

# UNODC in Cooperation with PricewaterhouseCoopers Austria

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

Volume 2

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# Section 1

## Foreword

# Section 1.1

## Foreword

There are three myths about corruption. First, it wasn't me – it was the other guy. That's wrong. Corruption involves two parties – someone offering money and someone else accepting it. Both are guilty.

Second, corruption is a victimless crime – it's just a lubricant to grease the wheels. No, corruption erodes integrity, undermines trust, is a hidden overhead cost, and can destroy reputations.

Third, there's nothing that can be done about it – it's a part of doing business. Wrong again. There is nothing inevitable about corruption. The less it is tolerated, the more a culture of cheating will be replaced by a culture of integrity.

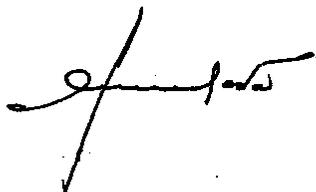
Generally, businesses want to do the right thing. But there are times when executives find themselves in tricky situations where a bribe is offered in order to gain a competitive advantage, or to facilitate a deal. What should be done?

This report, produced by the United Nations Office on Drugs and Crime (UNODC) in collaboration with PricewaterhouseCoopers (PwC), looks at what companies in the Fortune Global 500 (2008 Index) are doing to fight corruption. It highlights a range of measures, and different approaches. While there is no one-size-fits-all, businesses should not go below international standards contained in the United Nations Convention against Corruption. For example, a facilitation payment is just a fancy name for a bribe, yet some companies allow them up to certain threshold or under certain circumstances – or even consider them tax deductible. Some companies provide whistleblowers full anonymity, others promise that such employees will not be exposed to retaliation. Greater harmonization is needed, in line with international standards, to protect businesses and their employees against corruption.

Having collected existing practices, the next step is to highlight good practices and have them widely applied. That means that leaders and managers must set the tone from the top by enforcing a zero-tolerance policy, and checks and balances must be put in place to strengthen integrity and minimize wrong-doing.

The 3rd session of the Conference of the States Parties to the UN anti-corruption Convention, to be held in Doha in November 2009, is a golden opportunity to strengthen corporate responsibility in line with the world's only universal anti-corruption instrument.

The private sector has a lot to lose from corruption, and has considerable leverage to stop it. Based on the experience collected in this report, companies should be in a better position to do their part to say "NO" to corruption.



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**Executive Director**  
**UNODC**



**Friedrich Rödler**  
**Senior Partner**  
**PwC Austria**

## Section 2

# Introduction, Acknowledgements and Disclaimer

# Section 2.1

## Introduction

The need to reduce corporate vulnerability to corruption has resulted in an increasing number of companies taking initiatives to improve internal integrity, transparency and accountability. The quest for corporate social responsibility received further impetus in 2004, when, at the first United Nations Global Compact<sup>1</sup> Leaders' Summit, the Secretary-General of the United Nations called for the adoption of the 10th Principle of the UN Global Compact, according to which "Business should work against corruption in all its forms, including bribery and extortion".

This report represents an attempt – the first of its kind – to take stock of companies' efforts to abide by the 10th Principle and to consolidate the body of existing knowledge on the matter. To this end, the report provides an overview of the direct and indirect measures that companies, listed in the Fortune Global 500 (2008 Index), have adopted to combat corruption and economic crime, including extortion, bribery and other forms of fraud. The results have been summarised in a table that is divided into *measures, practices and implementation mechanisms*.

For the purpose of this report, the word "*measures*" is understood as any act aimed at fighting corruption, bribery and money laundering. These terms, as well as other expressions such as "kickbacks" or "improper payments", have also been used as keywords when conducting the research. As there are a wide variety of expressions related to corruption, an attempt was made to limit the focus of the report: any word or expression other than "corruption", "bribery", "money laundering", "kickbacks", or "improper payments" have not been included in the keyword search criteria. Education, awareness raising and training<sup>2</sup> of employees on compliance and anti-corruption have also been considered when searching companies' anti-corruption "measures".

For the purpose of this report, "*practices*" have been defined as: i) "gift management", understood to encompass the offering, giving, solicitation or acceptance of a gift, entertainment, meal or travel; ii) "whistle-blowing"<sup>3</sup>, understood as any process that offers employees, or affected external persons, the possibility to raise concerns or report violations of codes of conduct or laws; and iii) "disciplinary actions", which include measures that can be taken against employees, managers or directors when misconduct has taken place. Such actions can reach as far as implying dismissal and prosecution.

"*Implementation mechanisms*" refer, for the purpose of this report, to any and all behavioural codes (internal code of conduct, code of ethics, etc.) adopted by the companies in question as well as to the officers and experts responsible for the preparation, implementation and surveillance of the rules and provisions contained therein (legal advisors, compliance officers, ombudsmen, etc.)<sup>4</sup>.

This report aims to serve as an inspirational tool, not as a commentary of corporate anti-corruption performance. It is designed for companies that wish to adopt and enforce effective anti-corruption policies but may not possess the necessary 'know-how', or that may wish to review and enhance their existing practices. This report does not purport to comment on either the nature of the information presented, nor on the adequacy and effectiveness of anti-corruption policies reported. However, it is anticipated that this report will stimulate further debate and analysis, leading to the identification of minimum standards and good practices of corporate anti-corruption policies and measures.

The United Nations Office on Drugs and Crime (UNODC) acknowledges the contribution made by PricewaterhouseCoopers (PwC), on a pro bono basis, for the benefit of the private sector. The research necessary to generate this report was conducted from November 2008 to March 2009 on the basis of a thorough web-based search. At times, if the parent company failed to outline the measures taken, information was gathered from the websites of affiliated companies.

This report does not purport to be comprehensive or complete. The fact that some companies listed in the Fortune Global 500 (2008 Index) have not been included in the present report should, in no way, be construed as an assumption that such companies do not possess internal anti-corruption policies and measures. Furthermore, this report does not account for: a) changes<sup>5</sup> in anti-corruption policies that might have occurred after a company's website had been surveyed by PwC; b) companies listed in the Fortune Global 500 (2008 Index) that have taken the form of a Group or Holding<sup>6</sup>; c) companies whose web-links were unserviceable; and d) companies that have chosen not to make information on their anti-corruption policies and measures available from their websites.

The language of this report is English. However, information in French and German has been also used.<sup>7</sup> While excerpts from company websites have been extracted, the content has remained unaltered and unedited. As a result, language and style through this report may vary. Screenshots of relevant excerpts have been used when information was not readily importable.

## Footnotes:

- <sup>1</sup> The United Nations Global Compact, established in July 2000, is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.
- <sup>2</sup> Although most of the companies surveyed mention training activities, only those passages of their websites that qualified such activities as mandatory, or provided the exact number of employees trained, have been included in this report.
- <sup>3</sup> The expression “whistle-blowing” is a word of art used for the first time by the Sarbanes-Oxley Act 2002 of the United States of America. The legislation, named after its main architects Senator Paul Sarbanes and Representative Michael Oxley, introduced major changes to the regulation of financial practice and corporate governance. The United Nations Convention against Corruption, adopted by the UN General Assembly in 2003 and entered into force in 2005, does not use the expression “whistle-blowing”. It rather refers, under article 33, to “reporting persons”, urging states to adopt any measure necessary to protect against unjustified treatment any person who reports in good faith and on reasonable grounds to competent authorities facts concerning the perpetration of an offence of corruption. To be included in the category “whistle-blowing” of this report, companies had to indicate the existence of standard procedures to handle identity of and information provided by whistler-blowers in a confidential manner, and to protect against retaliation.
- <sup>4</sup> Such terms as “Ombudsman” and “Chief Compliance Officer” have been duly noted, although not actively searched for.
- <sup>5</sup> For instance, the Annual or Sustainability Reports for the fiscal years 2007 and 2008.
- <sup>6</sup> This means that in cases where information on anti-corruption-policies was available only on an operating entity’s website rather than on the website of its parent or holding company, it could not be used for the survey.
- <sup>7</sup> While some companies have their websites available in multiple languages, often times the English version does not offer the same level of detailed information as the original language version.

## Section 2.2

# Acknowledgements and Disclaimer

This report has been produced with the pro bono research work of PricewaterhouseCoopers (PwC) and the financial assistance of the Government of Sweden (hereinafter, the donors). The United Nations Office on Drugs and Crime (UNODC) wishes to extend its gratitude to both.

Special thanks are due to Mr. Ferdinand Piatti, Mr. Michael Heider and Ms. Zsofia Kerkapoly of PricewaterhouseCoopers Austria, who spent many hours researching the material presented in this report.

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# Section 3

## Fortune Global 500

# Section 3.1

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## Section 3.2

# Fortune Global 500 • Volume 2

## 101. Robert Bosch

Corporate Social Responsibility Report 2007/2008<sup>1</sup>

### Aligning strategy and principles

#### Closer inspection

To complement the Code of Business Conduct, Bosch is currently expanding its global compliance organization by setting up a corporate compliance committee and appointing compliance officers in the individual regions. This move serves to strengthen our current prevention and inspection activities, including the principle of dual control, job rotation in sensitive areas, strict separation of operative and monitoring systems, and regular audits. In addition, we keep all associates worldwide informed and will introduce a mandatory information and training program. The new compliance system is complemented by telephone hotlines and e-mail addresses for reporting compliance issues, as well as by the audits that have been conducted hit her to at locations and suppliers.

Code of Business Conduct<sup>2</sup>

### Principles

#### Lawful conduct

We respect the principle of strict legality in all acts, measures, contracts, and other transactions of the Bosch Group; this also applies to the payment of taxes due, obtaining necessary official permits (typically pertaining to customs

and export control law), and observing third party rights. We support this principle not only in view of the considerable business damage that can arise from violations – through prosecution, fines, or compensation claims – but above all because we endorse the principle of unconditional compliance with the law, irrespective of any potential cost or benefits to the Bosch Group.

All associates are personally responsible for compliance with the law in their field of

work. It is strictly forbidden to induce third parties to commit, knowingly to collaborate in, or to cover up unlawful acts. Irrespective of any sanctions provided by law, actions contrary to this rule shall lead to disciplinary action.

Supervisors are responsible for ensuring that no violations of the law and this Code of Business Conduct occur in their area of responsibility which could have been prevented or impeded by appropriate supervision. Supervisors must make it clear that violations of the law are prohibited and will lead to disciplinary action, irrespective of an associate's position in the company. In this connection, supervisors shall expressly draw associates' attention to the provisions contained in this Code of Business Conduct.

### Conduct toward business partners and third parties

#### Bribery, corruption, inducements

Agreements or supplements to agreements referring to the acceptance of bribes or preferential treatment in connection with the brokering, award, delivery, settlement, or payment of orders are prohibited.

Associates who allow customers or suppliers to influence them unfairly, or themselves seek unfairly to influence customers or suppliers will – irrespective of any consequences under criminal law – be subject to disciplinary action.

The executive management responsible must be notified of any attempts by suppliers or customers to unfairly influence the decisions of Bosch associates. Depending on the individual case, appropriate action shall be taken, such as an order embargo or termination of the contract.

Commission and remuneration paid to authorized dealers, agents, or advisers must be reasonable and proportionate to those persons' work. It is forbidden to agree to any benefits if it can be assumed that provision of such benefits is, in whole or in part, intended as payment of a bribe. Agents or other intermediaries engaged by Bosch in order to acquire orders or permits must enter into a contractual obligation not to offer or receive bribes. Respective contracts shall include a clause providing for the right of termination without notice in cases of bribery or corruption.

<sup>1</sup>Source: [http://csr.bosch.com/content/language2/downloads/Bosch\\_CSR\\_Report\\_2007-2008.pdf](http://csr.bosch.com/content/language2/downloads/Bosch_CSR_Report_2007-2008.pdf)

<sup>2</sup>Source: [http://csr.bosch.com/content/language2/downloads/Bosch\\_Code\\_of\\_Business\\_Conduct\\_en.pdf](http://csr.bosch.com/content/language2/downloads/Bosch_Code_of_Business_Conduct_en.pdf)

Extreme caution shall be exercised when accepting and offering gifts and other benefits (such as attending events without any direct business relevance), including invitations (from and to suppliers or customers). Their financial scope must be such that it does not require the recipient to conceal acceptance, or make the recipient feel indebted. In case of doubt, the prior written consent of the executive management responsible shall be obtained.

#### **Information and training**

Current issues relating to this Code of Business Conduct shall be brought to the attention of associates at regular intervals. Special training courses for associates shall be regularly offered on certain subjects (such as product liability, anti-trust, labor and employment, and environmental law) and in selected critical areas (such as sales and purchasing).

#### **Reporting irregularities**

All associates have the right to draw their supervisor's attention to circumstances that appear to indicate a violation of the Code of Business Conduct. This notification may also be made anonymously. In every region, additional persons shall be nominated who may be contacted with such information (compliance officers), and other options (such as a compliance

hotline) may be made available for associates to report potential violations of the Code of Business Conduct. Reports shall be investigated and, where appropriate, remedial and enforcement action shall be taken.

## 102. Target

Corporate Responsibility Report 2007<sup>1</sup>

### Training and Development

#### Training and Education

In our stores, every new team member has a detailed plan of all technical training and leadership training, when applicable, for the first 90 days in their position.

We offer more than 50 training items in Spanish. All training materials for Human Resources, Safety and key operational tasks are published simultaneously in both English and Spanish. Spanish-speaking team members have the same quality training information as English-speaking team members.

Team members throughout Target's organization participate in business ethics training, "Acting with Integrity." The training educates team members on their roles within our ethics culture and includes position-specific scenarios for illustration and emphasis.

Business Conduct Guide<sup>2</sup>

### Business Conduct Guidelines

#### Bribery

It is illegal to pay or receive a bribe intended to influence business conduct. Our guideline goes beyond the standard set by the law and prohibits any activity that creates the mere appearance of anything improper or anything that may embarrass the company. No assets of the company or other funds may be used to bribe or influence any decision by an officer, director, employee or agent of another company or any governmental employee or official. It may be acceptable to entertain or provide minor gifts to a guest or supplier, as long as the expenses are reasonable, consistent with good business practices and do not appear improper. However, this activity

should be limited and you should consult with your supervisor if you have any questions about whether such activity is appropriate.

Team members should not accept money, gifts or excessive entertainment from any guest or supplier at any time. For more information on gifts, entertainment and related issues, see the Conflicts of Interest guidelines.

The U.S. Foreign Corrupt Practices Act and international law strictly prohibit giving, promising or offering money or anything else of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business or any improper business advantage. Never give, promise, offer or authorize, directly or indirectly, any payments to government officials of any country.

Federal law and company policy also prohibit the creation of any false or misleading financial books and records that might tend to conceal the true nature of a transaction. All team members who represent Target in an international environment must become familiar with and comply with Target's Special Guidelines for Conducting International Business.

#### Conflicts of Interest

Team members must avoid any situation in which their personal interests would conflict with the interests of Target. If a circumstance arises in which your interests could potentially conflict with the interests of Target, it must be disclosed immediately to both your supervisor and Human Resources for review. Team members should be vigilant about recognizing potential conflicts. You must always consider whether your activities and associations with other individuals could negatively affect your ability to make business decisions in the best interest of the company or result in disclosing non-public company information. If so, you may have a real or perceived conflict of interest. Below is a list of potential conflicts of interest.

- Owning a substantial amount of stock in any competing business or in any organization that does business with us.
- Serving as a director, manager, consultant, employee or independent contractor for any organization that does business with us, or is a competitor - except with our company's specific prior knowledge and consent.

<sup>1</sup>Source: [http://sites.target.com/images/corporate/about/responsibility\\_report/responsibility\\_report\\_full.pdf](http://sites.target.com/images/corporate/about/responsibility_report/responsibility_report_full.pdf)

<sup>2</sup>Source: [http://media.corporate-ir.net/media\\_files/irol/65/65828/BusinessConductGuideExemptF3612030109.pdf](http://media.corporate-ir.net/media_files/irol/65/65828/BusinessConductGuideExemptF3612030109.pdf)

- Accepting or receiving gifts of any value or favors, compensation, loans, excessive entertainment or similar activities from any individual or organization that does business or wants to do business with us, or is a competitor.
- Representing the company in any transaction in which you or a related person has a substantial interest.
- Disclosing or using for your benefit confidential or non-public information about Target or other organizations with which we do business.
- Taking personal advantage of a business opportunity that is within the scope of Target's business – such as by purchasing property that Target is interested in acquiring.

Please see Policy 200-30-10 Business Ethics and Conflicts of Interest, for further information about potential conflicts.

### **Political and Lobbying Activities**

#### **Lobbying Activities**

It is important to the Company's success that advocacy on behalf of Target be consistent, coordinated and focused on the long-term interests of the Company. To achieve that objective, team members may contact government officials on behalf of Target with regard to any legislation, regulation, program or policy matter only with the approval of the Vice President of Government Affairs. Lobbying is regulated by federal, state and local laws, and the lobbying activities of team members may trigger registration, reporting and disclosure requirements. Team members who engage in government advocacy are expected to follow all relevant laws and internal policies with respect to tracking and reporting of such activities. Furthermore, all team members must respect applicable limits on the provision of gifts, entertainment and travel to government officials.

#### **Seeking Advice or Reporting Violations of Law or Company Policy**

To help protect Target and individual team members, it is essential that you seek advice from your supervisor when in doubt about the proper course of conduct and

that you promptly and fully report any situation that may violate the law or company policy - whether you are involved or not. Advice on business ethics or compliance issues may also be obtained by contacting the Corporate Compliance Team at [Integrity@Target.com](mailto:Integrity@Target.com).

1. For company policy violations, report the violations to your supervisor, Human Resources, the Employee Relations & Integrity Hotline or the Corporate Compliance Team.
2. For violations of the law, you can report the violation in any of the following ways:
  - Contact your supervisor
  - Call the Employee Relations and Integrity Hotline at 1-800-541-6838. Outside the United States, you can call 704-556-7046. You may also contact the Corporate Compliance Team directly by sending an email to [Integrity@Target.com](mailto:Integrity@Target.com).
  - Write to:  
Target Corporation  
1000 Nicollet Mall  
Minneapolis, MN 55403  
Attention: Corporate Compliance Team, TPS -20

Target will investigate all credible allegations concerning violations of company policies and applicable law.

Persons making a report may do so anonymously where permitted by law. However, an allegation or concern can often be more effectively investigated if the person making the report identifies themselves and is available to answer additional questions about the situation. Even in such circumstances, the identity of the person making a report will be protected as much as possible, based on the need to prevent potential harm to others, to comply with the law and to conduct a complete investigation.

Persons making reports will not be subject to retaliation for reporting in good faith a suspected violation. Identified persons making reports will receive confirmation that the report was received and is under review.

Reports that raise material concerns about our accounting practices, internal controls or audit matters will be referred to the company's Audit Committee. Any waiver of a provision of the Business Conduct Guide applicable to our executive officers or directors may be made only by the Board of Directors of the company or a committee of the Board designated for that purpose and will be promptly disclosed to our shareholders.

## 103. Aegon

Corporate Responsibility Report 2007<sup>1</sup>

### OUR BUSINESS PARTNERS

#### TACKLING CORRUPTION

AEGON is determined to tackle incidences of corruption and mispractice in all its businesses around the world. With respect to allegations of corruption, AEGON's country units reported the following in 2007:

- A case of embezzlement involving an independent agent working with the Group's Shanghai office in China, which resulted in a prosecution and conviction.

### OUR EMPLOYEES

#### AEGON'S CODE OF CONDUCT

AEGON's Code of Conduct sets out the Group's core values and its underlying principles of business practice. It applies to all AEGON employees (excluding only those working for joint ventures where AEGON does not have full management control). AEGON's country units regularly monitor compliance with the Code of Conduct.

Further information and a copy of the Code may be found on AEGON's website at [www.aegon.com](http://www.aegon.com).

#### AEGON'S 'IN PRACTICE' PROGRAM

To increase employee awareness of the Code of Conduct, AEGON introduced an online, e-learning training program in 2006. To date, approximately 93% of current AEGON employees have completed this program. AEGON also extended this program to employees at Unirobe Meeùs, which became a unit of AEGON The Netherlands in 2006.

In 2007, AEGON launched 'You & AEGON', a new e-learning program designed to provide all new employees with basic information about the Group and its businesses around the world. To date, approximately 72% of AEGON employees worldwide have successfully completed the program.

In early 2008, the Group will roll out another e-learning program designed to help employees prevent insider dealing.

#### CODE OF CONDUCT

AEGON's Code of Conduct contains rules, regulations and guidelines in areas ranging from 'Fair competition' to 'Protecting company property and information'. Among other things, the Code contains rules and guidelines aimed at:

- Preventing discrimination in the workplace;
- Protecting free and open competition;
- Ensuring the confidentiality of personal information supplied by employees, customers, business partners and shareholders;
- Stopping employees accepting bribes or seeking to gain any unlawful advantage;
- Preventing insider trading;
- Detecting and stopping money laundering;
- Promoting respect for the environment and the use of valuable resources;
- Strengthening corporate governance;
- Ensuring clear, accurate and regular disclosure of financial and other information.

Importantly, the Code also includes 'whistleblower' provisions allowing employees to report suspected irregularities without jeopardizing their positions. In addition, AEGON also has in place a detailed procedure for reporting complaints regarding accounting, international financial controls and auditing issues. Naturally, these rules and regulations operate in conjunction with:

<sup>1</sup>Source: <http://www.aegon.com/Documents/AEGON/Corporate%20responsibility/2007%20Corporate%20Responsibility%20Report.pdf>

- National laws;
- Separate provisions set out at country unit level dealing with issues ranging from handling confidential information to tackling money laundering.

AEGON's Code of Conduct sets out a basic framework for how the Group expects its employees and managers to conduct themselves.

#### **OUR CUSTOMERS**

##### **'KNOW YOUR CUSTOMER'**

AEGON companies operate a 'Know Your Customer' policy. This helps ensure customers get the right financial advice and are offered financial products tailored to their individual requirements. It also enables AEGON to detect errors and anomalies more quickly and helps in the fight against fraud and money laundering.

#### **OUR SHAREHOLDERS**

##### **PREVENTING MONEY LAUNDERING**

AEGON takes specific measures to detect and prevent money laundering and the financing of terrorist activities. These include providing awareness training for all relevant staff and encouraging employees to report suspicious transactions both to management and to relevant authorities.

