropriate influence.
- SM5: No inducements in cash or in kind are offered to influence sales.
- SM6: There are controls in place on the setting of prices, discounts, credit terms and sales incentives.
- SM7: Remuneration for in-house sales staff is consistent with responsible selling.
- SM8: Sales and marketing agents and intermediaries follow the organisation's policies on bribery and corruption.
- SM9: Sales and marketing agents and intermediaries are required to follow clear rules and controls on the offer and acceptance of gifts and hospitality, which ensure that these do not influence business decisions.
- SM10: Remuneration paid to sales and marketing agents and intermediaries is appropriate and justifiable.

Procurement

- PP1: ABC safeguards are built into tendering, selection and procurement processes.
- PP2: Suppliers have clear terms and conditions with appropriate ABC clauses.
- PP3: There are clear processes for approving the receipt of goods and the completion of services.
- PP4: There is a separation of duties in the approval and payment of invoices.
- PP5: Procurement policies are clearly communicated to suppliers and partners.
- PP6: No inducements in cash or in kind that could influence procurement decisions are accepted or offered.

- PP7: Contracts contain rights to audit suppliers in relation to ABC, which are exercised as required.
- PP8: There is a clear policy to apply sanctions to suppliers and partners where corrupt activity is discovered.

Human resources

- HR1: Employees follow clear rules and controls on the offer and acceptance of gifts and hospitality which ensure that these do not influence business decisions.
- HR2: All gifts and hospitality given or received are recorded.
- HR3: Disciplinary processes are used to support the observance of the organisation's ABC policies and procedures.
- HR4: There is a clear policy for employees on conflicts of interest which requires that any potential conflicts are declared and managed.
- HR5: There are strict rules and processes to ensure that confidential information is protected.
- HR6: Recruitment processes are merit-based and include screening for political connections and conflicts of interest.
- HR7: Performance appraisals include specific reference to ABC.

Finance

- FN1: There are clear policies and processes to ensure that accurate books and records are maintained.
- FN2: There are appropriate financial controls and separation of duties.
- FN3: There are appropriate internal audits which include ABC checks.
- FN4: There are appropriate controls on banking transactions.
- FN5: Remuneration for agents, intermediaries and other suppliers is made through bona fide channels.
- FN6: There are processes for authorising and monitoring employees' and intermediaries' expenses or cash advances.

Government and regulatory affairs

- GV1: There are clear policies and procedures for managing relations with public officials.
- GV2: There is a clear policy forbidding political contributions whether direct or indirect.
- GV3: There are clear rules on lobbying and interaction with government to ensure that no undue influence or preferential treatment is obtained and all interactions are recorded.
- GV4: No inducements in cash or in kind are offered to public officials to influence decisions.
- GV5: No form of facilitation payment, in cash or in kind, is allowed.
- GV6: There are clear procedures and training to combat facilitation payments.

- GV7: Where it encounters corruption as a material business issue in a particular country, the organisation engages in constructive dialogue with that country's government and authorities.
- GV8: There are procedures and controls to ensure that community projects and charitable contributions are not used to obtain undue business influence.
- GV9: A register is kept of all agents, intermediaries and political consultants who obtain permits, licences and authorisations on the company's behalf.
- GV10: Permitting agents and intermediaries interacting with government officials or regulators have clear terms and conditions with appropriate ABC clauses.
- GV11: Permitting agents and intermediaries interacting with government officials or regulators follow the organisation's policies on bribery and corruption.
- GV12: Permitting agents and intermediaries interacting with government officials or regulators are required to follow clear rules and controls on the offer and acceptance of gifts and entertainment which ensure that these do not influence official decisions.
- GV13: Remuneration paid to permitting agents and intermediaries interacting with government officials or regulators is appropriate and justifiable.
- GV14: There is a policy to ensure that Politically Connected Persons are not used to gain undue advantage.

6. Compliance and monitoring

- CM1: There is a compliance function (or equivalent) with a clear remit and adequate resources to support the ABC policy.
- CM2: The compliance function has a reporting line to independent directors.
- CM3: Senior management communicates ABC policies and any current cases to independent directors or the parent organisation (where relevant).
- CM4: Senior management ensures that the organisation abides by all applicable national and international ABC laws, conventions and industry standards.
- CM5: There is a confidential process for stakeholders to report issues of concern to senior management. Anyone reporting such a concern is protected.
- CM6: All issues reported confidentially are properly recorded and investigated, with appropriate steps taken to prevent reoccurrence.
- CM7: There are processes to deal with cases of actual or suspected bribery and rules for when to report to the relevant authorities.
- CM8: The ABC controls of joint ventures and significant investment projects are monitored and, where appropriate, audited.
- CM9: An external review of the adequacy of the company's ABC controls is undertaken.
- CM10: The views of employees and other stakeholders are proactively sought to help review and strengthen ABC policies and procedures.

