



**UNODC**

United Nations Office on Drugs and Crime

# Anti-Corruption Policies and Measures of the Fortune Global 500

In cooperation with PricewaterhouseCoopers

## *Highlights*

While internal anti-corruption policies and measures vary within companies of the Fortune Global 500, there are a number of recurrent issues that are evident in the Report.

### *Setting the tone, and practicing what they preach*

While most companies surveyed say that they have a zero-tolerance policy towards corruption, only a few make explicit references to the laws and the international treaties they commit to comply with. Furthermore, only some of them explicitly assure managers that they will not suffer criticism or any other consequence for losing business due to their refusal to engage in corrupt practices. A small number of companies explicitly state the consequences that unethical and corrupt behaviors can have for the enterprise, its employees, costumers and investors. The same companies, to a large extent, disclose the number of annual internal investigations conducted and sanctions administered, including the number of staff dismissed and contracts terminated as a result of corrupt behaviors by employees and contractors.

### *Communicating the compliance policies*

The large majority of the companies surveyed request that new employees confirm to have read and familiarized themselves with the company's codes of conduct. Some also require employees to state that they will consistently comply with such codes in the performance of their duties. To help staff understand what the observance of such codes implies, some companies have established dedicated ethics websites, or created and disseminated simplified versions of their codes of conduct. Other companies organize regular events to explain to their employees how to conform to their codes of conduct. While the vast majority of the companies surveyed provide their employees with training on integrity and compliance, the frequency and extent of such training varies. To a large extent, companies prescribe that all employees attend ethics training, which are conducted on a regular basis. A small number of companies, however, require that only new employees, managers, employees working in areas regarded as most vulnerable to corruption or whose responsibilities involve foreign operations to undergo such training. Whether participation in such training is mandatory or not, varies from company to company.

### *Gifts and entertainments*

Almost all companies address the issue of gifts and entertainment. Virtually all companies surveyed ban their managers and employees from accepting gifts, if such

acceptance can be interpreted as bribery. Almost all of them prescribe that gifts should never compromise or influence managers and employees in any way, or create a perception thereof. Many companies provide their employees with an “ask yourself” checklist as a basis for deciding whether the acceptance of a gift is appropriate. Some also publish a list of appropriate and inappropriate gifts. Nevertheless, concrete rules vary from company to company. Many companies establish a maximum threshold value of about \$100 for a gift and most forbid taking or giving cash or equivalent. Some companies allow their employees to receive more precious gifts if they are given to all attendees of industry-wide events. Others allow all gifts that do not exceed “social customs” or “socially expected” limits. In most cases, consulting with the management regarding the acceptance or giving of a gift is required. For those cases where unsolicited gifts have already been accepted or received, some companies have established mechanisms for returning or sharing such gifts with their colleagues. In regulating gift-giving, some companies distinguish between relations with other companies and relations with the public sector.

#### Whistle-blowing

Reporting on internal wrongdoings witnessed in the performance of corporate duties is addressed by most of the companies surveyed. While some encourage their employees to report any infringement of compliance regulations, others even establish an obligation to do so. For these companies, failure to report suspicious cases can even be sanctioned.

#### Retaliation against whistleblowers

Companies of the Fortune Global 500 are aware that many employees may not report their colleagues or managers owing to fear of retaliation. To address this problem, many companies have established anonymous hotlines available 24/7. Some companies have even set-up Internet-based whistleblower systems or appointed third-party ombudsmen. Almost all companies pursue a non-retaliation policy to protect those who report a supposed infringement in good faith, although the report may not be proven or may prove to be false. Retaliators normally suffer sanctions, which may range from disciplinary actions to termination of employment.

#### Facilitation payments

So-called “facilitation payments”, a form of bribery made with the purpose of expediting or facilitating the performance by a public official for a routine action, is a problem that many companies have to deal with. The United Nations Convention against Corruption prohibits facilitation payments. Nevertheless, these payments are still a part of doing business in many countries, and companies handle the issue in various ways. Some strictly forbid facilitation payments under any circumstances. Others introduce exceptions such as situations where the health or safety of an employee or of his/her family are at stake. Some companies discourage facilitation payments, but do not explicitly forbid them. In most cases, facilitation payments have to be reported as such to the management.

#### Corruption and the supply chain

Out of the companies surveyed, only a few deal in detail with the prevention of corruption in the supply chain by, for instance, introducing a supplier code of conduct. In most cases, corruption does not seem to be mentioned in the rules governing the engagement of third parties. Only some companies lay out procedures for hiring third parties in their compliance regulations.

### External auditing

Only a few companies publish explicit rules on audits and prohibit the improper influencing of the conduct of external audits.

### Donations, financing of political parties

Some of the companies surveyed establish rules regarding the political activities of their employees. Most companies prohibit their employees from paying, promising, offering, or authorizing a payment of money or anything of value to a government official or political party for the purpose of obtaining or retaining business or securing an improper advantage. Many companies, however, permit their managers and employees to make certain contributions to political parties, to the extent allowed by the law and subject to the company's determination of appropriateness, approval and recording. A small number of companies forbid donations to politicians or political parties under any circumstances. Some companies regulate charitable contributions in order to prevent bribery through alternative channels.

### Collective action

Some enterprises have formed business organizations to fight corruption. Some also maintain regular contact with relevant international organizations or initiatives.