#### **Code of Conduct<sup>1</sup>**

##### **Marketplace**

##### **Bribery and corruption**

- Employees are strictly forbidden from offering any bribe (consisting of money or anything of value) to public officials, irrespective of the worth, its results, local custom, the tolerance of such payments by local authorities, or the alleged necessity of the payment in order to obtain or retain business or any other advantage.
- All commissions and other fees paid or accrued to insurance sales agents, business agents or other representatives of AEGON companies must be in accordance with sound business practice, for legitimate commercial reasons, and represent an appropriate remuneration for services rendered.
- Employees are forbidden from seeking to obtain new business or any other improper commercial advantage by allowing undue payments to be made to clients via either agents or any other AEGON company representatives.
- Employees must not accept or solicit any undue payment or any other improper advantage. Employees are allowed to accept corporate hospitality and gifts provided these advantages are reasonable in value and in accordance with applicable custom or established practice. Such advantages should be properly disclosed in accordance with the established procedures of the relevant AEGON company. Hospitality or gifts that might appear to place employees under any obligation, or which have any appearance of impropriety, are to be avoided.

##### **What does this mean?**

A bribe refers to any undue payment, gift or improper advantage offered directly or indirectly to a person, company, political party or public official. Usually in offering a bribe some personal gain or illicit advantage is being sought often related to current or future business. Bribes may include personal or company payments aimed at retaining the business of a particular customer or supplier. Bribery is strictly forbidden. It is in

<sup>1</sup>Source: <http://www.aegon.com/Documents/AEGON/Corporate%20responsibility/Code%20of%20Conduct%202008.pdf>

direct contradiction to our core values. Moreover, bribery can cause severe damage to our reputation. Similarly, accepting undue payments or other improper advantages may have the same consequences. AEGON will not tolerate such behavior from any of its employees.

### **Preventing money laundering**

Employees must not participate in any activity aimed at laundering money. In addition, they must not provide assistance to any person or organization trying to benefit from the proceeds of a criminal act or illegal activity or controlling funds invested for the benefit of a terrorist organization.

### **What does this mean?**

Sound and responsible business practices form the building blocks of our company. Money laundering involves processing the proceeds from crime in an attempt to disguise their illegal origin. Money laundering is considered a crime in itself and runs contrary to our business principles and our fundamental interests. Employees are strictly forbidden to engage in any kind of money laundering activities. Employees must follow the relevant internal company rules and regulations governing money laundering in their own country.

### **Reporting illegal or unethical behavior**

All employees are expected to identify both actual and potential violations of these Rules of Conduct and to seek advice if or when questions arise. Any suspicious or unlawful activity, unethical conduct, threat to public interest or infringement of these Rules of Conduct should be reported immediately to:

- (a) Management, and
- (b) The compliance officer, or
- (c) The general counsel or
- (d) The internal audit department.

- If a senior officer of the company is involved or if senior management has failed to take action, the matter should be brought at once to the attention of more senior management.
- If the matter involves member(s) of your most senior management, it should then be reported directly to the Group Compliance Officer of AEGON N.V. (please refer to page 25 of these Rules of Conduct for contact details).
- Alleged irregularities regarding the members of AEGON N.V.'s Executive Board should be reported to the chairman of AEGON N.V.'s Supervisory Board.
- If you are unsure about where to go, wish to remain anonymous or are reluctant to use one of the sources mentioned above, you can make use of:
  - (a) A help line established by your local AEGON company, or
  - (b) The AEGON Global Ethics line.
- Any behavior that damages the reputation of AEGON companies or prejudices the safety and rights of company employees will be fully investigated. Employees must co-operate fully with any such investigation.
- Confidentiality will be maintained to the extent consistent with the interests of all parties involved and AEGON's obligations under relevant laws and regulations.
- AEGON will not retaliate, and will not condone retaliation, against any employee who, in good faith, reports illegal or unethical conduct.

<sup>1</sup>Source: <http://www.aegon.com/Documents/AEGON/Corporate%20responsibility/Code%20of%20Conduct%202008.pdf>

**What does this mean?**

AEGON's core values of Respect, Quality, Transparency and Trust are central to many considerations, and guide our business decisions. To a large degree, our reputation among customers, shareholders, employees, and business partners depends on our ability to behave in a manner consistent with these values. AEGON actively promotes ethical behavior. This also means that we encourage all employees to report any incidents of illegal and unethical behavior.

Complainants may call the Global AEGON Ethics-line anonymously if they wish. The line is open 24 hours a day /seven days a week and is available in your own language.

**Employee pledge and accountability**

All employees are expected to act in a manner that is consistent with the highest ethical standards and in compliance with AEGON's core values and business principles.

In addition, all employees are held responsible and accountable to AEGON for conducting business in accordance with these Rules of Conduct as well as for complying with internal and external laws, rules and regulations.

Failure to comply with these Rules of Conduct may result in disciplinary action up to and including termination of employment. Violations of these Rules of Conduct may also be violations of the law and result in civil or criminal penalties.

<sup>1</sup>Source: <http://www.aegon.com/Documents/AEGON/Corporate%20responsibility/Code%20of%20Conduct%202008.pdf>

## 104. State Farm Insurance Cos.

### Code of Conduct<sup>1</sup>

#### Message from the Chairman

The policies, rules, and guidelines referenced in the Code are easy to understand and many will already be familiar to you. This Code is intended to guide employees on ethical and legal standards of business conduct. The Code does not attempt to cover every situation. Specific policies can be found in other State Farm resources which complement this Code. You should become familiar with the Code as well as all referenced policies, rules and guidelines, because you are expected to adhere to them. Failure to adhere to them will result in disciplinary action as appropriate. Should you like to review the referenced policies, rules or guidelines in detail, they are available in the Employee Manual or through your supervisor.

Instances may occur when you know or suspect improper conduct or a breakdown of security or business controls. In those cases, you have an obligation to talk to your supervisor or another member of management, the Human Resources Department, or use the Open Door Policy. If you feel you cannot use these avenues for whatever reason, you should call the Code of Conduct Line. The toll-free number is 800-355-CODE (2633). The Code of Conduct Line is intended to provide another way of reporting in good faith any known or suspected violations of the Code, company policies, as well as any ethical and legal concerns. All reported concerns will be investigated promptly. Employees are expected to cooperate fully with any investigative efforts.

Calls to the Code of Conduct Line are answered by an independent company that specializes in these services. The calls are summarized and then referred to the investigations unit in the internal audit department, or others as appropriate for investigation. Calls to the Code of Conduct Line will be kept confidential to the extent possible.

These standards will help continue State Farm's reputation for fair dealing and honesty.

#### Non-Retaliation

State Farm will not tolerate retaliation against anyone who reports in good faith any known or suspected improper conduct or a breakdown of security or business controls, nor will State Farm tolerate retaliation against anyone who participates in an investigation. If you believe you have been retaliated against or have witnessed retaliation, you have a responsibility to report it to management or to use the other reporting avenues available to you.

#### Felonies and Dishonest Acts

Federal law prohibits individuals who have been convicted of a felony involving breach of trust or dishonesty from participating in the business of insurance. Federal law also prohibits any individual from participating in banking who has been convicted of a felony or misdemeanor for a crime of dishonesty, breach of trust or money laundering. Employees must inform their management or Human Resources if they have ever pled guilty to, been convicted of, forfeited bond or entered into a pretrial diversion program in connection with a felony or any dishonest act. Participating in the business of insurance or banking without the requisite approval of the appropriate regulatory authority can subject the Company and the individual to criminal and civil liability.

#### Anti-Money Laundering

Employees must inform their management if they suspect money laundering related to State Farm products.

#### Gifts, Gratuities and Improper Incentives

Supplies, materials, and services must be selected objectively, free from personal biases, or self-serving motives.

#### Improper Payments

State Farm prohibits offering or receiving, directly or indirectly, any bribes, kickbacks or other payments to influence business.

<sup>1</sup>Source: [http://www.statefarm.com/about/media/intro\\_code.asp](http://www.statefarm.com/about/media/intro_code.asp)

### **Gifts, Entertainment, and Meals**

In the course of performing their jobs, employees may be offered gratuities which usually are intended as gestures of goodwill or appreciation. These include gifts, entertainment, meals and beverages, tickets to sporting or cultural events, services or other similar favors.

Employees, members of their families and persons with whom they have a close personal relationship, may not solicit, accept, or give, directly or indirectly, gratuities that might influence, or might reasonably be deemed by others to influence, their actions or decisions or those of the recipient. Even nominal gifts can be inappropriate if used in a way which creates the impression that a certain vendor is endorsed.

Employees may not accept, individually or as part of a group, anything that could reasonably be thought to have more than a nominal intrinsic value (nominal intrinsic value: e.g. promotional or advertising pens, pencils, notepads, calendars or other similar gifts of limited value) that is being offered to employees individually or as part of a group. Gifts, gratuities, or attendance at events exceeding nominal intrinsic value should be refused, returned, or disposed of unless the employee's management approves of the acceptance based on a business need.

Transportation, hotel services, and expense reimbursement are prohibited in conjunction with attendance at approved vendor-sponsored events unless the employee is a presenter at the program or part of a panel, and other participants are treated equally.

Acceptance or participation in a business meal situation is appropriate when based on a business need and such dining occurs in conjunction with business discussions.

These guidelines cannot cover every situation that may arise. Employees' zone office or corporate department may have more restrictive guidelines.

Employees are expected to use good judgment and exercise the highest degree of integrity in conducting State Farm's business. Employees should discuss with their supervisor any situation they are uncertain about.

## 105. WellPoint

### Standards of Ethical Business Conduct<sup>1</sup>

#### Ethics and Compliance – Our Shared Responsibilities

##### Reporting Violations and Seeking Advice

You have an obligation to report any known or suspected violation of the WellPoint Standards. By reporting a known or suspected violation, you show responsibility and fairness to other associates and our stakeholders, and help protect WellPoint's reputation and assets.

An Ethics and Compliance HelpLine, post office box and e-mail address are available for you to seek guidance or report any known or suspected violation of the WellPoint Standards, confidentially and without fear of retaliation. These resources are intended to supplement existing internal communication channels and are not intended to replace your management team. Report issues to the Ethics and Compliance department when you feel you have exhausted normal management channels or are uncomfortable about bringing an issue to your manager.

- Ethics and Compliance HelpLine: (877) 725-2702 (toll free)
- Ethics and Compliance Address: Post Office Box 791, Indianapolis, IN 46206
- Ethics and Compliance e-Mail: [ethicsandcompliance@wellpoint.com](mailto:ethicsandcompliance@wellpoint.com)
- WorkNet Quick Link: Report Ethics and Compliance Issues

The Ethics and Compliance HelpLine is available 24 hours a day, seven days a week.

It is answered by Ethics and Compliance department team members during normal business hours and by confidential voice mail when team members are unavailable and after business hours. If you call the HelpLine and get voice mail, please leave your name and telephone number, including area code. A member of the Ethics and Compliance team will return your call during the next business day. If you prefer to make an anonymous report, please provide enough specific information about the incident or situation, including the location, so that we can begin an investigation. All

calls are treated confidentially to the extent possible and no attempt is made to identify the number from which the call is made. Conversations with Ethics and Compliance team members are not recorded or traced.

When a report is made to the Ethics and Compliance department, appropriate action is taken to review and/or investigate the report. You are expected to cooperate fully during an investigation. Any associate who violates the WellPoint Standards or other internal policies and procedures is subject to corrective action, up to and including termination of employment. In addition, as required and/or appropriate, the Ethics and Compliance department may disclose investigation matters to applicable law enforcement or regulatory entities.

The Ethics and Compliance department is a resource available to you to seek advice on matters pertaining to the WellPoint Standards, laws and regulations, ethics and compliance related policies and procedures or business ethics dilemmas.

##### Non-retaliation

Any associate who reports a known or suspected ethical or compliance concern, or who participates in an investigation, will not be subject to retaliation or retribution because of such activity. Any associate, regardless of seniority or status, engaging in retaliatory activity is subject to corrective action, up to and including termination of employment.

##### Corrective Action

The policies set forth in the WellPoint Standards are used in conjunction with other company policies and procedures including the Human Resources policies, administrative policies, departmental policies and procedures, collective bargaining agreements, etc. Associates who violate the WellPoint Standards or other related company policies are subject to corrective action up to and including termination of employment. Some examples of conduct for which corrective action may be taken are:

- Authorizing or participating in actions that violate the WellPoint Standards or violation of WellPoint policies and procedures.
- Failing to report a known or suspected violation of the WellPoint Standards.

<sup>1</sup>Source: [http://media.corporate-ir.net/media\\_files/irol/13/130104/corpgov1/2008\\_WellPoint\\_Standards.pdf](http://media.corporate-ir.net/media_files/irol/13/130104/corpgov1/2008_WellPoint_Standards.pdf)

- Refusing to cooperate in the investigation of a known or suspected violation of the WellPoint Standards.
- Disclosing, without authorization, confidential information about an investigation.
- Failing, as a violator's manager(s), to detect and report a violation, if such failure reflects inadequate oversight.
- Retaliating against an individual for reporting a known or suspected violation of the WellPoint Standards or for participating in an investigation.
- Making intentional false reports of misconduct or violation of the WellPoint Standards.
- The gift or special courtesy is reasonable and appropriate to the occasion and accepted on an infrequent basis, regardless of the amount.
- The gift or special courtesy is not cash (honoraria, vouchers and some coupons are considered cash gifts).
- You disclose the gift or special courtesy to your manager.
- The total value of gifts or special courtesies from individuals or entities outside of WellPoint received by you in any given calendar year does not exceed \$200.
- You are not an associate of a WellPoint business unit administering a government contract, for which more stringent gift and special courtesies exceptions may apply.

The degree of corrective action will depend on the nature and circumstances of the violation.

### **Conducting WellPoint's Business**

#### **Gifts and Special Courtesies**

You should use good judgment and discretion to avoid even the appearance of impropriety or obligation in giving or receiving gifts and entertainment. You should be certain that any gift given or received, or entertainment hosted or attended by you does not violate the law, customary business practices or the WellPoint Standards.

#### **Gifts and Special Courtesies — Acceptance**

You and your family members may accept gifts or other special courtesies from individuals or entities outside of WellPoint, provided:

- Acceptance of the gift or special courtesy will not compromise your ability to act in the best interests of WellPoint.
- The value of the gift or special courtesy does not exceed \$100 per occasion.

Perishable gifts such as flowers and fruit baskets valued in excess of \$100 may be accepted only if they are shared by your department and appropriate management approval is obtained.

#### **Gifts and Special Courtesies — Offering**

You must never offer to give money directly or indirectly to influence, obtain or retain business. Such payments may be considered bribes or kickbacks that violate WellPoint's policies and laws.

You may offer gifts or special courtesies to individuals or entities outside of WellPoint, provided:

- The guidelines outlined in separate sections below are followed when dealing with government customers, WellPoint customers or potential WellPoint customers.
- The gift or special courtesy is reasonable and appropriate for the occasion.
- The total value of the gift or special courtesy does not exceed \$100 per person.

- The total value of gifts or special courtesies offered to the same individual or entity by you in any given calendar year does not exceed \$200.
- A department record is maintained, stating the name of the individual or entity to whom a gift or special courtesy is offered and the value of each gift or special courtesy.
- The gift or special courtesy is not an attempt, or could not be perceived as an attempt, to influence any business decision to obtain or retain business for WellPoint.
- The gift or special courtesy is not cash or a cash equivalent. However, WellPoint may provide a discount; if the discount is of nominal value; reasonable, based upon the circumstances; only offered to existing members for health-related products or based on health-related activities; and the discount is not generally available to the public (i.e., the discount should be unique to WellPoint members). You must check with the Legal department to determine current requirements before offering a discount.
- The gift or special courtesy extended does not violate the Gift and Special Courtesies policy of the recipient's company or organization.
- The Labor Management Reporting and Disclosure Act of 1959 (LMRDA) requires employers to report payments or loans of money to labor organizations or to officers, agents, shop stewards or other representatives or employees of labor organizations. Under Department of Labor regulations, employers are required to report annually (with limited exceptions) payments, gifts, meals, or other things of value provided to Union officials and select other individuals on Form LM10. The law also provides a limited exception for payments under \$250 in the aggregate annually. You should always check with the Legal department to determine current requirements before engaging in this type of activity.

Perishable gifts such as flowers and fruit baskets in excess of \$100 may be extended as a gift or special courtesy if given with the intent they will be shared by more than one individual, such as a department or organization.

If you work for a business unit administering a government contract, you are accountable for knowing and complying with your business unit's policy on gifts, special courtesies and entertainment, as more stringent exceptions apply.

Generally, associates working for a business unit administering a government contract (federal, state or local) are prohibited from accepting meals or anything of value from beneficiaries, physicians, vendors, government agents/representatives or anyone conducting or wishing to conduct business with WellPoint. However, modest items of food, refreshments or trinkets provided during a meeting or seminar may be accepted.

#### **Anti-rebating Statutes — Offering Gifts to Customers and Potential Customers**

Anti-rebating statutes prohibit WellPoint associates, agents, brokers, solicitors or any other person representing WellPoint from offering WellPoint customers or prospective customers the following in an attempt to solicit or induce the purchase of WellPoint products or services:

- Employment.
- Shares of stock or other securities.
- Any advisory board contract, or any similar contract, agreement or understanding, offering, providing for or promising any profits or special returns or special dividends.
- Any prizes, goods, wares, merchandise or property of an aggregate valued in excess of individual state's guidelines.

A listing of individual WellPoint core state's guidelines can be found on the Ethics and Compliance intranet site. These guidelines are based on laws and departments of insurance standards in effect at publication of the WellPoint Standards. You should always check with the Legal department to determine current requirements.

### Federal Anti-kickback Statutes

Federal anti-kickback statutes impose severe criminal, civil and monetary penalties on individuals who offer or accept a kickback and on any company that solicits or accepts kickbacks. A “kickback” is any money, fee, commission, credit, gift, gratuity, thing of value or compensation of any kind, which is provided or accepted, directly or indirectly, to or by any government contractor, government contractor associate, subcontractor or subcontractor associate to improperly obtain or reward favorable treatment in connection with a government contract or a subcontract relating to a government contract, or relating to any circumstance where federal health care dollars are involved. Kickbacks also include any money, fee, commission, credit, gift, gratuity, thing of value or compensation of any kind given as an inducement or reward for referring a person to a health care provider to receive health care services paid for by a federal health care program.

### Vendor/Supplier Relationships

You may be approached by outside sources such as computer vendors, pharmaceutical manufacturers or physicians, offering cash, materials, services or equipment to be used for activities in which WellPoint is engaged, such as member or provider education and disease management programs. Outside sources may or may not have a current business relationship with WellPoint. You may perceive these offers as an attempt only to assist WellPoint in its business. However, the offers have the potential to be perceived as bribes, kickbacks or unfair sales practices, which could, if not properly structured, violate WellPoint policies and laws.

The following activities are not allowed under WellPoint’s policies and the law:

- Receipt of cash directly or indirectly from an outside source without any services or services of comparable value.
- Receipt of products or services free or at less than fair market value from any outside source, such as:
  - Materials to be distributed internally or externally.
  - Offers to perform member or provider mailings that are solely on

WellPoint’s behalf at no cost to WellPoint.

- Offers to provide research and data results at no cost to WellPoint.
- Offers to perform free seminars for WellPoint associates, physicians or customers.
- Participation in joint activities, such as health fairs or other marketing activities.
- Waiver of seminar fees.
- Receipt of anything of more than nominal value from an outside source, for which no payment or payment of less than fair market value by WellPoint is involved.

As a general rule, if a vendor/supplier or someone affiliated with the vendor/supplier offers to pay for your travel and lodging expenses to attend a conference, meeting or seminar it is sponsoring, you should decline the offer. Under most circumstances, WellPoint must pay for its associates’ travel and lodging expenses to avoid actual or perceived conflicts of interest. If you are speaking at the conference, meeting or seminar, typically the conference, meeting or seminar fee can be waived.

In addition, the solicitation of services by a pharmaceutical manufacturer or someone affiliated with a pharmaceutical manufacturer is subject to WellPoint’s Policy Regarding the Provision of Services to Pharmaceutical Manufacturers. The policy helps ensure that the receipt of direct or indirect compensation from a pharmaceutical manufacturer for the provision of services does not influence, or appear to influence our formularies, coverage levels, or other utilization management decisions. The policy also helps ensure compliance with applicable law. The policy is available on WorkNet through the Companywide Policies and Guiding Principles Quick Link.

Due to the complexity of legal requirements that might apply in these situations, contact the Legal department to determine whether the contemplated activity complies with the WellPoint Standards and the applicable law.

### **Business Entertainment**

WellPoint recognizes that business entertainment is an element of the company's ongoing relationship with its customers and prospective customers. Business entertainment includes, but is not limited to, meals, charitable and sporting events, golf, spas, parties, plays, concerts, industry conferences and other events where business matters are discussed, but where it is apparent that the event is not intended solely as a business meeting. Business entertainment also includes items raffled off at health fairs and industry conferences in which WellPoint is a participant.

During these types of occasions, you are expected to exercise good judgment about socially appropriate behavior. When participating in business entertainment, you must consult with your manager and the WellPoint Travel and Expense Reimbursement policy, which is available on WorkNet through the Companywide Policies and Guiding Principles Quick Link.

### **Foreign Corrupt Practices Act**

The Foreign Corrupt Practices Act (FCPA) prohibits businesses and individuals (including officers, directors, employees, agents and stockholders) from making or offering to make a payment to a foreign government official in order to obtain or retain business. This prohibition applies to any decision to award or continue government business or to make a favorable regulatory ruling.

Violations of the FCPA can result in prison time for individuals and substantial fines against the organization, as well as a prohibition on doing business with the U.S. government.

No associate shall give any payment or other item of monetary value that might influence or appear to influence the decision of a foreign government official in performing his or her job. Something you may perceive as harmless, such as paying for the dinner, could be a violation of the FCPA. Therefore, before engaging in any activity with foreign government officials which would involve making a payment or giving anything of monetary value, you should consult the Legal Department to ensure compliance with all applicable laws.

## 106. Dell

Corporate Responsibility Report 2008<sup>1</sup>

### ETHICS AND COMPLIANCE

#### Key Compliance Program Accomplishments

##### Risk Assessment:

Dell conducted a global legal and regulatory compliance risk assessment in accordance with the U.S. Federal Sentencing Guidelines. This assessment was based on the well-established and recognized Committee of Sponsoring Organizations of the Treadway Commission, or COSO, methodology. Based on data gathered by Global Legal, business compliance teams and other sources, the Compliance COC identified more than 80 laws, regulations, and other specific compliance requirements of significance to Dell for each of the major regions. Topics included, but were not limited to, the U.S. Foreign Corrupt Practices Act, U.S. Fair Labor Standards Act, Sarbanes-Oxley Act, U.S. and European antitrust laws, U.S. export administration regulations, Waste from Electrical and Electronic Equipment (WEEE) Directive and French Data Protection Act. A detailed risk analysis was then conducted based on impact and likelihood. The results of the assessment informed, and continue to inform, multiple global Dell teams as they develop legal and compliance policies, procedures, training and other internal controls.

##### Benchmarking Against Fortune's 200:

We benchmarked our fiscal year 2008 compliance program by comparing it to 21 of Fortune's 200 and seven of Fortune's most admired companies, including General Electric, EDS, Intel, Sun, Xerox, Nike, AMD, Wal-Mart, Starbucks, DuPont and others. Led by Dell's chief ethics and compliance officer, the benchmark team held conversations with the chief ethics and compliance officers at these companies to discuss compliance organization structure; mandatory training course material; compliance policies; investigation procedures; risk assessment methodologies; management, executive, and Audit Committee reporting; industry and peer council memberships; and numerous other topics. Based on the results of the study, and in alignment with the U.S. Federal Sentencing Guidelines and recognized best practices

published by respected organizations such as The Corporate Executive Board, Dell's program maintains a score of 96 percent. Dell's positive score is attributed to implementing 27 of the 28 identified leading global practices and establishing a well-staffed program. In addition, Dell was the only program that annually achieved a 100 percent employee completion rate for compliance training.

##### Looking Ahead

In fiscal year 2009 the Global Ethics and Compliance Team will continue to work with global partners to review and enhance controls, policies, processes and training. As part of these initiatives, the team will focus on developing a new and updated Code of Conduct current with internal and external developments and internal program improvements. The project goals are to deliver a clear and concise Code of Conduct that is fresh, engaging, and focused on team member accountability across the globe. In conjunction with refreshing the Code, we will revisit several policies, including the Global Gifts and Entertainment Policy, Foreign Corrupt Practices Act Policy and Board Membership Policy.

### EMPLOYEE ETHICS TOOLS

#### Raising Issues and Making Inquiries

Dell's direct business model also influences employees to be honest and transparent in their interactions. Ethics and values issues — and the situations that arise from these issues — are often complex. We ask employees to think before they act and to use available avenues for questions or concerns regarding the Dell Code of Conduct and related policies.

We realize that people may make mistakes — employees will not always be able to respond ideally to all situations. So it is imperative to communicate mistakes in a timely fashion. As outlined in the Dell Code of Conduct, all employees are required to report suspected violations of law or policy — whether unintentional or deliberate — so that we can research and implement the appropriate corrective actions.

Employees have several avenues for raising issues and concerns:

- Open Door Policy: Dell encourages open and honest

<sup>1</sup>Source: <http://www.dell.com/downloads/global/corporate/environ/report2008.pdf>

ommunication. Through this process, employees have an opportunity to be heard, and Dell managers, human resources representatives and Ombuds Officers benefit from understanding employee concerns.

- Global Ethics and Compliance Team: Employees who are uncomfortable raising an issue or concern through the Open Door policy can contact Global Ethics and Compliance Team members directly by e-mail, phone, regular mail or in person.
- Ethics Helpline: The Ethics Helpline is a toll-free telephone service administered by a third party and is available 24-hours per day to take confidential calls regarding business ethics and the Code of Conduct. Employees who prefer to raise issues by using the Ethics Helpline have the option of remaining anonymous.

Whether issues are raised through these or through other avenues such as Legal, Corporate Audit or Security, the partnership among the teams ensures that all reports will be kept confidential; that retaliation won't be tolerated; that people will be presumed innocent; and that investigations will be prompt, thorough, respectful, and in compliance with privacy and other local law requirements.

As in past years, the number of issues and inquiries brought to the Global Ethics and Compliance Team increased in fiscal year 2008. These metrics reflect the heightened sense of awareness, accountability and responsibility of our employees. We are pleased that Dell employees take seriously their obligation to do the right thing and are comfortable raising questions and concerns.

### **Ethics Training**

Throughout fiscal year 2008 the Global Ethics and Compliance Team led topical campaigns with a comprehensive array of education and awareness initiatives. The campaigns highlighted issues such as privacy and data protection, workplace conduct, and gifts and entertainment. The team developed in-depth education and training materials that are used globally. Situational videos, presentations and toolkits are a few examples of the materials available. All educational and training materials are

translated into multiple languages and presented during newhire orientations, brown-bag meetings, and town hall and staff meetings.

The Global Ethics and Compliance Team also delivers formal, consistent training to prepare all employees for effectively, legally and safely performing their jobs. This training program matches appropriate content to learners in an effort to mitigate employee and company risk. Senior management strongly supports every aspect of the education program and has helped Dell achieve 100 percent completion for required courses in the past six years.

In fiscal year 2008 Dell required two global training courses for employees: Winning with Integrity (Code of Conduct overview) and Information Security Policies and Standards. With the exception of certain manufacturing populations, Dell employees were also required to complete three additional global courses: Dell Corporate Governance, Records Management, and the newly developed Privacy and Data Protection Awareness course. All five globally consistent courses were available online in at least 13 languages and were completed by 100 percent of the employee groups.

Some employees have additional training topic requirements — such as trade compliance or intellectual property — specific to their business, location and role.

### **Code of Conduct<sup>1</sup>**

#### **Introduction to the Code of Conduct**

Our Code of Conduct, "Winning with Integrity," provides general guidance to all Dell employees and assists us in carrying out our daily activities in accordance with both the letter and the spirit of applicable laws and with Dell's higher standard. This is a global Code, and adherence to the guidance in this document is required of all Dell employees around the world.

The Code cannot answer every question or address every possible situation.

<sup>1</sup>Source: [http://www.dell.com/downloads/global/corporate/vision\\_national/code\\_of\\_conduct.pdf](http://www.dell.com/downloads/global/corporate/vision_national/code_of_conduct.pdf)

Consequently, various corporate and regional policies containing detail and specificity beyond the scope of this Code may be found on [ww.inside.dell.com](http://ww.inside.dell.com) or the corporate intranet in each of our global regions. Employees should familiarize themselves with and adhere to all applicable policies and procedures. If any provision of this Code or Dell policy conflicts with local law or regulations, the one with the higher standard will apply, except in cases where doing so would cause non-compliance with local law.

If you have questions about a Code provision or are unclear about a particular course of action, you should use the many resources that are available to you for assistance.

- Global Ethics Web site (<http://inside.dell.com/ethics>) – Provides specific guidance for common situations and answers to frequently asked questions.
- Ethics office in your region – Available to answer specific questions regarding the Code.
- Dell's Ethics Helpline – 1-888-888-9975. A 24-hour toll-free telephone service through which you can raise concerns anonymously (please check the Global Ethics Web site for your Ethics Helpline local calling prefix or contact your local Ethics office).

You may also discuss issues, concerns or raise questions to your management team, Human Resources representatives, the legal team or the Office of the Ombuds (where available).

All employees are responsible for understanding and complying with the Dell Code of Conduct and all applicable Dell policies. Failure to abide by the Code or other Dell policies may result in disciplinary action up to and including termination of employment.

In addition, Dell expects that anyone acting as its agent will adhere to the same higher standard as Dell employees while acting on Dell's behalf. Therefore, temporary workers, independent contractors and consultants providing services for Dell will be provided with a copy of this Code and must agree to abide by all applicable laws and all pertinent provisions of this Code in connection with their work for Dell.

The Audit Committee of the Dell Board of Directors must approve in advance any waiver of or amendment to any provision of Dell's Code of Conduct.

### **Gifts and Other Business Courtesies**

#### **Giving or Accepting Business Courtesies**

Dell selects suppliers and wins customers on the basis of the merits of people, products and services. Dell employees must comply with the legal requirements of each country in which we conduct business and should employ the highest ethical standards in business dealings. Therefore, as a Dell employee you must never accept or give a bribe, nor should you accept or give a business courtesy that will compromise your judgment, inappropriately influence others, conflict with Dell's ability to succeed or reflect negatively on the company.

A business courtesy is generally a gift or entertainment such as tickets, discounts or meals to or from someone with whom Dell has a business relationship.

Unless otherwise specified in this Code or local policy, you may accept gifts of nominal value (\$50 USD equivalent or less). Approval from local management and the Regional Ethics office must be received before accepting any gift that is in excess of \$50 (USD) equivalent or less. You also may accept meals and entertainment provided that such activities are reasonable, in good taste and consistent with accepted business practices. The business courtesy should be accepted solely for the purpose of cultivating or enhancing a business relationship.

Regardless of the amount, you must never accept:

- gifts of cash or its equivalent (e.g. stock, bonds or other negotiable instruments); or
- any other business courtesy given in an attempt to motivate you to do anything that is prohibited by law, regulation or Dell policy.

### **Anti-Corruption Laws and Business Courtesies to Government Officials/Customers**

Regardless of local practices or competitive intensity, you must never directly or indirectly make a corrupt payment (cash or any other items of value) to obtain, retain or direct business, or to acquire any improper advantage. As a Dell employee, you must fully comply with all anti-corruption laws of the countries in which Dell does business, including the U.S. Foreign Corrupt Practices Act (FCPA), which applies globally.

Complex rules govern the giving of gifts and payments to governmental employees. Therefore, what may be permissible in regard to commercial customers may be illegal when dealing with the government and could even constitute a crime. In some countries, businesses may be controlled by the government, making it difficult to distinguish between commercial and government officials. Therefore, your Ethics Committee and the Legal Department must approve business courtesies to any employee or official of any government-affiliated entity.

### **Raising/Resolving Issues and Concerns**

#### **Raising Concerns or Reporting Violations**

Dell is committed to winning with integrity. If you suspect a violation of law, this Code or Dell policy, or other improper activities at Dell, it is your responsibility to immediately raise these concerns. You can bring them to the attention of your manager or to another member of management. Or, you may use other reporting avenues such as contacting your Human Resources representative, the Global or Regional Ethics office or the Ethics Helpline. Calls to the Ethics Helpline, a toll-free telephone service, 1-888-888-9975 (check with the Global Ethics Web site for your applicable local calling prefix), may be made anonymously. All employees will be treated with dignity and respect and will not be subject to retaliation, threats or harassment for raising concerns or reporting violations.

## 107. Johnson & Johnson

### 2007 Sustainability Report<sup>1</sup>

#### About Our Business Practices

##### CONFIDENTIAL HOTLINES

We provide anonymous telephone hotlines for employees to report possible ethical breaches or unlawful acts, without fear of reprisal. Each country where we operate has a single hotline and callers are greeted in their local language. In addition to the telephone program, we recently launched a website which allows users to anonymously report policy violations through the internet. All reports are fully investigated and appropriate actions are taken in a timely manner. Compliance with the Policy on Business Conduct is evaluated as part of our internal business audit program and discussed by the Corporate Compliance Committee.

### Johnson & Johnson Policy On Business Conduct<sup>2</sup>

#### **Responsibilities of Managers and Employees**

All managers shall be responsible for the enforcement of and compliance with this Policy on Business Conduct including necessary distribution to ensure employee knowledge and compliance. The board of directors or other governing body of each affiliate company shall formally adopt this Policy as its own corporate policy binding on all directors, officers and employees of the company.

Appropriate managers will periodically be required to certify compliance with this Policy. Any false certification - even if directed by a supervisor - will be dealt with severely.

All employees are responsible for complying with this Policy. Any employee having information concerning any prohibited or unlawful act shall promptly report such matter to the General Counsel or other member of the Law Department of Johnson & Johnson. While this is the preferred reporting procedure, employees should also feel free to report to anyone in line management, including the Executive Committee, Corporate Internal Audit, the Chief Financial Officer, the Treasurer, the Controller or the Secretary of Johnson & Johnson.

It could also be appropriate to contact the Audit Committee of the Board of Directors, through its Chairman, or one of the other independent directors on the Board of Directors of Johnson & Johnson.

Employees can write to any of these individuals anonymously at the Company's Headquarters, One Johnson & Johnson Plaza, New Brunswick, NJ 08933. In addition, Johnson & Johnson companies throughout the world have telephone compliance lines that allow employees to report anonymously any complaints or concerns arising under the Policy on Business Conduct or otherwise. Employees can also call anonymously the Corporate Headquarters telephone compliance line at 888-384-0947.

Employees should be advised of this reporting obligation and encouraged to report any prohibited or unlawful activities of which they are aware. There will be no reprisals for reporting such information and employees should be so advised.

<sup>1</sup>Source: <http://www.jnj.com/wps/wcm/connect/b92d59804ae70ee5bc98fc0f0a50cff8/2007-sustainability-report.pdf?MOD=AJPERES>

<sup>2</sup>Source: <http://www.investor.jnj.com/governance/conduct.cfm>

The Corporate Internal Audit Department has audit programs with procedures to assist in monitoring compliance with this Policy. The outside auditors will also be particularly alert and sensitive to such compliance. All employees are expected to provide full assistance and disclosure to both the internal and external auditors in connection with any review of compliance with this Policy.

### **Conflicts of Interest**

Every employee has a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Company or which divide his or her loyalty to the Company. Any activity which even appears to present such a conflict must be avoided or terminated unless, after disclosure to the appropriate level of management, it is determined that the activity is not harmful to the Company or otherwise improper.

A conflict or the appearance of a conflict of interest may arise in many ways. For example, depending on the circumstances, the following may constitute an improper conflict of interest:

Ownership of or an interest in a competitor or in a business with which the Company has or is contemplating a relationship (such as a supplier, customer, landlord, distributor, licensee/ licensor, etc.) either directly or indirectly, such as through family members.

Profiting, or assisting others to profit, from confidential information or business opportunities that are available because of employment by the Company.

Providing service to a competitor or a proposed or present supplier or customer as an employee director, officer, partner, agent or consultant.

Soliciting or accepting gifts, payments, loans, services or any form of compensation from suppliers, customers, competitors or others seeking to do business with the Company. Social amenities customarily associated with legitimate business relationships are permissible. These include the usual forms of entertainment such as lunches or dinners as well as occasional gifts of modest value. While it is difficult to define "& customary," "modest," or "usual" by stating a specific dollar amount,

common sense should dictate what would be considered extravagant or excessive. If a disinterested third party would be likely to infer that it affected your judgment, then it is too much. All of our business dealings must be on arm's-length terms and free of any favorable treatment resulting from the personal interest of our employees. Loans to employees from financial institutions which do business with the Company are permissible as long as the loans are made on prevailing terms and conditions.

Influencing or attempting to influence any business transaction between the Company and another entity in which an employee has a direct or indirect financial interest or acts as a director, officer, employee, partner, agent or consultant.

Buying or selling securities of any other company using non-public information obtained in the performance of an employee's duties, or providing such information so obtained to others.

Disclosure is the key. Any employee who has a question about whether any situation in which he or she is involved amounts to a conflict of interest or the appearance of one should disclose the pertinent details, preferably in writing, to his or her supervisor. Each supervisor is responsible for discussing the situation with the employee and arriving at a decision after consultation with or notice to the appropriate higher level of management. Each President, General Manager and Managing Director is responsible for advising his or her Company Group Chairman or International Vice President, as the case may be, in writing, of all disclosures and decisions made under this Policy. The Law Department in New Brunswick should be consulted for advice as necessary.

To summarize, each employee is obligated to disclose his or her own conflict or any appearance of a conflict of interest. The end result of the process of disclosure, discussion and consultation may well be approval of certain relationships or transactions on the ground that, despite appearances, they are not harmful to the Company. But all conflicts and appearances of conflicts of interest are prohibited, even if they do not harm the Company, unless they have gone through this process.

### **Respect for Trade Secrets**

It is the policy of Johnson & Johnson to respect the trade secrets and proprietary

information of others. Although information obtained from the public domain is a legitimate source of competitive information, a trade secret obtained through improper means is not.

If a competitor's trade secrets or proprietary information are offered to an employee in a suspicious manner, or if an employee has any question about the legitimacy of the use or acquisition of competitive information, the Law Department should be contacted immediately. No action regarding such information should be taken before consultation with the Law Department.

#### **Use of Funds, Assets, Complete and Accurate Books and Records; Second-Country Payments**

Sales of the Company's products and services, and purchases of products and services of suppliers, shall be made solely on the basis of quality, price and service, and never on the basis of giving or receiving payments, gifts, entertainment or favors.

No Company funds, assets or information shall be used for any unlawful purpose. No employee shall purchase privileges or special benefits through payment of bribes, illegal political contributions, or other illicit payments or otherwise give anything of value to a government official in order to influence inappropriately any act or decision on the part of the official.

No undisclosed or unrecorded fund or asset shall be established for any purpose.

No false or artificial entries shall be made in the books and records of the Company for any reason, and no employee shall engage in any arrangement that results in such prohibited act, even if directed to do so by a supervisor.

No payment shall be approved or made with the agreement or understanding that any part of such payment is to be used for any purpose other than that described by documents supporting the payment.

No payments of any kind (whether commissions, promotional expenses, personal expenses, free goods or whatever) shall be made to an unaffiliated distributor or sales agent (or employee or agent thereof) in any country other than that in which the sales were made or in which the distributor or sales agent has a substantial place of

business. Such payments (sometimes referred to as "second-country" payments) may be made to other entities such as suppliers of goods and services provided:

- The laws of any involved country permit the payment and receipt of such "off-shore" funds, as determined in advance of any commitment by competent local legal counsel in collaboration with the Johnson & Johnson Law Department,
- The transaction complies in all other respects with this Policy on Business Conduct, and
- The arrangements are set forth in a letter of understanding between our Company and the outside entity, and these letters are available for review by our internal and outside auditors.

The Presidents and Managing Directors of our companies have the primary responsibility to devise, establish and maintain an effective system of internal accounting controls, and to demonstrate that such controls have been appraised and documented. General guidelines relating to this appraisal function and documentation standards are available from the Vice President of Corporate Internal Audit.

## 108. Marathon Oil

2007 Corporate Social Responsibility Report<sup>1</sup>

### VALUES IN ACTION SUMMARY

#### Our Actions in 2007

- Completed mandatory ethics training and anti-corruption training, and provided resources for employees to promote ethical behavior.
- Advocated fair, reasonable and achievable laws and regulations at the U.S. federal and state levels.
- Engaged with government decision-making bodies, regulatory agencies, international organizations, trade associations and other groups involved in public policy activities to enhance Marathon's business opportunities.

### HONESTY AND INTEGRITY

#### Business Ethics

A reputation for integrity and ethical business conduct is one of the most valuable assets an individual or company can possess. Marathon is committed to upholding high standards of ethical behavior.

The vice president of Corporate Compliance and Ethics oversees the Company's compliance and ethics efforts. This officer is a member of the Business Integrity (BI) Advisory Committee, along with representatives from Law, Audit, Human Resources and Operations. This committee influences

policies on integrity, provides guidance and advice on the Code of Business Conduct, and promotes training and compliance. A subject matter expert in ethics from the University of St. Thomas in Houston attends the committee's meetings to provide an independent perspective.

The BI Office directs the Company's emphasis on ethical standards, maintains the

Code of Business Conduct, administers the Integrity Helpline, develops and implements ethics education programs, and communicates internally and externally about ethical business conduct. It also coordinates with the Law, Audit and Human Resources organizations to ensure program compliance.

All employees, except SSA employees and union members, must complete mandatory ethics training every three years. In 2007, mandatory training addressed employee questions and concerns about potential retaliation for reporting unethical behavior. The training emphasized that retaliation for good faith reporting is itself a violation of the Code. SSA conducted its biannual ethics training in 2007, using face-to-face sessions for all headquarters employees and Operations employees at the level of district manager and higher. Computer-based training (CBT) on ethics is provided for store managers annually and for all newly hired store associates.

The Integrity Helpline is a confidential, 24-hour global telephone resource for anonymously reporting suspected unethical or illegal activity and for seeking guidance for Code of Business Conduct compliance. There were 238 calls to the Helpline in 2007, compared to 203 calls in 2006. Of these, 211 were closed in 2007 following internal investigation. Some calls received late in the year were not closed in 2007. Approximately 90 percent of all Helpline callers received a response or action was taken within one business day.

Approximately 38 percent of calls were inquiries and 62 percent were allegations. Allegations in 2007 increased by 96 percent from 2006. The BI Office believes the increase resulted from heightened awareness that the Code prohibits retaliation for reporting in good faith.

Designated employees known as Business Integrity Partners assist the BI Office with communication and training initiatives. Approximately 50 BI Partners in organizations and locations worldwide raise awareness among co-workers about Marathon's commitment to being an ethical organization and how to access related resources. They also provide feedback to the BI Office on employees' understanding of ethics messages and issues.

Marathon strives to be recognized as a company that applies best practices in business ethics. BI personnel network with ethics officer peers, partner with professors

<sup>1</sup>Source: [http://www.marathon.com/content/documents/social\\_responsibility/living\\_our\\_values\\_reports/lov\\_report\\_2007\\_final.pdf](http://www.marathon.com/content/documents/social_responsibility/living_our_values_reports/lov_report_2007_final.pdf)

of business ethics at universities, and in 2007 made presentations at national conferences, ethics association meetings and business school graduate classes. The Company also participates in the Ethics Resource Center Fellows Program in the U.S.

### **Sarbanes-Oxley Act Compliance**

Marathon complies with the Sarbanes-Oxley (SOX) Act of 2002 and related regulations promulgated by the U.S. Securities and Exchange Commission (SEC). The SOX 404 Steering Committee, comprising representatives and senior management from across the enterprise, oversees the SOX 404 compliance process. The SOX 404 Team includes representatives from the Upstream, Downstream and SSA accounting departments. The steering committee, team and internal auditors work with individuals throughout the Company on the compliance process.

Information about Marathon's SOX controls and policies is available to all employees on the Company's internal Web site.

Marathon's Policy for Whistleblowing Procedures establishes procedures for handling concerns from employees, vendors, contractors and other third parties about accounting and auditing related issues. Concerns may be reported through the Integrity Helpline or the Business Integrity Office. The BI Office records and categorizes all reports to ensure compliance with applicable policies and regulations. Marathon is committed to protecting any employee who makes a good faith report about accounting and auditing issues.

### **Anti-Corruption Compliance**

Marathon and its majority-owned subsidiaries comply with all anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (FCPA), wherever it does business. The U.S. FCPA, like the laws of other nations, forbids bribing foreign officials or representatives of foreign governments. The Company's vice president of Corporate Compliance and Ethics is responsible for anti-corruption compliance.

Annual FCPA and anti-corruption training is mandatory for all employees whose job responsibilities include foreign operations. Employees who transfer outside the U.S. receive additional anti-corruption compliance training. In 2007, 1,432 employees worldwide attended FCPA training.

Employees who require training must also certify annually that they have complied with Marathon's Anti-Corruption Compliance Guidelines.

Marathon maintains a comprehensive anti-corruption compliance audit program for its non-U.S. operations and non-operated interests, particularly in countries that are not in the Organisation for Economic Cooperation and Development (OECD). Audits review record keeping, financial controls, personnel training records, documents related to hiring contractors and consultants, and business expense reports of managers responsible for operations in non-OECD countries. Managers are also interviewed as part of the audits.

### **Code of Business Conduct<sup>1</sup>**

#### **Accountability and Responsibility**

#### **Accountability and Responsibility**

We make many decisions every day at all levels of the organization. This is how we move forward and accomplish our business goals. We as individuals are accountable for making good decisions and for the outcomes those decisions produce. Our Code of Business Conduct provides guidance for our decisions.

Our fellow employees look to us for leadership and to see if we take responsibility for our own actions. Each of us must act as a leader by taking responsibility for everything we do.

Each of us must abide by our Code of Business Conduct. Violators of the Code are subject to appropriate discipline, up to and including dismissal from the Company and prosecution under the law. Any waiver of the provisions of this Code requires the personal review and approval of the President of the Company. Any waiver of the provisions of this Code for the benefit of senior financial officers, executive officers or members of the Board of the Company requires the personal review and approval of

<sup>1</sup>Source: [http://www.marathon.com/content/documents/investor\\_center/corporate\\_governance/code\\_ethics\\_2006\\_rev.pdf](http://www.marathon.com/content/documents/investor_center/corporate_governance/code_ethics_2006_rev.pdf)

the Audit Committee or Board of Directors and must be promptly disclosed to shareholders. Waivers may be granted only as permitted by law and in extraordinary circumstances.

### **Reporting Non-compliance**

If you have any knowledge of a violation of our Code of Business Conduct, you have an obligation to report it to your supervisor or manager or to another appropriate person. The Company will not allow retaliation for reporting concerns in good faith. Retaliation for good faith reporting is itself a violation of this Code. Again, refer to the Getting Help section of this Code for more information on how you can report non-compliance situations.

### **Responsibility to Shareholders**

#### **Gifts and Entertainment**

The exchange of gifts, meals and entertainment is a common practice in business, and can help us build better relationships with customers, vendors and other business allies. Although world customs about gifts and entertainment vary, one principle is clear and common: an employee should not accept any gift, favor or entertainment if doing so will obligate, appear to obligate or is intended to obligate or unduly influence the employee. Think about what other employees might think about your actions and what kind of example you would be setting.

The types of gifts and entertainment that are appropriate to give or receive as a Company employee depend on many factors. If the gift, meal or entertainment in question is lavish or frequent, or unusual for the receiver's job or community, it is probably not acceptable. If you're in the middle of negotiations or bid evaluations, extra care is merited. Never request or solicit personal gifts, favors, entertainment or services. Never offer or accept gifts of cash or securities. This section of the Code is not intended to conflict with Company compensation programs or Company authorized distributions to employees or third parties.

Further information can be found in the Company's Guidelines for Meals, Gifts and Entertainment. An electronic Gift and Entertainment Reporting System

(<http://roadmap.fdy.mapllc.com/rmtacctg/approvalform/>) has been implemented for use when supervisory approval is required.

### **Responsibility to Governments and the Law**

#### **Anti-corruption Laws**

We will comply with all anti-corruption laws, including the U.S. Foreign Corrupt Practices Act or "FCPA," wherever we do business. These laws generally forbid bribes to government officials or their representatives. While the U.S., like nearly all nations, outlaws bribing its own government officials, the FCPA also makes it a crime to bribe "foreign governmental officials," a term that is broadly defined. The FCPA also requires the Company to keep books, records and accounts which, in reasonable detail, accurately and fairly reflect its foreign and domestic transactions. You must consult with the Accounting Organization as soon as possible if you are concerned that the Company's books, records and accounts do not accurately reflect the Company's transactions.

The Company requires comprehensive FCPA and anti-corruption compliance training for all employees whose job responsibilities involve FCPA and anticorruption compliance.

#### **Getting Help**

#### **Integrity Helpline**

The Integrity Helpline is an additional resource for anonymous advice or discussion on workplace behavior and ethics. You can reach it in many ways (see the enclosed Getting Help card in the back pocket of this Code of Business Conduct book). The Integrity Helpline phone number is:

- 877-713-8314 (Callers may call anonymously. Caller ID is disabled on this line. If calling from outside the U.S., use the dialing instructions found on the Integrity Helpline posters at your location.)

If requested by the employee source, the Company will treat the employee's identity and the alleged illegal or unethical conduct as confidential information, and will disclose the identity of such source only as necessary to comply with legal requirements and investigate the reported conduct. Those informed of the employee's identity shall be made aware of the need for confidentiality.

If you call anonymously, you will be provided a number to use in identifying your inquiry. The group of professionals who answer your call will work with you to get the information the Company needs to address your concern.

#### **Reporting Illegal or Unethical Conduct**

The Integrity Helpline also enables employees, vendors and contractors to report unethical or illegal acts, or suspicions of unethical or illegal acts. The Company will not allow retaliation against an employee who reports in good faith concerns about compliance with the law, compliance with this Code or other ethical concerns. The Business Integrity Office coordinates the resolution of all calls. This may include the involvement of Auditing, the Law Organization, Human Resources and departmental management as necessary. The Helpline number, mailing and e-mail addresses currently in operation can be found on the enclosed Getting Help card in the back pocket of this Code of Business Conduct book.

If an employee becomes aware of any issue concerning the financial integrity of the Company, including questionable accounting or auditing matters, he or she must bring it to the attention of management or the Business Integrity Office. If requested by the employee, the Business Integrity Office will arrange for the confidential, anonymous submission to the Audit Committee of concerns regarding questionable accounting or auditing matters, consistent with the Sarbanes-Oxley Act of 2002.

## 109. Enel

Sustainability Report 2007<sup>1</sup>

### Governance

#### “Zero Tolerance of Corruption” plan

In June 2006, the Board of Directors approved the adoption of the “Zero Tolerance of Corruption – ZTC” plan in order to give substance to Enel’s adherence to the Global Compact (an action program sponsored by the U.N. in 2000) and the PACI – Partnership Against Corruption Initiative (sponsored by the Davos World Economic Forum in 2005).

The ZTC plan neither replaces nor overlaps with the Code of Ethics and the compliance program adopted pursuant to legislative decree no. 231/2001, but represents a more radical step regarding the subject of corruption and adopts a series of recommendations for implementing the principles formulated on the subject by Transparency International.

Information about the instruments at the disposal of Enel’s personnel can be found on p. 10 of the Zero Tolerance of Corruption Plan, available at [www.enel.it/azienda/chi\\_siamo/tzc/](http://www.enel.it/azienda/chi_siamo/tzc/).

Entrusted with monitoring the checks performed by the different operating units responsible for implementing corporate procedures such as the Code of Ethics, the ZTC Plan, and the Legislative Decree 231/2001 Compliance Program, Enel SpA’s Auditing Department periodically assesses the main risks for the Group, specifying the criteria for measuring, managing, and monitoring them. This activity is carried out in compliance with the Self-regulation Code promoted by Borsa Italiana SpA and the requirements of the Sarbanes-Oxley Act (SOA).

Risk assessment enables the Company to identify and evaluate the risks that can prejudice the achievement of corporate objectives, pinpoint the way to manage the risks, evaluate the control system in place, identify actions for mitigating potential risks, and identify the remaining risks and ascertain whether or not they are compatible with the sound and proper management of the Company.

### HR – Human Rights Performance Indicators

#### The policy

- confirms that the behavior of whoever holds a position as the head, or in any case, coordinator, of resources must represent an example and provide leadership in accordance with the Code of Ethics and the Zero Tolerance of Corruption Plan;
- states that every violation of the Code of Ethics and the other reference regulations must be promptly brought to the attention of the Head of Auditing, even if there is only a suspicion, so that the latter can investigate and report to the Internal Control Committee;
- guarantees absolute confidentiality regarding the identity of the whistleblower and immunity of the same from reprisals, illicit pressures, embarrassment, and discrimination of any kind;
- provides stakeholders and/or anyone else who intends to report an alleged violation of the Code of Ethics with a specially provided channel dedicated to both signed and anonymous reports.

In 2007, there were 16 ascertained violations of the Code of Ethics, distributed as follows according to the process concerned:

- Network connection, operation, and maintenance: 5;
- Customer management: 5;
- Credit management: 2;
- Metering: 1;
- Contract, materials, and logistics management: 1;
- Asset and real estate services management: 1;
- Worksite management: 1.

<sup>1</sup>Source: [http://www.enel.it/azienda\\_en/sostenibilita/bilanci\\_sostenibilita/doc/sostenibilita\\_2007\\_ing.pdf](http://www.enel.it/azienda_en/sostenibilita/bilanci_sostenibilita/doc/sostenibilita_2007_ing.pdf)

Following the ascertainment of the violations, the Ethical and Fraud Audit Unit appropriately informed the process owners involved and requested them to adopt specific corrective measures.

## **SO – Social Performance Indicators**

### **SO1: Corruption**

In compliance with the principles declared and assumed in the Code of Ethics, in 2002 Enel became the first Italian company to provide itself with a structured or organic system of procedures aimed at preventing the commission of specific crimes and other breaches of the law, including ones in the interest of the Company and ones against the civil service. This system – the Organizational Model 231/2001 – was put in place in accordance with the prescriptions of the legislative decree that adapted Italian law to international agreements on the protection of financial interests and the fight against corruption.

With regard to the fight against corruption, in compliance with the tenth principle of the Global Compact, since June 2006 Enel has been active with its “Zero Tolerance of Corruption” Plan, which – in addition to confirming the necessity of observing the principles of honesty, transparency, and fairness in the conduct of business – puts forward precise anti-corruption measures to adopt in different work relations, including those with partners, subsidiaries, suppliers, consultants, and colleagues.

In drawing up the ZTC Plan, the study group availed itself of the expertise of Transparency International, adopting and including in the Plan the criteria of transparency developed by Transparency with regard to bribes, facilitations, contributions, sponsorships, giveaways, and purchasing processes.

### **SO2: Percentage and number of internal divisions monitored for risks connected with corruption.**

100% (in the period concerned: 2005, 2006, 2007).

All Enel employees undertake to fight corruption. Specifically, each organizational unit is responsible, for the parts within its province, for setting up appropriate control systems useful for implementing the ZTC Plan.

Monitoring the controls set up by the different operating units for implementing the Plan is entrusted to the Auditing Department, which performs its duties in all Enel companies and provides suggestions for improving the internal control system.

The results of the assessments made by the Auditing Department are summarized in the Analysis of the Enel Group's Risk Factors (which is updated annually) and the Annual Report on the Internal Control System provided for by Organizational Model 231/01.

### **SO3: Percentage of workers who have received training on the organization's anti-corruption policies and procedures.**

In 2007, 6,819 employees in Italy received training on anti-corruption policies and procedures.

The online course regarding the Code of Ethics, which has been translated into 5 languages, has been assigned to foreign personnel since the end of 2006. The Zero Tolerance of Corruption procedure, which went into effect in 2006, is being implemented at all the companies abroad (see the HR3 comment on p. 143).

With regard to competition and to anti-competitive practices that should be avoided, a specific distance-training course has been made available to all Enel employees. Among other things, the course uses practical cases to explain the rules for conduct in relations with competitors, customers, and suppliers. It also includes multiple-choice tests that are useful for checking what has been learned.

Furthermore, the continual training addressed to contact-center workers provides for specific antitrust forms illustrating how to behave and what anti-competitive practices

to avoid in relations with the people with whom they are in contact.

#### **SO4: Actions undertaken in response to cases of corruption.**

In the period concerned (2005, 2006, 2007), a single case of corruption occurred within the Group, in the procurement process. Enel took the steps provided for by the Company's disciplinary code to punish the personnel involved and suspended the other party's qualification as a supplier.

#### Code of Ethics<sup>1</sup>

##### **Criteria of conduct**

##### **Gifts, free articles and benefits**

Any form of gift which exceeds or be construed as exceeding normal commercial practices or courtesy or which is in any way meant to obtain favorable treatment in the pursuit of any activity tied to Enel, is prohibited. In particular, all forms of gifts to public officials in Italy or abroad, auditors, directors of Enel SpA and its subsidiaries, members of the Board of Statutory Auditors or to their family members, capable of influencing their independence of judgement or obtaining any type of advantage are prohibited.

This rule, to which there shall be no exceptions even in those countries where offering gifts of value to commercial partners is a custom, regards both gifts promised or offered and those received. The term "gift" refers to any type of benefit (participation in conferences free of charge, the promise of a job offer etc.). In all cases, Enel refrains from practices not permitted by the law, commercial practice or the ethical codes – assuming these are known – of the companies or entities with which it has relations.

The free articles offered by Enel are meant to promote the brand image of Enel. Any gifts given – with the exception of those of modest value – must be documented in such a way that checks may be performed, in addition to being authorized by the

department head, who shall see that prior communication of the fact is made to the Enel SpA Audit Department.

Employees of Enel who receive free articles or benefits that do not fall under the authorized categories are required to notify the Audit Department of Enel SpA under the established procedures, which shall evaluate whether the conduct is appropriate, in addition to notifying the giver of Enel's policy on the subject.

#### **Implementation procedures**

##### **Reports from stakeholders**

Enel arranges for the establishment of channels of communication through which each stakeholder may submit notifications (for example, units responsible for relations with consumer or environmental associations, suppliers and personnel, plus call centers for customers etc.).

Alternatively, all Enel stakeholders may report, in written, non-anonymous form, any violations or suspected violations of the code of ethics<sup>3</sup> to the Audit Department of Enel SpA, which shall analyze the report, possibly hearing its author and the individual involved in the alleged violation.

The Audit Department of Enel SpA shall take steps to ensure that those making the reports are not subject to any acts of retaliation, meaning actions that may give rise to even the suspicion of discrimination or penalization (in the case of suppliers, for example: interruptions of business relations; in the case of employees: failure to be promoted etc.). In addition, confidentiality is guaranteed with regard to the identity of the individual making the report, unless otherwise required under the law.

##### **Violations of the code of ethics**

The Audit Department of Enel SpA reports violations of the code of ethics that emerge following the reports of stakeholders or ethical auditing activities, in addition to presenting whatever suggestions are held to be necessary:

- in the most important cases, the reports are made to the Internal Control

<sup>1</sup>Source: [http://www.enel.it/azienda\\_en/chi\\_siamo/codice\\_etico\\_3/download/doc/eticoinglese.zip](http://www.enel.it/azienda_en/chi_siamo/codice_etico_3/download/doc/eticoinglese.zip)

Committee, which, after an appropriate analysis, notifies the Chief Executive Officer of Enel SpA, or, if necessary, the Board of Directors, of the violations and the measures taken as a result;

- in other cases, the reports are made directly to the Chief Executive Officer of the subsidiary involved, with a summary report being supplied to the Chief Executive Officer of Enel SpA and to the Internal Control Committee.

The relevant corporate departments, alerted by the Chief Executive Officer of the subsidiary in question, determines the measures to be taken, handling their implementation and reporting on the outcome to the head of the Audit Department of Enel SpA.

About us – Code of Ethics<sup>1</sup>

### **Reporting breaches of the Code of Ethics**

Enel stakeholders can report any breach or suspected breach of the Code of Ethics to Enel SpA's Auditing unit.

The identity of persons reporting breaches will be treated confidentially, without prejudice to the requirements of the law, in order to safeguard such persons from any form of reprisal. By this is meant any action that might give rise even to the mere suspicion of discrimination or penalisation.

The reports may be sent through the following procedures:

- E-mail: [audit.enel.codice.etico@enel.it](mailto:audit.enel.codice.etico@enel.it)
- A letter to the address:

Codice Etico – Funzione Audit Corporate Enel SpA Viale Regina Margherita, 137  
00198 Roma - Italy

<sup>1</sup>Source: [http://www.enel.it/azienda\\_en/chi\\_siamo/codice\\_etico\\_3/segnalazione\\_responsabile/](http://www.enel.it/azienda_en/chi_siamo/codice_etico_3/segnalazione_responsabile/)

## 110. Saint-Gobain

Our values<sup>1</sup>

### **Respect for the law**

All Group companies must apply in all areas all laws and regulations of the countries where they do business. Particular attention is drawn to the areas described below.

All Group companies must prohibit all actions which might breach applicable norms of competition law. They must refrain from any form of financing political parties or activities, even if allowed under local law. They must also reject all forms of active or passive corruption whether in domestic or international transactions.

Furthermore, Group companies must not exploit loopholes or inadequacies in any such laws or regulations where this would mean non-compliance with the norms of the Saint-Gobain Group in the areas described below.

<sup>1</sup>Source: <http://www.saint-gobain.com/en/group/our-values/respect-law>

## 111. Lloyds TSB Group

Corporate Responsibility Report 2007<sup>1</sup>

### **Supporting employee engagement**

#### **People management**

We also conduct frequent employee forums and focus groups to test opinions on a range of issues, from company strategy and employee benefits to product development. Our confidential “whistleblowing” telephone line is available to all employees to report concerns that they feel unable or unwilling to raise with their line manager. Many employees in the UK are represented by two recognised trade unions which are consulted regularly. For those working in the EU, we hold a yearly European Employee Forum where key employment issues are discussed.

<sup>1</sup>Source: [http://lloydstsb.com/media/lloydstsb2004/pdfs/corporate\\_report\\_2007.pdf](http://lloydstsb.com/media/lloydstsb2004/pdfs/corporate_report_2007.pdf)

## 112. CNP Assurances

2007 Annual Report and Sustainable Development Report<sup>1</sup>

### **Identifying risks to manage them more effectively**

#### **Taking action against money laundering**

The system to combat attempts to launder the proceeds of crime and finance terrorist organizations is led by a dedicated corporate team, supported by a network of anti-money laundering officers in all of the units exposed to this risk. Everyone in the organization is expected to exercise constant vigilance. First-tier controls follow documented procedures revised in early 2008, with specific warning indicators designed to detect any suspect transactions. Second-tier ex-post controls are also performed to identify any suspect transactions that may have slipped through the net during first-tier controls.

All staff are given up-to-date information on the system and applicable procedures, and employees at the front line in the fight against money laundering receive specific training. Vigilance extends to all of our companies, particularly foreign subsidiaries, through a coordination process and risk reporting system. Compliance reports are regularly submitted to the Chief Executive Officer and the Executive Committee, which take particular care in verifying that the entire system is reviewed and improved on an ongoing basis.

<sup>1</sup>Source: [http://thomson.mobular.net/thomson/7/2733/3316/print/AR07\\_EN.pdf](http://thomson.mobular.net/thomson/7/2733/3316/print/AR07_EN.pdf)

## 114. RWE

Our Responsibility Report 2007<sup>1</sup>

### CR strategy and stakeholder dialogue

#### Our Code of Conduct

Of central importance to corporate responsibility and good corporate governance at RWE is the Code of Conduct we adopted in 2005. [07] This was drafted by a team that included external experts [08] and is based

explicitly on the ten principles of the Global Compact. The year 2006 saw the creation of a taskforce to monitor its implementation. The members of this body, the Group's Compliance Officers, develop guidelines specifying how the requirements of the Code of Conduct, are to be interpreted and complied with. An online training programme has been launched to implement the Code; the operating companies have also begun to hold briefings to additionally familiarise their employees with the requirements of the Code. All the operating companies now have a Compliance Officer to advise employees and handle any reports of non-compliance. In addition to this, employees wishing to report infringements can approach an independent law firm, which has agreed to act as ombudsman in such cases.

Once a year, each supervisor checks whether his team has complied with the Code, and subsequently presents the results to the Compliance Officer. The experience of implementing the Code is then analysed and presented to RWE AG's Executive Board, with the analysis being used to identify areas where employees may need further support to implement the Code, for example when it comes to the right way to deal with invitations extended out to members of parliament.

#### Fair Competition

#### Corruption and bribery

Our Code of Conduct provides us with binding rules for dealings with politicians and holders of public office (see p. 60). We do not contribute to political parties or to any

organisations or foundations affiliated to them. Furthermore, the implementation guidelines for our Code of Conduct greatly restrict the extent of the hospitality to be extended to holders of public office.

There is of course a risk of corruption amongst our own employees, too, and in view of the fact that RWE places orders worth some €6 billion every year, this risk should certainly not be underestimated. The purchasing activities of both RWE Systems and RWE Trading are therefore subject to very strict rules. An audit of RWE Systems conducted by the accountancy firm Ernst & Young in 2006 confirmed that its internal control mechanisms are in keeping with international best practice, at the same time adding that there is further room for improvement. Together with staff from Ernst & Young, our Internal Auditing Department in 2007 made sure that these recommendations were adequately implemented to help improve the way purchasing is handled.

#### Code of Conduct<sup>2</sup>

#### External Relations

#### General principles

RWE conducts its businesses in a manner that is legally and ethically beyond reproach and expects the same of its employees. RWE urges its business partners, suppliers and customers to abide by this principle as well.

The private interests of RWE employees and the interests of the Company are to remain strictly separated. A conflict of interest occurs when private interests collide with RWE's interests or even when there might be a perception of such a conflict.

Monetary benefits from third parties must therefore not be solicited or accepted by any employee, nor must they be offered or given to third parties by any employee. This applies without exception, particularly to individuals holding public office, including

<sup>1</sup>Source: <http://www.rwe.com/generator.aspx/konzern/verantwortung/daten-und-dialog/publikationen/downloads/property=Data/id=626460/unsere-verantwortung-2007-en.pdf>

<sup>2</sup>Source: <http://www.rwe.com/generator.aspx/konzern/verantwortung/daten-und-dialog/publikationen/downloads/property=Data/id=266710/en-download.pdf>

those in foreign countries or international organisations.

Other types of benefits from suppliers, customers or other business partners may not be solicited.

Token business gifts, business entertainment or other gifts may only be accepted within the bounds of customary business practices, as long as they do not influence corporate decision-making.

These types of benefits may only be given within the bounds of normal customer relations practices, as long as they are not seen as an attempt to gain undue influence.

### **Compliance with the Code of Conduct/Reporting**

#### **General principles**

Each RWE employee will receive a copy of the Code of Conduct. The Code must become a living part of the RWE corporate culture and must be incorporated into the day-to-day work of all employees. Managers in particular are called upon to actively promote the Code's implementation. This involves ensuring that all of the employees assigned to them are familiar with the Code

of Conduct so that they can comply with its regulations in their daily work. The Group Internal Audit Department checks compliance with the Code and incorporates the Code's principles into its audit criteria.

To clarify any issues relating to the Code and Code compliance, employees should first consult their supervisor or the department within their company responsible for dealing with these issues. Such issues include the interpretation of specific sections of the Code and evaluating an employee's own behaviour against the Code's principles. If an employee has reason to believe the Code has been violated by himself/herself or another employee, this too should first be clarified in the employee's own work area.

#### **Compliance Officers**

If this is not possible or seems inappropriate given the circumstances, employees can contact an RWE Compliance Officer. Compliance Officers will be appointed by RWE AG and by each operating company; subsidiaries should decide for themselves whether they need to appoint their own Compliance Officer.

The Compliance Officers will treat each question, comment and suggestion with the utmost confidentiality and deal with each concern individually as the situation demands. Upon request, employees will be informed of how their issue was handled and what measures were taken.

No employee will face recrimination for contacting a Compliance Officer, though sanctions may be applied if the Code of Conduct has been violated.

In addition, RWE has appointed external contacts to support it in complying with the Code.

If it is not possible for an employee to clarify a Code-related issue by using the above-described company resources, he or she may take the matter to one of these external contacts. Information provided to the external contacts will be forwarded (at the employee's request: anonymously) to the RWE AG Compliance Officer, who will deal with it in the manner described in the preceding paragraph. The contact details of the Compliance Officer and the external contacts are listed on the Company intranet.

## 116. Indian Oil

Sustainability Report 2007-08<sup>1</sup>

### Sustainability Outlook

#### Corporate Governance

There have been no materially significant issue-related party transactions, pecuniary transactions or relationship between the Company and its Directors for the year ended 31st March 2008 that may have a potential conflict with the interests of the Company at large.

There were no cases of non-compliance by the Company and no penalties / strictures were enforced on the Company by the Stock Exchange/ Securities & Exchange Board of India (SEBI) or any other statutory authority on any matter related to the capital markets during the last three years.

The Company has framed a whistle-blower policy, wherein the employees are free to report any improper activity resulting in violation of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Audit Committee for review, as the case may be. The confidentiality of those reporting the violations shall be maintained and they shall not be subjected to any discriminatory practice. The policy is being implemented with effect from the current financial year, i.e., 2008-09.

IndianOil has entered into a Memorandum of Understanding (MoU) with Transparency International India (TII) in January 2008 for implementing an Integrity Pact Programme focussed on enhancing transparency in its business transactions, contracts and procurement processes. Four independent external monitors nominated by TII in consultation with the Central Vigilance Commission (CVC) shall monitor the activities.

Investor Service Cells are operational at the Registered Office in Mumbai and Corporate Office in New Delhi to address the grievances and queries of shareholders and a separate e-mail ID (investors@indianoil.co.in) has been created for shareholders to write in.

The Company has complied with all the mandatory requirements of Clause-49 of the

Listing Agreement as applicable except composition of the Board of Directors, as stated earlier.

A Strategy Meet of the Board is held once a year to deliberate in detail strategic issues, policy decisions and perspective plans for the future.

The IndianOil board is deeply committed to delivering competitive, secure returns by applying its distinctive capabilities across the entire hydrocarbon value chain through use of an equally distinctive set of assets in the country besides converting new business opportunities into commercial success, both within the country and overseas.

The system of 'Memorandum of Undertaking (MoU)' was introduced by the Government of India in 1987-88 as a part of the reform package for public sector enterprises to progressively enhance their performance. IndianOil has consistently displayed the highest level of managerial performance in all its physical and financial parameters, as evidenced in its MoU rankings.

Following the liberalisation of the Indian economy, the Government of India decided to identify public sector companies that have comparative advantages and support them in their drive to become global giants. Accordingly, IndianOil was in the first batch of nine companies granted 'Navratna' status in July 1997 with enhanced autonomy and delegation of powers.

### Community<sup>2</sup>

#### Vigilance

IndianOil is against corruption in all its forms and has adopted a set of Conduct, Discipline and Appeal rules for its employees. It has undertaken and implemented widely accepted initiatives such as grievance redressal mechanism, whistle-blower policy and a welldefined and strictly implemented policy on prevention of sexual harassment at the workplace.

<sup>1</sup>Source: <http://www.iocl.com/Aboutus/SustainabilityOutlook.pdf>

<sup>2</sup>Source: <http://www.iocl.com/Aboutus/Community.pdf>

The Vigilance Cell of IndianOil carries out preventive measures like system studies to eliminate irregularities and inconsistencies in business processes and enhance transparency in award and execution of contracts, and increase awareness of the Central Vigilance Commission (CVC) rules and guidelines.

Over 50 training courses/workshops on vigilance awareness and the roles and responsibilities of individuals were conducted for 1,173 workmen and officers during 2007-08. Special emphasis was laid on system studies to check whether existing rules and regulations are allowing the various operations to function in an efficient, transparent and cost-effective manner and additional measures or changes, if any, needed in the various procedures and manuals to achieve the desired results.

A Vigilance Awareness Week aimed at upholding the corporate value of trust and ensuring total commitment to corporate ethics, was observed throughout the organisation from 12th to 16th November 2007.

### Code of conduct<sup>1</sup>

#### **Ethical Conduct**

Every Officer shall act within the authority conferred upon him by the Company and under applicable law, keeping the best interests of the Company in view and shall:

- Act with professionalism, utmost care, skill, diligence, honesty, good faith and integrity as well as high moral and ethical standards;
- Fulfil their fiduciary obligations without allowing their independence of judgment to be compromised;
- Act fairly and transparently and not participate in any decision-making process on a subject matter in which a conflict of interest exists or is likely to exist such that an independent judgment of the Company's best interest cannot be exercised;

- Avoid conducting business with (a) a relative or (b) a private limited company in which he or his relative is a member or a director (c) a public limited company in which he or his relative holds 2% or more shares or voting right and (d) with a firm in which the relative is a partner, except with the prior approval of the Board;
- Avoid having any personal and/or financial interest in any business dealings concerning the Company;
- Not engage in any business, relationship or activity with anyone who is a party to a transaction with the Company;
- Avoid any dealings with a contractor or supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influences decisions to be made by the Company;
- Not hold any positions or jobs or engage in other businesses or interests that are prejudicial to the interests of the Company;
- Not exploit for his own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board and the Board declines to pursue such opportunity;
- Not seek, accept, or offer or make, directly or indirectly, any gifts, illegal payments, remuneration, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of business save as otherwise provided under the CDA Rules;
- Not commit any offence involving moral turpitude or any act contrary to law or opposed to public policy.

<sup>1</sup>Source: <http://www.iocl.com/print/talktous/Codeofconduct.htm>

## 117. Nippon Oil

CSR Report 2008<sup>1</sup>

### **Ethics**

#### **“Ethics” as the foundation of CSR**

The Nippon Oil Group regards CSR as fulfilling social responsibilities through business activities based on sincere implementation of the Group Philosophy by each officer and employee. While high ethical standards are part of the Group’s philosophy, the fulfillment of social responsibilities must also be rooted in a strong sense of ethics. Consideration of the essential nature of things and what is right is a vital part of trying to cultivate a strong ethical sense, which is based on the willingness to ask questions. We have promoted CSR through the adoption of a constructively critical attitude whereby we constantly question the intrinsic value of daily business activities in the broader context of what society demands.

The Nippon Oil Group has introduced a “case method”-based educational approach to help officers and employees develop better ethical decision-making capabilities and has carried out business ethics training courses, “Business Ethics Café.”

<sup>1</sup>Source: [http://www.eneos.co.jp/english/company/current\\_csr\\_report/pdf/ene\\_csr2008\\_all\\_eng.pdf](http://www.eneos.co.jp/english/company/current_csr_report/pdf/ene_csr2008_all_eng.pdf)

## 118. Mitsubishi UFJ Financial Group

Corporate Social Responsibility Report 2008 –Supplemental Report<sup>1</sup>

### **Working with Our Stakeholders: Business Partners**

#### **Fairness in Business**

The Group has stipulated two items in our Ethical Framework and Code of Conduct— "strict observance of laws and regulations, and prohibition of unfair transactions" and "disavowal of anti-social and criminal elements"— to create and sustain healthy relationships with our business partners. We maintain fairness in business by carefully observing the law under all circumstances and building up fair and sound partnerships without supporting anti-social, corrupt, or criminal elements.

#### **Restoring Confidence**

#### **Compliance Training**

To prevent the recurrence of problems, and to establish an effective compliance system, all employees in managerial positions of group companies participated in compliance trainings.

#### **Strengthening Anti-Money Laundering Measures**

Strengthening anti-money laundering measures is increasingly important, and the three companies and the holding company have established Anti-Money Laundering Offices within their Compliance Divisions, which enforce anti-money laundering measures in a consistent fashion both within Japan and worldwide.

Prevention of money laundering<sup>2</sup>

We shall be fully alert to the possibility that funds handled in transactions by financial institutions might be used for, derived from or intended for criminal or terrorist purposes. We shall strive to prevent money laundering by endeavoring to thoroughly identify transaction parties, and if we discover transactions where we suspect criminal involvement, we shall not overlook these and shall respond appropriately.

<sup>1</sup>Source: [http://www.mufig.jp/english/csr/csrreport/2008/pdf/ethics/all\\_e.pdf](http://www.mufig.jp/english/csr/csrreport/2008/pdf/ethics/all_e.pdf)

<sup>2</sup>Source: <http://www.mufig.jp/english/profile/ethics/>

## 119. Renault

### CODE OF GOOD CONDUCT<sup>1</sup>

#### The conduct of members of staff within the Group

##### Relations with third parties: Offers and acceptance of gifts

A member of staff of the Group who endeavours to have a supplier or customer enter into contract with a Group entity must not under any circumstances resort to corruption, whether actively or passively.

In this spirit, no member of staff will offer or promise any gift in any form whatsoever, other than as is customary within the Group.

In the event of doubt as to customary practice within the Group, the member of staff concerned will consult their hierarchical superiors.

Similarly, no member of staff will solicit or accept any gift of a value exceeding customary practice in the Group, nor any sum of money, even in the form of a loan, nor any other advantage in any form whatsoever, or have any member of their family or entourage solicit or accept the same, from any external entity which is liable to count on such member of staff's influence within the Group to favour its interests. In any event, members of staff of the Group shall inform their hierarchical superiors of any solicitation or offers of special advantages which they have been subject to, directly or indirectly.

##### Relations outside the Renault Group

### CORRUPTION AND DISGUISED REBATES

No member of staff of the Group may, directly or indirectly, accept or require any bribe or advantage whatsoever.

No enterprise in the Group may propose or give any bribes or other advantages, nor accept a demand for the same.

The enterprise must not provide any rebate or kickback concerning part of the payment for performance of a contract to the employees of their contracting party, nor

have recourse to any other practices (subcontracting, orders, etc.) in order to make payments to officials, employees, family relations, associates or partners of their contracting parties.

### 2007 REGISTRATION DOCUMENT<sup>2</sup>

#### ETHICS AND COMPLIANCE

##### CODE OF GOOD CONDUCT AND RULES OF COMPLIANCE

In 1998 Renault introduced a Code of Good Conduct that provides a framework for relationships with all stakeholders, both inside and outside the Group. The Code is given to managerial staff and to suppliers in order to set out clearly defined principles for dealing with complex or unexpected situations.

Given the Group's steady international expansion and the wide variety of risks in the countries where it is present, Renault decided to reinforce its ethical approach by adding a "Compliance" function to the existing Code of Good Conduct. The Compliance function is an integral part of the Renault group's internal control procedures and is independent of the internal audit function.

Placed under the authority of the CEO, the Compliance function is organized around the Global Compliance Committee, which is supported in each region by a committee chaired by the regional leader.

To enable employees to play an active role in risk prevention, Renault has set up a warning system. The aim is to encourage all members of staff to report any irregularities in the areas of accounting, finance and the fight against corruption. This procedure is governed by the terms of the CNIL (France's Data Processing Commission) and guarantees the full confidentiality of the warning process.

<sup>1</sup>Source: <http://www.renault.com/en/Lists/ArchivesDocuments/Renault%20-%20Code%20of%20ethics%20-%20en.pdf>

<sup>2</sup>Source: <http://www.renault.com/en/Lists/ArchivesDocuments/Renault%20-%202007%20Registration%20Document.pdf>

The Compliance function ensures that the Code is correctly applied, promotes the Group's ethics framework, advises senior management, collects and processes warnings received.

The Code of Good Conduct and Rules of Compliance were adopted by the Board of Directors on September 26, 2007. They became applicable on January 1, 2008 and have been sent out to all employees.

#### **REPORT OF THE CHAIRMAN OF THE BOARD PURSUANT TO ARTICLE L. 225-37 OF THE COMMERCIAL CODE**

##### **SHARED CORPORATE VALUES AND PRACTICES**

The Renault group has a Code of Good Conduct and compliance rules, which were updated in 2007 and approved by the Board of Directors on September 26, 2007. This Code took effect on January 1, 2008, when the post of senior Compliance Officer was created. This officer is tasked with ensuring that the Code is properly applied and verifying compliance with international procedures and rules on best practice. He or she also makes recommendations aimed at optimizing these procedures and organizational structures, as part of a dynamic approach. In the role of advisor to senior management, to whom he or she reports, the senior Compliance Officer promotes the Renault group's compliance policy.

In addition, the Group is setting up a whistleblowing system that will allow any member of staff to report instances of deviance from these values and ethics, solely in the areas of accounting, finance, banking and combating corruption.

Lastly, the Internal Audit department is charged with ensuring compliance with procedures, notably with respect to detecting and dealing with suspected fraud.

## 122. Unilever

### Sustainable Development Report 2007 – Introduction<sup>1</sup>

#### Our values & strategy

##### Our values in action

A code is no practical use unless it is part of an active process of compliance, monitoring and reporting. The Board of Unilever is responsible for this process, with day-to-day responsibility lying with our senior management around the world.

The Code is translated into nearly 50 languages and is communicated to all employees.

As part of our worldwide positive assurance process, each year our company chairmen give a written assurance that their business is in compliance with the Code. The Board of Unilever reviews these responses. Internal audit is used to provide reassurance that the process is working satisfactorily.

Any breaches of the Code must be reported in accordance with procedures set by the Group Secretary of Unilever. Our Board will not criticise management for any loss of business resulting from adherence to our Code.

We expect and encourage employees to bring to our attention any breach of the Code and no employee will suffer as a consequence of reporting a breach. Since 2004 all employees worldwide have had access to a toll-free 24-hour ethics telephone hotline. The hotline enables employees to raise any concerns in complete confidence, and anonymously if they wish.

### Sustainable Development Report 2007 – People & Partners<sup>2</sup>

#### Employees

##### Living our values

Each year, country chairmen provide positive assurance that their business adheres to our Code of Business Principles. The Code provides a clear set of ethical guidelines to enable employees to uphold our business integrity.

Our prohibition against the giving or receiving of bribes is absolute. Moreover, we make clear that no employee will be penalised for any loss of business resulting from the rejection of bribery. The Code is communicated to all employees and translated into 47 languages, with processes in place to raise concerns and report breaches. In 2007, we dismissed 54 people (compared to 68 in 2006) for breaches of our Code.

We abide by core ILO labour standards and our Code sets out requirements on protecting labour rights. In 2007 we surveyed our 45 largest businesses which showed that our youngest employee, aged 15, is in Germany, compliant with local legislation.

In all these countries, wages paid by Unilever is at least equal to, and in most cases exceeds, the minimum wage established by the relevant national authority. It is not always possible to collect information about the number of employees who are members of trade unions for legal reasons; however, in the countries where this information is available it reveals 37.1% of our eligible employees are members of trade unions.

### Code of Business Principles<sup>3</sup>

#### Business Integrity

Unilever does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or

<sup>1</sup>Source: [http://www.unilever.com/Images/es\\_intro\\_tcm181-130764.pdf](http://www.unilever.com/Images/es_intro_tcm181-130764.pdf)

<sup>2</sup>Source: [http://www.unilever.com/Images/es\\_people\\_tcm181-130779.pdf](http://www.unilever.com/Images/es_people_tcm181-130779.pdf)

<sup>3</sup>Source: [http://www.unilever.com/Images/ir\\_Code-of-Business-Principles-November-2006\\_tcm181-12290.pdf](http://www.unilever.com/Images/ir_Code-of-Business-Principles-November-2006_tcm181-12290.pdf)

receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management.

Unilever accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

#### **Compliance - Monitoring - Reporting**

Compliance with these principles is an essential element in our business success. The Unilever Board is responsible for ensuring these principles are applied throughout Unilever.

The Group Chief Executive is responsible for implementing these principles and is supported in this by the Corporate Code Committee comprising the General Counsel, the Joint Secretaries, the Chief Auditor, the SVP HR, the SVP Communications and the Corporate Code Officer, who presents quarterly reports to the Unilever Executive.

Day-to-day responsibility is delegated to all senior management of the regions, categories, functions and operating companies. They are responsible for implementing these principles, if necessary through more detailed guidance tailored to local needs, and are supported in this by Regional Code Committees comprising the Regional General Counsel together with representatives from all relevant functions and categories.

Assurance of compliance is given and monitored each year. Compliance with the Code is subject to review by the Board supported by the Corporate Responsibility and Reputation Committee and for financial and accounting issues the Audit Committee.

Any breaches of the Code must be reported in accordance with the procedures specified by the General Counsel.

The Board of Unilever will not criticise management for any loss of business resulting from adherence to these principles and other mandatory policies and instructions.

The Board of Unilever expects employees to bring to their attention, or to that of senior management, any breach or suspected breach of these principles.

Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

#### **Code of Business Principles Hotline<sup>1</sup>**

##### **Confidential ethics hotline**

At the request of the Audit Committee, a confidential ethics hotline was introduced as part of the actions required by the Sarbanes-Oxley legislation in the United States, to ensure that employees could anonymously submit concerns regarding accounting and auditing issues. This facility was extended at the request of the Board to the handling of all Code of Business Principles issues. The ethics hotline is available 24 hours a day, 365 days a year.

People who are aware of a violation of the Code of Business Principles are encouraged to use the normal channels to report their suspicions - through their line manager or HR director. But the hotline provides an extra method for people who wish to report issues.

If any employee reports, in good faith, what they consider to be illegal or unethical activities, they need not be concerned about retaliation from others, and Unilever will take disciplinary action against any employee involved in retaliation. This may include action up to, and including, termination of employment.

##### **Reporting and Recording Breaches and Frauds**

A record of all breaches of the Code is monitored by Company Chairmen and available in operating companies.

All breaches of the Code are regarded as serious and treated as such.

<sup>1</sup>Source: [http://www.unilever.com/Images/ir\\_Code\\_of\\_Business\\_Principles\\_Hotline\\_tcm181-12291.pdf](http://www.unilever.com/Images/ir_Code_of_Business_Principles_Hotline_tcm181-12291.pdf)

However, some breaches and frauds are so significant that reporting must be made to the Code of Business Principles Committee. These include:

- breach of Code involving misuse of money, assets, information and wrongful conduct or behaviour where the loss exceeds €10,000
- breach of Code the result of deliberate and systemic acts by one or more employees any breach which has the potential to damage the corporate reputation
- any allegation of a bribe, given or received
- a breach following investigation of which dismissal or suspension of a manager is proposed.

This is not an exhaustive list and management will use their discretion as to whether reporting is appropriate even if the above criteria are not met.

#### **Method of Reporting by management**

Reporting to the Code of Business Principles Compliance Committee can be in writing, via fax or e-mail.

The initial report should be made within a week of discovery, with whatever level of detail is known initially.

Following the initial alert, the aim is to send a full report, together with recommendations for remedial action, sanctions etc., within a month.

Any further investigations and reporting that may be necessary must be agreed with the Code of Business Principles Compliance Committee.

Each quarter end management will supply:

- A collected summary of all breaches reported to the Code of Business Principles Compliance Committee during that quarter, along with an update on breaches reported to the Code of Business Principles Compliance Committee in previous quarters in respect of which actions remain outstanding or investigations continue; and
- the total number of all other breaches of the Code during the quarter in question, categorised by type.

#### **Code of Business Principles Compliance Committee**

This Committee consists of the two Joint Secretaries, the Chief Auditor, the SVP HR Development and the Head of Corporate Relations. It meets quarterly to review the reports from management (including breach reports originating through the ethics hotline), to agree any further investigations and reporting which may be necessary, and to decide if issues need to be brought to the attention of UEX, the Audit Committee, the External Affairs Committee or the Board.

## 123. United Technologies

### 2007 Corporate Responsibility Report<sup>1</sup>

#### Message from the Chairman and the President

[...] The year's progress was not without setbacks. Two issues reported previously were resolved early in the year, the European Union investigation of cartel behavior in the elevator industry and a Hamilton Sundstrand violation of the U.S. Clean Water Act. This report includes details, and UTC's compliance mechanisms have been renewed and strengthened accordingly. Tragically, four UTC employees lost their lives in 2007. Although reduced from prior years and including two deaths as the result of a violent crime and one motor vehicle fatality, any loss of life is unacceptable.

Strengthened compliance mechanisms included expanded employee ethics training and mandatory inclusion of an ethics component in annual appraisals for all salaried employees worldwide. The former included 480,000 modules for 95,000 salaried employees. The latter was completed for 96 percent of domestic salaried employees. UTC's long time DIALOG system for reporting employee concerns confidentially, already Web enabled and available globally, was centralized in 2007 in response to employee feedback. A total of 69,054 DIALOGs have been written and responded to since the program began in 1986. [...]

### Code of Ethics<sup>2</sup>

#### Our Standards of Conduct — How We Perform

##### Marketing & Selling

UTC will compete in the global marketplace on the basis of the merits of our products and services. We will sell our products and services honestly and will not pursue any sale that requires us to act unlawfully or in violation of these standards.

In making comparisons to competitors, care must be taken to avoid disparaging a competitor through inaccurate statements.

All persons acting on behalf of UTC will abide by the laws relating to improper payments. Sales and marketing services performed by third-parties outside the United States must comport with UTC's policy entitled "Non-U.S. Sales Representatives."

Business gifts that are customary and reasonable in frequency and value are permitted, generally. A gift is never permitted if intended in exchange for favorable treatment or if prohibited by the policies of the recipient or his/her employer.

UTC will not offer or pay any bribe.

These issues are addressed in the Code Supplement entitled "Giving and Receiving of Business Gifts."

#### Government Procurement

UTC will comply with procurement laws and rules as they apply to UTC's business with governments around the world.

UTC takes special care to comply with the unique and special rules that apply to contracting with the U.S. Government. At all times, UTC will follow the Government's rules for competing fairly, will honor restrictions applying to Government employees (e.g., gifts and employment), will deliver products and services that conform to specifications, will adhere to government accounting and pricing requirements, will claim only allowable costs, and will ensure the accuracy of data submitted.

The UTC "Policy Statement on Business Ethics and Conduct in Contracting With the United States Government" contains specific guidelines and requirements.

#### Conflicts of Interest

UTC's directors, officers, employees, and representatives must be loyal to UTC and deal with suppliers, customers and others in a manner that avoids even the appearance of a conflict between personal interests and those of UTC. UTC's policy entitled "Conflicts of Interest" further defines conflicts, provides guidance on specific subjects, and identifies processes for resolving possible conflicts.

Coverage includes the following:

<sup>1</sup>Source: [http://www.utc.com/utc/Static%20files/Company%20Reports/Corporate%20Responsibility%20Reports/2007/2007\\_utc\\_corporate\\_responsibility.pdf](http://www.utc.com/utc/Static%20files/Company%20Reports/Corporate%20Responsibility%20Reports/2007/2007_utc_corporate_responsibility.pdf)

<sup>2</sup>Source: [http://www.utc.com/utc/Static%20files/Governance/coe\\_english.pdf](http://www.utc.com/utc/Static%20files/Governance/coe_english.pdf)

- The direct or indirect financial or stock ownership interest in UTC suppliers, customers, or competitors;
- Seeking or accepting gifts or any form of compensation from suppliers, customers or others doing business, or seeking to do business with UTC (see the Code Supplement entitled “Business Gifts from Suppliers”);
- Directorships, employment by, or voluntary service rendered to another company or organization; and
- The personal use of corporate assets (including, for example, tangible property, proprietary information, non-public information, or business opportunities).

Actual and potential conflicts must be disclosed to UTC for review. When in doubt, seek guidance from the Business Practices office.

#### **Partners & Suppliers**

UTC purchases equipment, supplies and services on the basis of merit. UTC’s partners, suppliers, vendors and subcontractors will be treated with fairness and integrity and without discrimination.

Those who deal with suppliers or potential suppliers are subject to UTC’s policy governing “Conflicts of Interest” and the Code Supplement entitled “Business Gifts from Suppliers.”

UTC seeks to maximize opportunities for small, small disadvantaged, minority-owned, woman-owned, veteran-owned, and historically underutilized businesses to serve as suppliers and subcontractors, in accordance with its policy entitled “Contracting with Diverse Businesses.”

#### **Involvement in the Political Process**

UTC will comply with all national, state and local laws regulating UTC’s participation in political affairs, including limitations on contributions to political parties, national political committees, and individual candidates.

Those who make contacts on behalf of UTC with political parties, candidates, elected officials, or governmental officials must comply fully with all applicable laws and UTC policies (including this Code and UTC’s policy entitled “Government Relations”).

UTC will not offer or pay any bribe.

UTC encourages its directors, officers and employees to be informed voters and to be involved in the political process. Personal participation in political activities, including contributions of time or financial support, is a personal decision and will be entirely voluntary.

#### **Citizenship and Human Rights**

UTC is committed to good citizenship and believes that engagement with others improves the human condition. For our employees worldwide, UTC assures safe and healthy work environments, based on the more stringent of U.S. standards, local standards, or UTC policies. UTC does not use child labor or forced labor.

For our communities worldwide, UTC works to protect the environment, maximize the efficiencies of our products, and reduce wastes, emissions, energy consumption, and the use of materials of concern. As affirmed in other sections of the Code, UTC obeys the law, does not discriminate in personnel practices, and does not engage in corrupt practices. In addition to its own commitments, UTC expects direct suppliers to adopt suitable codes of business conduct. See UTC’s policy entitled “Corporate Citizenship.”

#### **Our Code of Ethics — How We Comply**

##### **Complying with this Code of Ethics**

Each director, officer, employee and representative of UTC worldwide must comply with this Code and its implementing supplements and policies.

Managers at all levels of UTC are responsible for creating and fostering a culture of ethical business practices, encouraging open communications, and instilling an awareness of and commitment to this Code of Ethics.

Failure to comply with this Code or any its requirements will result in appropriate discipline, up to and including discharge. Discipline will be determined by the

cognizant operating management in conjunction with the Business Practices office, and principles of fairness and equity will apply.

### **Asking Questions & Raising Concerns**

Questions regarding this Code, its application to specific circumstances, and reports of actual or suspected violations can be raised to any level of the supervisory chain, the Legal Department, a Business Practices Officer, Human Resources, or by contacting a UTC Ombudsman or using DIALOG.

Since 1986, the Ombudsman/DIALOG program has been available as an alternative communications channel.

Ombudsman/DIALOG is confidential (by protecting the identity of the person raising the issue), neutral (by being the advocate neither of management nor employees), and independent (by operating separately from management). In addition, through the Ombudsman/DIALOG program, questions or concerns can be submitted anonymously.

Ombudsman/DIALOG serves only as a communications intermediary, and management is responsible for investigating concerns and for answering questions that are raised through the program. Ombudsman/DIALOG will process any business-related issue except those subject to the provisions of a collective bargaining agreement or those restricted by applicable law. The identity of a person using Ombudsman/DIALOG will be protected unless disclosure is compelled by a court of law or there appears to be imminent risk of serious harm. The Ombudsmen and the DIALOG coordinators are guided by the Code of Ethics and Standards of Practice of the International Ombudsman Association (<http://www.ombudsassociation.org/standards/>).

The UTC Ombudsmen, who are trained mediators, work principally by telephone and can be contacted worldwide by using the toll-free telephone numbers appearing at the end of this Code. The Ombudsmen serve as communications intermediaries on issues that are more complex, such as those having legal implications or requiring investigation.

DIALOG is a companion process, which operates under the direct control of the Ombudsmen. DIALOG is a written, two-way, communications channel and is intended for less complex issues. DIALOG is available worldwide by mailing a paper form (which is available from DIALOG boxes located in various work areas) or by using a secure, encrypted, internet-based, electronic system, eDIALOG, (<https://eDIALOG.confidential.utc.com>).

To fully assure confidentiality, company computers should not be used for eDIALOG communications. Each director, officer, employee, and representative is personally responsible for raising to UTC's attention any actual or suspected violations of this Code of Ethics, its implementing supplements and policies, or any law or regulation. UTC prohibits any retribution against any person for reporting anything he/she reasonably believes constitutes a violation or suspected violation.

In addition, UTC prohibits any retribution against any employee who raises, in good faith, any concern with respect to policies or practices used within a business. However, the use of these communication channels to report wrongdoing will not absolve anyone from accountability for personal involvement in any wrongdoing.

UTC employees and others who suspect irregularities in company accounting, internal accounting controls, or auditing matters, can report these matters to UTC by using the mail, e-mail, and toll-free numbers published on UTC's website at [www.utc.com](http://www.utc.com). Alternatively, employees of UTC may contact an Ombudsman or use DIALOG.

## 124. Groupe Caisse d'Épargne

### RAPPORT DEVELOPPEMENT DURABLE 2006<sup>1</sup>

#### DÉONTOLOGIE, CONFORMITÉ, SÉCURITÉ ET MAÎTRISE DES RISQUES

##### Lutter contre le blanchiment et la corruption

A partir des obligations réglementaires auxquelles il est soumis, le Groupe Caisse d'Épargne a régulièrement développé une culture en matière de lutte contre le blanchiment et le financement du terrorisme. Son action s'est déployée dans trois principaux domaines : animation de la filière, outils, règles et normes.

L'effet conjugué d'une sensibilisation très largement partagée et d'une expertise constamment développée a permis de constituer une authentique filière métiers. Les services dédiés à la prévention du blanchiment et du financement des activités terroristes représentent un sous-ensemble de près de 200 personnes qui opèrent dans toutes les entreprises du Groupe, sur toutes les activités.

Les déclarations de soupçon effectuées par les entreprises du Groupe à Tracfin ont été en augmentation régulière, quantitative dans un premier temps, qualitative ensuite. Ainsi, en 2006, malgré une réduction de près de 16 % du nombre des déclarations, il apparaît que celles-ci ont plus fréquemment contribué aux dispositifs de lutte contre le blanchiment et le financement des activités terroristes. Une première convention anti-blanchiment a eu lieu en septembre 2006. Elle a réuni tous les services de lutte anti-blanchiment (SLAB) du Groupe Caisse d'Épargne, en présence du secrétaire général de Tracfin.

La lutte anti-corruption est intégrée dans les dispositifs de lutte anti-blanchiment. Les procédures mises en place par les établissements du GCE permettent de déclarer à Tracfin les opérations portant sur des sommes pouvant provenir de la corruption.

### Compliance<sup>2</sup>

#### The prevention of money laundering and terrorist financing

All entities belonging to Groupe Caisse d'Épargne apply the rules and regulations introduced by French legislation that comply with international standards as defined recently by the Financial Action Task Force\* (FATF). In particular, Groupe Caisse d'Épargne is subject to the supervision and control of the French regulatory authorities responsible for the financial services industry: the French Banking Commission, the AMF French financial markets authorities, the ACAM authority responsible for monitoring insurance and mutual insurance companies, etc.

These standards are circulated in a consistent manner within all Group companies (Caisses d'Épargne, direct and indirect subsidiaries in France and overseas) in full compliance with the relevant legislative authorities. Awareness-building measures are taken at regular intervals to ensure that all the operating personnel remain sensitized to these questions and, in particular, aware of changes in the regulations as and when they occur and informed of the different tools used for this purpose.

The greatest possible importance is given to developing a personal understanding of the customer through a documented file created when a relationship is first established and updated as necessary. The prevention of money laundering and terrorist financing is based, in part, on this file, which also contributes to the fight against corruption in general when used appropriately.

This system is reinforced by constant vigilance based on the local networks and the team of one hundred or so employees directly assigned to this function wherever the bank pursues its activities. These dedicated resources demonstrate the determination of all the companies within the Group to be scrupulous in their application of the standards, laws and regulations in force using the best professional practices as a source of inspiration.

<sup>1</sup>Source: [http://www.groupe.caisse-epargne.com/cpp/101/fra/blob/ra\\_dd\\_06\\_ci\\_070918164554.pdf](http://www.groupe.caisse-epargne.com/cpp/101/fra/blob/ra_dd_06_ci_070918164554.pdf)

<sup>2</sup>Source: [http://www.groupe.caisse-epargne.com/asp/ci\\_modele2.aspx?np=conformite\\_ci](http://www.groupe.caisse-epargne.com/asp/ci_modele2.aspx?np=conformite_ci)

## 125. Walgreen

### ETHICS POLICY STATEMENT<sup>1</sup>

#### INTERNATIONAL BUSINESS LAWS

Employees are required to comply with the applicable laws in all countries to which they travel, in which they operate and where the Company otherwise does business, including laws prohibiting bribery or corruption. In addition, employees are required to comply with U.S. laws, rules and regulations governing the conduct of business by its citizens and corporations outside the U.S., including the Foreign Corrupt Practices Act, the U.S. Embargoes or Sanctions Program, Export Controls and Anti-boycott Compliance.

#### ANTI-KICKBACK

It is the Company's policy to comply with all laws that regulate the obtaining of prescription or other healthcare business. Employees may not give or receive anything of value for their own benefit or for the benefit of the Company, including entertainment, or free or below cost services, in exchange for referring or receiving referrals of patients, goods or services.

#### GIFT POLICY

- Employees shall not seek or accept, directly or indirectly, payments, loans, services, entertainment, or gifts from any individual or from the representative of any business concern doing or seeking to do business with the Company. Routine loans of reasonable amounts from commercial banks are excluded from this restriction.
- Executive officers and members of the Board of Directors may not accept personal loans from any person or entity doing business with the Company, nor may any such person or entity guarantee any personal obligation of such executive officer or director. The foregoing shall not prohibit an executive officer or member of the Board of Directors from accepting a loan from a commercial bank or lender doing business with the Company provided that such loan is made in the ordinary course of such bank or lender's business on commercially reasonable terms. Executive officers and members of the Board of Directors also

may not request or accept loans or payroll advances from the Company.

- Employees may not furnish or offer to furnish any gifts, entertainment, meals, or anything of value to a person who has business dealings with the Company under circumstances that might create the appearance of impropriety. Such items may be provided, other than to governmental officials and employees, if they are reasonable complements to business relationships, of modest value, and not against the law or the policy of the recipient's company. These items must also be documented on an expense report. Giving or receiving money or a cash equivalent as a business gift is prohibited.
- Giving gifts or entertainment to any domestic or foreign government official or employee is highly regulated and often prohibited. A government employee is any individual employed by a federal, state, or local entity, or a consultant acting on behalf of the entity. For this reason, employees shall not directly or indirectly pay, give, offer or promise any entertainment or gift of value to any government official or employee without the prior approval of the General Counsel.
- Meals and entertainment are only to be offered or accepted when both the employee and the individual or representative of a business concern are present and a substantial business discussion takes place during, directly before, or directly after the activity, and only with the prior approval of the responsible corporate vice president. Sponsored events that are part of Company authorized attendance at trade shows, seminars, or conventions do not require prior notice.
- The solicitation, purchase, or acceptance of entertainment or sporting event tickets for personal use is prohibited. There may be special circumstances in which items such as entertainment tickets are converted to use by and for the benefit of the Company. In such cases, adequate documentation must be maintained and prior approval of the responsible corporate vice president is required.
- Personal purchases of discounted merchandise through business contacts are prohibited. This does not preclude use of the employee discount at Company retail sites or participation in any Company approved Employee Purchase Program.

<sup>1</sup>Source: [https://www.wellsfargo.com/downloads/pdf/about/team\\_member\\_code\\_of\\_ethics.pdf](https://www.wellsfargo.com/downloads/pdf/about/team_member_code_of_ethics.pdf)

- Travel or lodging for business or personal purposes may not be accepted. Exceptions may be made for the use of private aircraft provided by an established vendor for transportation directly to and from a business meeting, with prior written approval of the President, Chairman, or CEO.

#### **REPORTING AND NON RETALIATION**

- Employees should feel free to report what they believe, in good faith, to be violations of this Ethics Policy Statement without fear of retaliation. Employees may report or discuss violations with their supervisor, the General Counsel, or other officer of the Company, or may report violations on the Company's confidential hotline at 1-800-666-5677
- Employees who receive complaints or concerns, whether verbal or written, related to any applicable law or Company policy, should communicate those complaints or concerns to their supervisor, the General Counsel or other officer of the Company, or to the Company's confidential hotline at 1-800-666-5677.
- Employees who receive complaints or concerns, whether verbal or written, related to accounting, internal accounting controls, or auditing matters should communicate those complaints to the General Auditor, General Counsel, and/or Senior Vice President Human Resources for review and investigation.

All statements contained in this Policy are intended to reflect general policies, principles, and procedures, do not represent contractual commitments on the part of the Company, and may be changed at any time without notice. Without limiting the generality of the foregoing, nothing in this Policy should be construed to grant to any employee any right to continued employment or benefits under any employee benefit plan, program, or arrangement. Violations of this Policy may result in disciplinary actions, including, if appropriate, termination of employment.

## 126. Wells Fargo

### Code of Ethics and Business Conduct<sup>1</sup>

#### Avoid Conflict of Interest

##### Gifts and Activities with Customers or Vendors

You and your family members must not accept gifts from or participate in activities with (including services, discounts, entertainment, travel, or promotional materials) an actual or potential customer or vendor or from business or professional people to whom you do or may refer business unless the gift or activity was in accordance with accepted, lawful business practices, and is of sufficiently limited value that no possible inference can be drawn that the gift or activity could influence you in the performance of your duties for Wells Fargo. It is unlawful for you to corruptly seek or accept anything of value from any person, intending to be influenced or rewarded in connection with any business or transaction of Wells Fargo. This rule applies to all team members, including, but not limited to, those involved in recommending or making decisions related to:

- Pricing of products sold by the company
  - Extension of credit, or
  - Purchase of goods or services from outside vendors
1. Money – Money (cash, check, money order, or electronic funds) must never be accepted or given.
  2. Giving Gifts – Team members who wish to give gifts to vendors, customers or officials, or who are asked to authorize such gifts, must follow standard expense authorization procedures.

Gifts valued at more than \$200 to a current or potential customer within any calendar year must be approved, in writing, by your Code Administrator.

Gifts of tickets to sporting or other entertainment events to current or potential

customers and guests with an aggregate value of more than \$300 per customer or vendor per year must be approved, in writing, by your Code Administrator.

Team members who wish to give personal gifts to other team members must follow the general guideline that the gift be made in accordance with accepted business practices and is of sufficiently limited value that the gift could not influence the giver or the receiver in the performance of their duties for Wells Fargo, nor create actual or perceived pressure to reciprocate.

3. Accepting Gifts – Unless approved, in writing, by your Code Administrator, you may not accept gifts, gift cards, or gift certificates worth more than \$200 from a current or potential customer, vendor or their agent within any calendar year. However, the following items are not subject to the \$200 limit:
  - Gifts based on obvious family or personal relationships when it is clear that the relationship, and not the company's business, is the basis for the gift
  - Discounts or rebates on merchandise or services from an actual or potential customer or vendor if they are comparable to and do not exceed the discount or rebate generally given by the customer or vendor to others
  - Awards from civic, charitable, educational, or religious organizations for recognition of service and accomplishment, or
  - Gifts of tickets to sporting or other entertainment events, provided the aggregate value to you and your guests is not more than \$300 per customer or vendor per year, unless approved, in writing, by your Code Administrator.
4. Activities with Customers or Vendors – Activities with existing or potential customers or vendors that are paid for by them (including meals, winning door prizes, sporting events, and other entertainment, as well as trips to customer and vendor sites, exhibits and other activities) may be accepted only if the activity is a customary, accepted and lawful business practice and is of sufficiently limited

<sup>1</sup>Source: <http://files.shareholder.com/downloads/WAG/485926332x0x145604/14561bf9-f748-4a6e-a9ea-ba2489876aed/ethics.pdf>

value that no possible inference can be drawn that participating in the activity could influence you in the performance of your duties for Wells Fargo.

If you have any doubt about the propriety of participating in an activity offered by a customer or a vendor, you should consult with your supervisor before accepting the offer. If the activity includes travel paid for by a customer or vendor, you must obtain management approval before accepting the trip.

5. Gifts to Foreign Officials – Team members must comply with U.S. law and the laws of foreign countries that prohibit giving money or anything of value, directly or indirectly, to foreign officials, political parties and party officials and candidates for the purpose of improperly influencing an official act or decision, securing an improper advantage, or assisting in obtaining or retaining business or directing business to anyone. In countries in which there is government involvement in business enterprises, such officials may include employees and managers of local enterprises.

### **Code Administration**

#### **Team Member Responsibilities**

As a Wells Fargo team member, you have the following obligations under the Responsibilities Code:

- To read and comply with the Code
- To participate in Code training upon hire and annual Code certification
- To ensure that any required disclosures are made and approvals or exceptions are obtained through the process outlined in this section
- To report conflicts of interest or violations of the Code to your Code Administrator or by contacting the EthicsLine (see “EthicsLine” below)
- To help ensure that Wells Fargo & Company and each of its subsidiaries and affiliates comply with all applicable laws, rules and regulations. You are expected to report illegal or unethical activities in the workplace by contacting the

EthicsLine so that the issue can be addressed promptly. The EthicsLine is confidential and your call or web report will remain anonymous if you desire

- Upon Wells Fargo’s request, to confirm in writing that you have received and read a copy of the Code and that you are in compliance with its provisions

You will be assigned a Code Administrator. Any discussions between you and a Code Administrator about possible violation of the Code will be treated as confidential. No retaliation may be taken against a team member as a result of a good faith report of a possible Code violation by others.

If you violate any provision of the Code, you will be subject to corrective action, which may include termination of your employment.

#### **EthicsLine**

It is the responsibility of all team members to raise concerns about behavior that may violate the Code or any laws, rules, or regulations. Wells Fargo has established an EthicsLine for team members to call or access online to report such violations. The Audit and Examination Committee of the Wells Fargo & Company Board of Directors will oversee the investigation of concerns raised about accounting, internal accounting controls, and auditing matters.

You can reach EthicsLine at 1-800-382-7250 or by submitting a report online at [www.tnwinc.com/webreport](http://www.tnwinc.com/webreport). Calls will be answered by live interviewers 24 hours a day, seven days a week.

All contact with EthicsLine will be treated as confidential to the extent permitted by law. No retaliation may be taken against a team member for providing information in good faith about possible Code violations or violations of laws, rules, or regulations by others.

You may choose to use EthicsLine anonymously. Since the assigned investigator may need some additional information about the situation, you will be assigned a report number by the Network and asked to call EthicsLine back with that report number on a set date to answer any additional questions. If you’re contacted regarding your EthicsLine call or web report, or any other ethics-related issue, give the investigator

any additional information that you have.

Under some circumstances, federal regulations may require Wells Fargo to report activity that it suspects may violate certain criminal laws. These regulations also require Wells Fargo to report certain types of suspicious activity. This includes conduct or activity by customers or by team members relating to Wells Fargo. You are not required to report, and EthicsLine should not be used to report, any criminal activity that is unrelated to Wells Fargo.

## 127. EADS

Business, Legal and Corporate Responsibility 2007 (Book 3)<sup>1</sup>

### Business Ethics

#### Policy

- “EADS is active in sectors which are strictly ruled by national and international regulations. EADS is committed to absolute compliance with applicable regulations wherever its entities operate.
- Fighting against corruption and economic crime in foreign trade has become a major challenge for all international companies. In order to meet this challenge, EADS is fully committed to complying with applicable national and international legislation, including the OECD Convention of November 1997, as incorporated into the legislation of 37 countries. EADS’ International Compliance Programme (also known as the “Rules relating to Foreign Trade”) is a corporate policy, applicable to all international operations of EADS and its affiliated companies, intended to detect and prevent bribery and unfair dealing.
- EADS is often involved in proposals, bid preparations or contract negotiations with governmental authorities because of the nature of its products and services. The Group’s policy is to compete fairly and legally for all business opportunities as well as to conduct negotiations and perform contracts when awarded in compliance with all applicable requirements, specifications and contractual obligations.”

#### The EADS Rules for Foreign Trade

EADS has implemented a detailed corporate policy, the EADS Rules relating to Foreign Trade, which applies to all international operations of the Group’s entities, and which is intended to detect and prevent bribery and unfair dealing in international sales. This policy has been published in EADS’ Corporate Handbook and is incorporated in the EADS Code of Ethics, which is available to all employees through the Company intranet.

The policy entails effective control of international operations, through the conduct of appropriate due diligence of business partners, regular audit and reporting mechanisms and enhanced training sessions within all BUs. It also sets out appropriate guidelines regarding the acceptance of gifts and hospitality.

The main pillars of the Rules for Foreign Trade are the following:

- Transparency in the selection of all business partners. All business partners engaged by an EADS company have undergone a strict engagement procedure, based on (i) a due diligence aimed at confirming that the prospective business partner is reputable and qualified to work for EADS, (ii) internationally recognized standards (location, credentials, ethical track record, etc.) and (iii) a commitment to abide by the Group’s policies prohibiting corruption and payment of bribes;
- “Appropriate remuneration for legitimate services”. EADS is very keen to ensure that all payments due and payable to any business partner are justified by legitimate services rendered and do not exceed sound market practices; and
- Monitoring of the contractual relationships with such business partners (and the related payments) until satisfaction of all contractual duties.

#### Partnerships and initiatives

EADS is also developing regular contacts with international bodies such as the OECD, the International Chamber of Commerce (“ICC”) and the European Union (“GRECO”) and peer companies with a view to setting and promoting integrity standards in the aerospace and defence sector. In this respect, EADS works closely with the European Aerospace & Defence Industries Association of Europe (“ASD”) and its members (such as CIDEF and GIFAS in France, BDLI in Germany, ATECMA & AFARMADE in Spain or SBAC in the U.K.), and also with major European aerospace and defence companies.

As a consequence, ASD has produced, in 2007, a “Common Industry standards”

<sup>1</sup>Source: [http://www.reports.eads.net/2007/en/s/downloads/files/business\\_legal\\_responsibility\\_eads\\_ar07.pdf](http://www.reports.eads.net/2007/en/s/downloads/files/business_legal_responsibility_eads_ar07.pdf)

document ("CIS") approved by the ASD Council, to promote and enhance integrity practices amongst its members. This document defines the principles aiming at setting high standards, exchanging best practices, promoting training and compliance programmes, and more generally generating and disseminating common European industry positions on ethics and anti-corruption issues to observe and apply national legislation on anti-corruption rules implementing the 1997 OECD Convention against corruption and the United Nation Convention Against Corruption ("UNCAC") as well as any other applicable laws. The largest international aerospace and defence companies and associations have adhered to the CIS.

EADS promotes and opens dialogue with other companies and industry associations, especially those belonging to OECD countries (e.g. U.S.), but also non-OECD countries at a later stage. As a matter of fact, EADS views such an international initiative as a perfect opportunity to enhance the level playing field which the OECD Convention, and thereafter the UN Convention, have started to establish i.e. criminalise corrupt practices, develop national institution's to prevent corrupt practices and to prosecute the offender, cooperate with other governments to recover stolen assets and help each other to fight corruption, reduce frequency and reinforce integrity.

EADS is also maintaining a relationship with the ICC anticorruption Commission and the French Corruption Monitoring Council (Service central de prévention de la corruption), which signed a convention with EADS in 2003.

According to a survey conducted by Novethic and the SCPC (Service Central de Prévention de la Corruption) in 2006, only seven companies amongst those belonging to the French CAC 40 are reported as being transparent and meeting international standards. EADS is one of these companies.

### **Performance and Best Practices**

In December 2005, EADS made a first amendment of the Rules for Foreign Trade, as a result in particular of advice received from reputable international experts in business ethics and anticorruption laws and practices. The main objective of these amendments was to adapt the Rules to the evolution of the Group, and to disseminate

the identified best practices across the Group as a whole. With the aim to constantly monitor the Rules according to the industry standards and best practices, a new update is planned in 2008.

EADS conducts regular assessments and audits to detect and spread Group best practices in international business ethics.

In addition, the Group has developed a comprehensive training policy so as to disseminate an awareness culture within all BUs. All employees dealing with international business attend such training sessions. In order to communicate and explain the Group's corporate values and policies to all concerned, around 87 training sessions took place in 2007 across EADS, sometimes with the attendance of third parties (prosecutors, representatives of international bodies, lawyers, etc.). This represents a very high number of training sessions, which demonstrates that the dissemination of the EADS compliance culture in all BUs is a key element of EADS' management system.

The Group has issued a leaflet entitled "EADS Business Ethics Policy For Consultant Agreements: Transparency & Substantiation", which is given to all prospective international marketing consultants. This leaflet summarises Group policies and procedures regarding selection of international business partners. Such international business partners are also invited to attend specific training sessions when deemed appropriate.

The Group's ICOs meet periodically to share concerns and best practices. An annual ICO Conference has been organised since 2003 involving more than 100 people involved in foreign trade business and operations. The last "International Compliance Officers Workshop" held on June 2007 in Paris was focused on the EADS Rules dedicated to:

- The Offset Providers with a dedicated Offset Service Provider Procedure; and
- The International Business Engineering Projects with the selection and validation process through the Companies Development & Selection Committee ("CDSC").

The workshop also details the achievements made regarding the implementation of the Rules Relating to Foreign Trade within the BUs, including countries' information on Public Officials Code of Conduct relating to "Gifts & Hospitality".

EADS also releases Group-wide internal bulletins on a regular basis, the so-called ICP Info Newsletters (International Compliance Programme Newsletters). These focus on the evolution of the regulatory environment for foreign trade and highlight information reported by international media regarding the fight against corruption and economic crime worldwide. These bulletins complete and update the information given to EADS employees during the training sessions.

In relation with its international businesses, EADS uses third parties, such as consultants and international business partners in order to provide appropriate assistance and expertise to Bus on current or potential business for EADS and/or promote EADS products or services in various countries. The contractual arrangements for such services are governed by internal rules and policies that describe the entire contractual process, from the selection of the partner to the implementation and execution of the agreed service. In order to ensure that the rules are understood and strictly applied, consultant and service providers agreements are audited. The purpose of these audits is to check the substantiation of the contractual duties delivered by the third party in exchange for remuneration. The table below presents information concerning the percentage of consultant files audited in each of the past three years. None of the audits have revealed any material deficiencies.

## INTEGRITY: EADS CODE OF ETHICS<sup>1</sup>

### Doing business ethically

#### Implementing proper business practices

Key Employee Message: Employees and business partners must not directly or

indirectly offer, promise, give or ask for anything of value or any other improper advantage to obtain business.

Fighting against corruption and economic crime (money laundering and reverse money laundering) in foreign trade is a major challenge for all international companies. To meet this challenge, employees should in discharging their duties comply with all relevant national and international legislation. This includes the OECD Convention of November 1997, as incorporated into the legislation of 35 countries, as well as all other legal instruments pertaining to prohibition of bribery and economic crime in foreign trade, such as the UNO Convention signed in Merida in December 2003.

EADS has implemented a corporate policy applying to all international operations of the Group and its affiliated companies, aimed at detecting and preventing bribery and inappropriate dealing ("International Compliance Program").

The International Compliance Program entails effective control of international operations, through the conduct of appropriate due diligence of business partners, regular audit and reporting mechanisms and the conduct of enhanced training sessions within all Business Units. A network of senior executives ("ICP Officers") is responsible for ensuring full compliance of the Group's international operations with the International Compliance Program.

The International Compliance Program is updated on a regular basis with a view to enhancing the clarity and the efficiency of the applicable rules and procedures. In this respect, EADS International is engaged in a continuing dialogue with international experts and bodies so as to ensure that the International Compliance Program reflects the highest standards of ethical business conduct.

#### Contracting with governments

Key Employee Message: All employees involved in government contracting must be aware of the guidelines governing the bid process in the relevant country and conduct themselves so as not to suggest or cause violation of these guidelines.

EADS is often involved in proposals, bid preparations or contract negotiations with governmental authorities due to the nature of its products and services. The Group's policy is to fairly and legally compete for all business opportunities and to conduct

<sup>1</sup> Source: <http://www.eads.net/xml/content/OF0000000400004/2/67/41323672.pdf>

contractual negotiations in compliance with all applicable customers' and legal requirements.

Contracts, when awarded, must be performed in accordance with all contractual and legal obligations derived therefrom.

Business courtesy, whether gifts or hospitality, should never be given by EADS' employees to Foreign Public Officials (nor to anyone else) if this could reasonably be perceived as constituting unfair business inducements. When reasonably granted, business courtesy should be consistent with marketplace practices, occasional and must not be lavish or extravagant.

#### **Avoiding conflicts of interest**

Key Employee Message: EADS directors and employees must avoid any situation that may create or appear to create a conflict between their personal interests and the interests of EADS. A conflict of interest may arise when a director, executive, manager or employee takes actions or has interests that may make it difficult to perform his or her duties and responsibilities to EADS objectively and effectively.

All of EADS' activities and interactions are in line with the Group's economic and technical objectives leading to normal business relationships with business partners and suppliers i.e. no "privileged or special" relationships.

The acceptance or donation of reasonable gifts or other advantages is only permitted after the approval of the relevant manager or supervisor, and provided that the goods or advantages received are of reasonable value\*. Employees must ensure that the offer and/or acceptance of such gifts or other advantages is in line with the reasonable and ethical practices of the marketplace, does not create a conflict of interest and could not reasonably be construed in any way as an attempt by the offering party to secure favourable treatment.

When hiring current and former government employees, EADS will comply with conflict of interest laws and regulations that may limit the ability of EADS to recruit and hire certain of those individuals, and may limit the activities they will be able to perform for EADS. These rules extend to contact or negotiations with current government

employees to discuss their potential employment by EADS or their use as consultants or subcontractors.

Relationships between EADS entities and business partners, suppliers as well as governmental administrations and employees must be governed by transparency, in particular with respect to purchase contacts and sales relations. This is equally true with regard to relations with former EADS employees directly or indirectly providing services and goods to the Group.

Any actual or potential conflict of interest must be disclosed by the employee or director who may be in a conflict situation. Disclosure shall be made to any person identified as an Ethics resource or contact in this Code so that it may be addressed in due course and as appropriate. If you have any questions or doubts as to whether a situation or activity gives rise to a conflict of interest, you should consult any person identified as an Ethics resource or contact in this Code.

## 128. Dow Chemical

2007 Global Reporting Initiative Report<sup>1</sup>

### Society Performance Indicators - ASPECT: CORRUPTION

#### SO2 Percentage and total number of business units analyzed for risks related to corruption

Risk reviews are an integral part of Dow's Ethics and Compliance program. Dow's CEO has appointed key Dow personnel to serve as members of Dow's 14 Regional Ethics and Compliance Committees ("RECCs") to address all the geographical areas where Dow conducts business.

Current practice is for the Director/Deputy Director of Ethics and Compliance and the Corporate Auditor to routinely meet with the RECCs to discuss the status of the Ethics and Compliance programs in the respective regions. These meetings include a detailed discussion of the risks specific to the region.

In addition, Dow has implemented an Enterprise Risk Management program.

See the Dow Code of Business Conduct for more information.

#### SO3 Percentage of employees trained in organization's anti-corruption policies and procedures

Since 2006, approximately 4,500 Dow employees have completed the Foreign Corrupt Practices Act on-line training modules addressing corruption. In 2007 approximately 15,000 Dow employees completed a Questionable Payment Certification as an additional measure to identify possible improper payments by Dow.

In addition, all new Dow employees are required to complete the Code of Business Conduct on-line training module. In 2008 all Dow employees will be required to complete the Code of Business Conduct on-line training module.

#### SO4 Actions taken in response to incidents of corruption

In February, 2007, The Dow Chemical Company consented to a cease-and-desist

order in settlement of allegations by the U.S. Securities and Exchange Commission ("SEC") that Dow violated the books and records and internal controls provisions of the Foreign Corrupt Practices Act (FCPA). The SEC complaint alleged that DE-Nocil Crop Protection Ltd ("DE-Nocil"), a fifth-tier Dow subsidiary, made improper payments to Indian government officials from 1996 through 2001 to expedite the registration of crop protection products. Dow did not admit to or deny the SEC's allegations, and consented to pay a \$325,000 civil penalty.

Immediately after completing its internal investigation, Dow began taking significant steps to ensure compliance with the FCPA by its employees, subsidiaries and intermediaries. Dow and DE-Nocil disciplined several individuals, including the dismissal of employees found to have been directly involved in the payments. Dow strengthened its internal financial controls and enhanced its global ethics and compliance programs, including requiring state-of-the-art FCPA training at all levels. The Company also improved its due diligence review process for intermediaries.

Dow's Code of Business Conduct addresses Questionable Payments in the Financial Integrity section and U.S. Foreign Corrupt Practices Act in the Conflicts of Interest section.

#### Human Disclosure on Management Approach

Dow's Office of Global Ethics and Compliance oversees ethics and compliance efforts and serves as a resource to Dow people by providing training, information and guidance regarding issues of legal compliance and ethical conduct. Dow believes that an effective Ethics and Compliance program requires a company to create an open and transparent environment where employees and stakeholders can feel comfortable raising issues they believe are inconsistent with a company's Code of Business Conduct – free from the threat of retaliation. Dow's Code of Business Conduct addresses many of the ethical principles and policies created to deal with issues such as bribery, political contributions, diversity, equal opportunity, respect in the workplace, and environment, health and safety.

<sup>1</sup>Source: <http://www.dow.com/commitments/pdf/GRI091508.pdf>

## Code of Business Conduct<sup>1</sup>

### Introduction

The Dow Chemical Company is committed to conducting business ethically and legally throughout its worldwide organization. Dow people are expected to uphold the highest ethical and business standards no matter where in the world business takes them, even if maintaining high ethical standards results in a loss of business. This Code of Business Conduct (Code) expands the Code published in 1999 and summarizes our Values and many of the ethical principles and policies that Dow has developed to assist in conducting business around the world. We expect the suppliers and contractors with whom we do business to embrace similar values and standards.

Throughout this document, “Dow” or the “Company” refers to The Dow Chemical Company and subsidiaries, including joint ventures, that adopt the Code.

All directors, officers and employees are expected to be familiar with the Code and apply it in the daily performance of their Dow responsibilities. The Code is applicable to Dow non-management directors in their capacities as members of the Board. Employees and officers who violate this Code are subject to disciplinary action up to and including termination of employment and may be subject to civil and/or criminal action. Nothing in this document constitutes a contract of employment with any individual.

In the rare circumstance where a waiver of the Code would be appropriate, such waiver must be approved by the Board of Directors of The Dow Chemical Company or a committee of the Board.

Ethics and integrity questions can be complex. We expect and welcome questions about the Code and its application to your Dow responsibilities. Direct any questions to your supervisor or the other resources noted throughout this Code. Training on the topics covered in this Code is available on the Intranet. Dow Keyword: Ethics. Classroom training courses on subjects related to the Code are also available via Human Resources (HR) and from various functions and businesses in the Company. To arrange training on the Code or business ethics topics, contact HR or the Office of Global Ethics and Compliance.

## Financial Integrity

### Questionable Payments

It is against Dow policy to make unlawful, improper or other kinds of questionable payments to customers, government employees or officials, or other parties. We do business and sell our products on the merits of price, quality and service.

We will not offer expensive gifts, bribes or any other kind of payment or benefit to representatives of customers, suppliers, competitors, government or governmental agencies. This applies to any individual or organization at any level, within or outside of the U.S. We expect our employees to refuse to make questionable payments. In cases where the propriety of a payment is not clear, or the alternatives might be harmful to the Company or employee, the matter should be approved in advance by a Dow lawyer and executive business management. Our policy on questionable payments includes not only direct actions of Dow employees, but also forbids indirect actions by agents, distributors, representatives, joint venture partners, or third parties acting on Dow's behalf. Ignoring activity that appears to be questionable is also a violation of Dow policy and, in some cases, the law.

### Gifts and Entertainment

Dow selects products and services on the basis of price, quality and service. We expect our customers to purchase our products and services on the same basis. All business transactions should be impartial, objective and free of outside influence.

Modest gifts, favors and entertainment are often used to strengthen business relationships. However, no gift, favor or entertainment should be accepted or given if it obligates, or appears to obligate, the recipient, or if it might be perceived as an attempt to influence fair judgment. In general, unless you have supervisory approval you should not provide any gift or entertainment to customers, suppliers or others that you would not be able to accept from a customer, supplier or others under Dow's Conflict of Interest Policy.

Never give or accept cash or its equivalent in connection with a business transaction.

<sup>1</sup>Source: [http://www.dow.com/PublishedLiterature/dh\\_004f/0901b8038004f2bd.pdf?filepath=about/pdfs/noreg/473-00001.pdf&fromPage=GetDoc](http://www.dow.com/PublishedLiterature/dh_004f/0901b8038004f2bd.pdf?filepath=about/pdfs/noreg/473-00001.pdf&fromPage=GetDoc)

Never promise or make loans or investments of any kind without first fully complying with the Authorization Policy and applicable record keeping requirements.

No employee, officer, director, family member, agent or agent's family member should offer, accept or receive a gift or entertainment if it:

- Is in cash
- Is not consistent with customary business practices
- Is extravagant in value
- Can be construed as a kickback, bribe or payoff in violation of any law, including a bribe to a government official in violation of the U.S. Foreign Corrupt Practices Act
- Violates any other laws or regulations, or
- Could cause embarrassment to or discredit the Company if disclosed.

For additional guidance, employees should refer to the Global TER Policy Manual on the Intranet.

Specific laws apply to interactions with government officials and employees. For example, the U.S. and other countries have strict laws that prevent providing anything, including food or beverages, to a government employee.

When doing business with government agents, employees or officials, be sure you understand applicable laws as well as local customs and norms. Please discuss with your supervisor, Dow lawyer, or the Office of Global Ethics and Compliance, any gifts or proposed gifts that you are not certain are appropriate.

### **Obligations to Customers, Competitors and Regulators**

#### **Gathering Competitive Information**

Dow expects employees, officers and directors to follow Dow's Guidelines for Gathering Competitive Business, Manufacturing and Technical Information. Those

guidelines describe appropriate conduct for individuals who collect or use competitive intelligence on behalf of Dow.

To obtain competitive information about products, services, and prices, Dow uses publicly available information including published articles, market analyses, and reports. Employees, officers or directors should not seek a competitor's confidential information, or accept anyone's confidential information, without the owner's consent. In no case will Dow use illegal (theft, bribery, misrepresentation or espionage through electronic devices) or unethical business means to obtain competitive information.

Since the guidelines cannot cover every situation and since laws vary by jurisdiction, consult a Dow lawyer if you have any questions. Company guidelines for gathering competitive information are available to employees on the Intranet. See Appendix E to the Guidelines for Handling Dow Proprietary Information.

#### **Reporting Violations**

If you observe or suspect a violation of the law or Dow policies, including the Code, report it to your supervisor or another Dow manager, HR or the Office of Global Ethics and Compliance. Dow expects you to seek advice when you have a question, and to recognize actual or potential problems.

While we respect the privacy interest of individuals, we will appropriately investigate any behavior that may violate the law or Dow policy, damage the reputation of Dow or impact safety. All employees, officers and directors must fully cooperate with any such investigation.

#### **Non-Retaliation Policy**

If you report what you suspect to be unethical or illegal activities, you should not be concerned about retaliation from others. Dow will not tolerate any reprisal or retaliation against a person who, in good faith, reports a known or suspected violation of the law or of Company policy, including the Code. Dow will take disciplinary action, up to and including termination of employment, against any employee or officer involved in retaliation.

### **Dow EthicsLine**

The Dow EthicsLine is available globally, with multi-lingual capabilities, 24 hours a day, seven days a week. The EthicsLine is not answered on Dow premises. It is operated by a professional service that provides similar services to other global companies. Use of an outside professional service allows callers the ability to remain anonymous, if they prefer.

To reach the Dow EthicsLine:

- In North America dial 800-803-6862
- Outside North America dial the country-specific AT&T Direct Access Number for the U.S. AT&T Direct Access Numbers can be found on the Dow Intranet at <http://ethics.intranet.dow.com/Questions/EthicsLine.asp> and on the Internet at [http://www.att.com/business\\_traveler/guides\\_and\\_access/](http://www.att.com/business_traveler/guides_and_access/)
- Once connected to the U.S. phone system, dial 800-803-6862.

When you call the Dow EthicsLine a trained communications specialist answers your call, listens as you ask questions or describe your concern, then provides you with a unique code number and date to call back to follow-up on the status of your call. Translation services are provided if you would prefer to speak in a language other than English.

Following your call, the communications specialist documents your question or concern and forwards the report to the Office of Global Ethics and Compliance for review and handling. The outcome of the Company review will be relayed to you when you call the EthicsLine on the scheduled date for the follow-up.

## 129. MetLife

### Employee Code of Conduct<sup>1</sup>

#### Conflicts of Interest

##### Gifts and Entertainment

The occasional exchange of inexpensive gifts and modest forms of entertainment that have no special significance attached and are reasonable in nature, frequency and cost, are normal in business and help build strong and trusting relationships with customers, suppliers and other business partners. However, receiving such gifts or entertainment must never affect your judgment or decision-making, nor should they be offered in return for favorable treatment from others.

What constitutes good business practice with respect to gifts and entertainment varies by industry, business unit and location. Gifts from agents to individual insurance clients of other than de minimis value are generally regarded as "rebates" and as such are prohibited. Gifts to you valued at more than \$100(US) or forms of business entertainment that exceed reasonable and customary practices should be politely declined, unless approved in advance by your manager for sound business reasons.

All potential and actual conflicts of interest or material transactions or relationships that reasonably could be expected to give rise to such a conflict or the appearance of such a conflict must be disclosed. If you have any doubt about whether a conflict of interest exists after consulting this Code, you should seek assistance from the Corporate Ethics and Compliance Department.

#### Compliance With Laws, Rules and Regulations

##### Money Laundering

Money laundering involves an attempt to conceal the true source of funds and typically takes one of two forms. There are transactions used to transform the proceeds from illicit activities into funds with an apparently legal source and there are transactions that take legitimate funds and funnel them through organizations to fund illegitimate activities, such as terrorism. Money

laundering often involves complex financial transactions and encompasses many different types of financial products and services.

Under the existing money laundering laws of the U.S., it is a crime if you engage knowingly in a financial transaction that involves proceeds from criminal activities or is intended to promote illegal activity. Such knowledge includes "willful blindness" to the legitimacy of the source of the funds. Severe penalties, including substantial fines and even imprisonment, can be imposed on companies and their associates for involvement in or failure to report actual or even suspicious activities relating to money laundering.

##### Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act (FCPA) prohibits the giving or offering of money or anything of value, including gifts or services:

- directly or indirectly to a foreign official, a foreign political party or an official or candidate of that party, an officer or employee of the United Nations or other public international organization or a representative of any foreign official,
- for the purpose of influencing any act or decision by a foreign official, or for the purpose of persuading a foreign official to use the official's influence to affect any act or decision of a foreign government or agency or public international organization, or for the purpose of securing any improper advantage, and
- to assist the Company in doing business.

The FCPA does not prohibit any of the following:

- payments of reasonable and bona fide expenses, such as travel and lodging, that are directly related to the promotion, demonstration or explanation of a product or service, so long as the payment is not for a corrupt purpose,
- payments that are legal under a foreign country's written laws or regulations, and

<sup>1</sup>Source: <http://www.metlife.com/assets/cao/chairman/governance/conduct/employee-code-of-business-conduct-and-ethics.pdf>

- "facilitating" or "expediting" payments of small value to effect routine, non-discretionary governmental action (unrelated to the process of awarding business), such as obtaining visas, arranging for utility hookups or the like, where the practice is usual or customary in the country concerned.

While the law allows certain payments to foreign officials to facilitate routine government actions, determining what is a permissible "facilitating" payment involves difficult legal judgments. Therefore, except for legally prescribed fees and similar payments, no payment or gift may be made to a foreign official related to business activities unless the transaction is approved in advance by the General Counsel or a designee. You should make every effort to eliminate or minimize such payments. If such payments are approved, they must be properly recorded in the Company's books and records.

MetLife and its associates will not directly or indirectly engage in bribery, kickbacks, payoffs or other corrupt business practices, in their relations with governmental agencies or customers.

### **Administration**

#### **Reporting of Any Illegal or Unethical Behavior; Points of Contact**

If you are aware of any illegal or unethical behavior or if you believe that an applicable law, rule or regulation or this Code has been violated, the matter must be promptly reported to your supervisor, the Employee Fraud Hotline or Ethics Helpline, your Ethics and Compliance Officer, your Human Resources Generalist, MetLife's General Auditor or MetLife's Chief Compliance Officer. In addition, if you have a concern about the Company's accounting practices, internal controls or auditing matters, you should report your concerns to these same persons or entities. If you wish to make a report with respect to any of these matters anonymously, you may call the Employee Fraud Hotline (1-800-462-6565) or Ethics Helpline (1-800-638-2205). Your supervisor is normally the first person you should contact if you have questions about anything in this Code or if you believe MetLife or an associate is violating the law or Company policy or engaging in conduct that appears unethical. Under some circumstances, it may be impractical or you may feel uncomfortable raising a matter with your

supervisor. In those instances, you may contact the head of your department or the Corporate Ethics and Compliance Department. Furthermore, you should take care to report violations to a person who you believe is not involved in the alleged violation. All reports of alleged violations will be promptly investigated and, if appropriate, remedied, and if legally required, immediately reported to the proper governmental authority.

You will be expected to cooperate in assuring that violations of this Code are promptly addressed. MetLife has a policy of protecting the confidentiality of those making reports of possible misconduct to the maximum extent permitted by law. In no event will there be any retaliation against someone for reporting an activity that he or she in good faith believes to be a violation of any law, rule, regulation, internal policy or this code. Any supervisor intimidating or imposing sanctions on someone for reporting a matter will be subject to discipline up to and including termination.

You should know that it is unlawful to retaliate against a person, including with respect to their employment, for providing truthful information to a law enforcement officer relating to the possible commission of any federal offense. Employees who allege that they have been retaliated against for providing information to a federal agency, Congress or a person with supervisory authority over the employee about suspected fraud may file a complaint with the Department of Labor, or in federal court if the Department of Labor does not take action.

#### **Responding to Improper Conduct**

This Code will be enforced on a uniform basis for everyone without regard to his or her position. Violators of this Code will be subject to disciplinary action. Supervisors and managers of a disciplined employee or an employee reporting a violation may also be subject to disciplinary action for failure to properly oversee an employee's conduct, or for retaliation against an employee who reports a violation.

The response will depend upon a number of factors including whether the improper behaviour involved illegal conduct. Disciplinary action may include, but is not limited to, reprimands and warnings, probation, suspension, demotion, reassignment, reduction in compensation or termination. In any disciplinary action arising from

violations of this Code, prior truthful disclosure, or the failure to fully disclose the issue and all pertinent information with respect to the issue, will weigh heavily in the disposition of the matter. Certain actions and omissions prohibited by the Code might also be unlawful and could lead to individual criminal prosecution and, upon conviction, to fines and imprisonment.

Waivers of or exceptions to this Code will be granted only under exceptional circumstances. A waiver of this Code for any executive officer may be made only by the Board of Directors or a committee of the Board and will be promptly disclosed to shareholders in accordance with applicable law and regulatory requirements.

## 130. Mitsubishi

### Code of Conduct<sup>1</sup>

#### Detailed Rules for Mitsubishi Corporation Code of Conduct

##### Maintain proper legal and ethical standards with respect to gifts and entertainment

- (1) Do not improperly provide entertainment, gifts, conveniences, or other economic benefits to public officials or those in a similar position, whether at home or abroad.
- (2) Do not pay a fee to an agent or consultant when it is known, or should be known, that part of such fee could be used to wrongfully gain influence with public officials or those in a similar position.
- (3) Do not provide any gift, entertainment, or any other type of economic gain to customers, or their directors, officers, employees or other related persons, in excess of accepted business and social norms.
- (4) Do not receive gifts or enjoy entertainment in excess of accepted business and social norms; Obtain an approval according to internal corporate rules prior to receiving any gift or enjoying entertainment from any organization or entity rendering services to the Company.

##### Resolutely oppose any organization, group or individual engaged in unlawful activities and do not provide money or other types of economic benefit to them.

- (1) Do not agree to demands for money or accept an unfair request from any organization, group or individual engaged in unlawful activities in violation of the Commercial Code, etc.
- (2) Be aware of and avoid contact with any organization group or individual that trading business and are believed to be engaged in unlawful activities in violation of the Commercial Code, etc.

- (3) Do not become knowingly involved in or unwittingly party to acts of terrorism, drug dealings, money launderings, and other individual or organized criminal activities, and take all reasonable steps to ensure that neither you nor the Company becomes involved, knowingly or unknowingly, in such activities.

##### Promptly report to or consult the superiors, the Group Compliance Officers, the Domestic Branch Compliance Officers, the Foreign Regional Compliance Officers, the relevant departments, the Secretariat for the Compliance committee, or the outside counsel in charge of compliance, upon discovering or committing any violations of this “Code of Conduct”.

- (1) Cooperate with the Company’s investigations of such violations so that the company can investigate and confirm the relevant facts and take the appropriate action to prevent future occurrences.
- (2) Each of the superiors, the Group Compliance Officers, the relevant departments, and the Secretariat for the Compliance Committee who receives information or consultation from any reporting/consulting person shall not, without such person’s consent, disclose the name or any other information of such person, and shall secure that such person shall not incur any disadvantage as a result of such person’s disclosure or information or consultation.
- (3) If a reporting person is treated improperly due to his/her disclosure of information or consultation, such person shall notify it to the Secretariat for the Compliance Committee immediately.
- (4) Reports or consultations shall be made in person, by telephone, by mail, etc. If a person desires to report or consult on anonymous basis, reports or consultations shall be made to the “Compliance Mail Box” in Notes DB “Compliance Front Page”, to the “Outside Counsel Mail Box” managed by the outside counsel in charge of Compliance, or “Internal Audit Dept. Mail Box (Internal Audit Hot-Line)” in Noted DB “Internal Audit Dept. Front Page”.

<sup>1</sup>Source: <http://www.mitsubishicorp.com/en/pdf/about/philosophy/philosophy02/conduct080118e.pdf>

## 133. Industrial & Commercial Bank of China

2007 Corporate Social Responsibility Report<sup>1</sup>

### **Creditworthy Bank**

#### **Proactively Fulfill the AML Obligation**

To fight against crimes and maintain state financial stability, we earnestly fulfill the obligations of anti-money laundering (AML). The AML leadership teams and several task forces are set up above tier-2 branches. A dedicated AML leadership group was organized, and a systematic and sound AML work system was established across the Bank. As of the end of 2007, 53 AML full-time management personnel and 1,272 part-time management and verification personnel were appointed and equipped in tier-2 branches and institutions above, and 40,114 part-time personnel were appointed in local outlets to participate in the anti-money laundering task. We formulated the AML Rules of Industrial and Commercial Bank of China and the Measures of Industrial and Commercial Bank of China on Reporting and Management of Large-Value and Suspicious Transactions in 2007 in accordance with the Law of the People's Republic of China on Anti-money Laundering and the latest regulations formulated by the People's Bank of China. We have optimized and updated the AML monitoring system as per the requirements of regulatory authorities, so as to ensure timely reporting of large-value and suspicious transactions. At present, the AML monitoring system of ICBC reports approximately 120,000 large-value transactions to the Chinese Anti-Money Laundering Monitoring and Analysis Center.

### **Combat Unfair Competition and Business Bribery**

#### **Promote education on business ethics and good-faith operation**

Since the business bribery control program was commenced in March 2006, we have included the concept of business ethics and good-faith operation into the process of operation. The Head Office opened the "Business Bribery Control Column" in the intranet, published over 500 pieces of relevant information and issued 25 issues of Briefing of Business Bribery Control Program. The branches organize management personnel and customer managers to execute the Commitment to Anti-Business

Bribery, learn and abide by relevant provisions of the Criminal Law of People's Republic of China and the Law of the People's Republic of China for Countering Unfair Competition as well as such regulations as the Code of Ethics for Banking Practitioners in China. At the end of 2007, the business bribery education has covered 607,414 person-times, covering 100% of the employees. Thanks to the education on fair play and good-faith operation, the employees greatly improved the awareness of compliant operation, and enhanced the consciousness of resistance from unfair transactions and business bribery.

#### **Self-Identification and Self-Correction of Improper Transactions**

The bank has formulated the Opinions on Implementation of Business Bribery Control, and arranged business bribery control tasks at all stages pursuant to the Opinions, defining responsibilities of relevant departments with regards to

the 12 key procedures and 10 important fields of improper transaction self-identification and self-correction decided by CBRC. The departments related earnestly identify internal improper transactions via signing letter of commitment, completing questionnaire, organizing individual interview and completing self-examination form. At the end of 2007, self-identification and self-correction were conducted by 358,000 person-times in 16,807 ICBC institutions.

#### **Build a Long-Term Mechanism of Business Bribery Control**

- 1) Improving the regulations and procedures. We separated the front, middle and back offices for credit business, created a scientific risk control and check and balancing mechanism, modified the rules and regulations governing personal banking, credit and credit extension, developed operational guidelines for 8 business lines, including asset & liability, commercial paper and accounting, drew 615 workflow charts according to relevant rules and regulations, and identified risk points and risk control methods in the business operation.
- 2) Strengthening rigid technological restrictions. By applying technologies to risk control, supervision and inspection, we have improved the rigid restrictions on business bribery. For instance, computerized management of corporate customer credit rating effectively reduced the probability of business bribery.

<sup>1</sup>Source: [http://www.icbc.com.cn/icbc/html/download/nb/2008/shehuizerenbaogao\\_2007e.pdf](http://www.icbc.com.cn/icbc/html/download/nb/2008/shehuizerenbaogao_2007e.pdf)

- 3) Nourishing compliance culture. We provide education on modern commercial bank operation concepts across the bank, foster the modern banking culture and philosophy, uphold the ideas of improving competitiveness with innovative services and products, place priority to internal control and strict bank operation to develop internal control and compliance culture and improve the resistance ability to business bribery.

#### About US – Anti-Money Laundering Announcement<sup>1</sup>

### **Announcement of Industrial and Commercial Bank of China Limited on Anti-Money Laundering**

This certification is designed to answer for requests to clarify the position and policies of the Industrial and Commercial Bank of China Limited (hereinafter “the Bank”) on anti-money laundering, which covers all of the bank’s domestic and overseas branches and subsidiaries.

Industrial and Commercial Bank of China Limited at 55 Fuxingmennei Avenue, Xi Cheng District, Beijing 100032, P. R. China, is a joint stock limited company regulated by China Banking Regulatory Commission. The Bank strictly complies with regulations of the People’s Bank of China (the central bank) on anti-money laundering set forth for domestic financial institutions in China. Other parts of the Bank are subject to regulations and legislations in their respective domiciles.

The Bank has in place anti-money laundering offices (hereinafter “the offices”) at both the head office and all branches level, and comprehensive policies and procedures since 2002 which meet local regulatory requirements. Across the Bank, the offices are responsible for ensuring compliance with the internal anti-money laundering controls, which include identification procedures for all business steps from account set-up to monitoring transactions. Bank staff at all levels are regularly trained on the internal anti-money laundering control mechanism.

It is also the Bank’s policy to have respect for provisions and guidance of the United Nations Security Committee and relevant governments concerning anti-money laundering, and not to provide account services to “shell” banks or entities. The Bank actively acts with international financial institutions to combat money laundering as we combat domestic money laundering operations.

The Bank is persistent in implementing the anti-money laundering policies and procedures aforementioned, and continually monitors developments in this area as the need arises.

<sup>1</sup>Source: <http://www.icbc.com.cn/icbc/about%20us/anti-money%20laundering%20announcement/>

## 134. Banco Bilbao Vizcaya Argentaria

Annual Report 2007 - Corporate Responsibility<sup>1</sup>

### Responsible Finance

#### Preventing money laundering and the financing of terrorist activities

The prevention of money laundering and the financing of terrorist activities (henceforth referred to jointly as the prevention of money laundering)

constitute, above all, a priority objective that the BBVA Group associates with its commitment to favour and uphold the wellbeing of the different social environments in which it pursues its operations. For the BBVA Group, ensuring that its products and services are not used for illegal purposes likewise constitutes an essential requirement for safeguarding its corporate

integrity, and thereby one of its main assets, namely, the trust of the people and institutions it deals with on a day-to-day basis (customers, employees, shareholders, suppliers, etc.).

In keeping with the Group's policy on preventing the use of its products and services for criminal purposes, 2007 has seen an improvement in the BBVA Group's risk management model on money laundering through the fine-tuning of our exhaustive systems for monitoring the company's financial operations. The aim of these systems is to open up the management of this type of risk to

the recommendations of the Committee on Banking Supervision at the Bank for International Settlements in Basel and to any new legislation enacted.

Likewise, the BBVA Group has continued to cooperate with international organisations, government bodies and other institutions in the fight against organised crime, terrorism and other illegal activities.

More information on responsible finance is available in Supplementary Information to CRR 2007 at <http://rrc.bbva.com>.

Group Code of Conduct <sup>2</sup>

### Introduction

- The Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. considers that Corporate Integrity - understood as a systematic adherence to strict standards of ethical behaviour in the company-constitutes a source of sustained value and is a fundamental requirement that any organisation needs to maintain society's trust.
- The BBVA Code of Conduct (hereinafter 'the Code') defines and develops the fundamental principles of ethical behaviour that the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. considers must be applied to the BBVA Group's businesses and activities. The Code also establishes the necessary guidelines to ensure that Corporate Integrity is manifested in the relationships between BBVA Group and its customers, employees and managers, suppliers, and third parties (relational integrity); in its market activities as an issuer and operator (market integrity); in the individual behaviour of its employees and managers (personal integrity), and in the establishment of specific bodies and functions accountable for overseeing compliance with the Code content and for taking the necessary actions to efficiently preserve Corporate Integrity in its entirety (organisational integrity).
- In order to ensure compliance with the provisions of the Code, employees and managers must become familiar with its content, its related supplemental policies, and any relevant legal requirements that may apply to their activities at the BBVA Group. Any questions about the interpretation of the Code, or any references relating to the resolution of situations that are not specifically described herein, shall be clarified with each employee's immediate supervisor or, where applicable, with the corresponding Legal Affairs or Compliance Departments.
- Without prejudice to any other responsibilities that may arise, any breach of the criteria and guidelines contained herein may lead to disciplinary actions, as established under the corresponding labour legislation.
- The Code is effective 10 business days after its approval or adherence to its content by the corresponding Board of Directors.

<sup>1</sup>Source: [http://www.bbva.com/TLBB/fbin/IARC%202007%20ing\\_tcm61-161031.pdf](http://www.bbva.com/TLBB/fbin/IARC%202007%20ing_tcm61-161031.pdf)

<sup>2</sup>Source: [http://www.bbva.com/TLBB/fbin/Codigo\\_02\\_Ingles\\_OK\\_tcm61-161891.pdf](http://www.bbva.com/TLBB/fbin/Codigo_02_Ingles_OK_tcm61-161891.pdf)

### **Integrity in the relationships**

#### **Prevention of Money Laundering**

- As a financial group providing services to millions of people and conducting its activities in different social environments to whose well-being it is committed, BBVA cooperates fully with governmental bodies, international agencies and other organisations in the fight against drug trafficking, terrorist activities and other forms of organised crime.
- BBVA has established corporate criteria to prevent the risk of its products and services being utilised as a vehicle to commit criminal activities. Such criteria have been adopted by the Group entities in the development of specific procedures and programs, consistent with the nature of their businesses. Group entities are responsible for ensuring their operational functioning and their strict adherence to applicable legal requirements.
- All employees must strictly adhere to these procedures and programs.

#### **Gifts and Rewards**

- Employees shall abstain from offering or giving gifts or rewards to third parties with the intention of influencing the attainment, in an improper manner, of a benefit or favour for BBVA. In this regard, only those gifts and rewards permitted by the corresponding Group entity's policies may be offered or made, in accordance with applicable procedures, and approval and control requirements.
- Certain jurisdictions establish specific restrictions when gifts or rewards are offered or given to people holding a public office. Such restrictions may be extended to include any national or foreign public sector or international-organisation employee or official, and any candidates or leaders of political parties or trade unions. Any situation that might cast doubts with regard to legal requirements in these matters should be consulted with the corresponding Legal Affairs department. Employees are required to strictly comply with the restrictions deriving therefrom.

### **Personal integrity**

#### **Acceptance of Gifts and Rewards**

- Employees shall not accept personal benefits or economic rewards from any BBVA customer or supplier, nor any other individual or organisation that may attempt to do business with the Group. For purposes of this Code, personal benefit shall not be deemed to include attendance at social events, seminars and other kinds of training activities that have been duly authorised according to established procedures, nor invitations to professional luncheons.
- In general, only promotional or small courtesy gifts may be accepted. Nonetheless, should they be worth more than €150 euros, the beneficiary must place the gift at the disposition of BBVA. BBVA shall determine the disposal of the gift in accordance with its nature.
- BBVA and its employees must ensure proper dissemination of this criterion amongst its customers and suppliers.

#### **Responsible attitude**

- Safeguarding BBVA's Corporate Integrity entails not only personal accountability for individual actions, but also the employees' commitment to report situations which may not be connected to their actions or area of responsibility, but that are considered questionable from an ethical perspective, in accordance with the content of this Code and, particularly, those that could also result in violation of applicable laws.
- Such communication can be directed to any of the following persons: --the selection of the communication channel depends on the judgement of the reporting person –
  - To his/her immediate supervisor or any supervisor of his/her immediate supervisor.

- To the managers of the Legal Affairs or Human Resources departments directly responsible for the unit to which the reporting party belongs to.
  - To the corresponding Internal Audit or Compliance departments, via telephone or e-mail, which are set up solely for this purpose.
  - To the Corporate Compliance Office, which, solely for this purpose, can be reached either by telephone: (34) 91 537 7222, or e-mail: [actitud.responsable@grupobbva.com](mailto:actitud.responsable@grupobbva.com).
- Persons receiving or processing the communication have the following responsibilities:
    - Maintain the anonymity of the person who has, in good faith, reported legitimate concerns about potential violations of applicable laws, or situations that appear questionable from an ethical perspective.
    - Inform the person who reported the situation of the resolution of the case. Under exceptional circumstances, and supported with valid reasons by the corresponding Corporate Integrity Management Committee, the nature of the resolution might be omitted from the information provided to the reporting party.
  - In general, the situation reported and any related information in connection with the resolution, shall be properly safeguarded by all persons involved in the communication process and, if warranted, in the investigation process, as well.
  - Should the reporting party consider that the reported situation has not been properly resolved, he/she may contact any other persons or departments, as previously mentioned.
  - BBVA prohibits any retaliatory actions against any employee for merely communicating, in good faith, the situations described herein.
  - BBVA expects its employees, and especially those in managerial positions, to act proactively in the identification of situations that are questionable from an ethical perspective.

## 135. PTT

### Corporate Governance Policy<sup>1</sup>

#### General

#### Guideline of good corporate governance of PTT

- PTT's Corporate Governance Principles, ethics and code of conducts are disciplines that all levels of employees need to understand, adhere to and comply with accordingly.
- If any violation is found and investigation reveals that the charge is true, disciplinary and/or legal action will be made depending on each case.
- PTT expects that all employees honestly report malpractice or any action that transgress principles to the supervisor or may consult with the Office of President, Office of Internal Audit or Human Resources Department. PTT shall keep information confidential. Supervisors are responsible to monitor and advise subordinates on this matter in order to enable them to work in accordance to the principle and guided ethics.
- The Good Corporate Governance Principles shall be annually revised to ensure maximum completeness. With respect to any uncertainty or doubt on the principles or ethics in the handbook, the employees should use own judgment and ask following questions:
  - is it right?
  - is it acceptable or can it be disclosed to public?
  - will the action detrimentally affect reputation of PTT?
  - Or you can directly inquire responsible departments on that matter or inquire the Office of the President.

#### Ethics of the Board of Directors, executives and employees

In attempt to demonstrate PTT's transparent, ethical business values, responsibilities to stakeholders, public as well as environment, PTT has thus formulated PTT's ethical framework as a guideline in addition to regulations of PTT as detailed in Part 3 in this Handbook. The main guideline is as follows:

- The Board of Directors must best represent the interest of its shareholders in a way that promotes sustainable growth, and yields adequate return continuously. It must perform duties at their best with honesty, integrity and prudence, with political neutrality. It should be independent and does not have any involvement in business relating to or opposing against PTT. It must be committed in preventing and eliminating all forms of corruption.
- The executives and employees should commit to developing, fostering teamwork culture, delivering satisfaction to customers, and equal treatment, integrity in business. They should be aware and continuously strive to safeguard society and environment as well as improve well-beings of public. They must be accountable, committed and dedicated to performing their duties with honest and integrity by taking into consideration the best benefit of PTT.

#### Code of conduct for management and employees

As a national energy corporation involving in oil and natural gas as well as fully integrated businesses aimed at rendering ultimate benefit to shareholders and economy of the country, PTT needs to maintain its professionalism, agility and independence. To achieve this, codes of conducts for management and employees have also been established as follows:

- All employees should perform duties with accountability, honesty, dedication according to the rules and regulations and corporate cultures by taking into consideration the best benefit of PTT.
- They must protect information of customers, partners, and PTT. It is essential to safeguard confidential information of PTT in order to prevent it from third party.

<sup>1</sup>Source: [http://www.pttplc.com/Files/PTT\\_book/CG\\_Book\\_eng.pdf](http://www.pttplc.com/Files/PTT_book/CG_Book_eng.pdf)

- PTT's employees are required to be ethical. They should refrain from all vices and should not misbehave in a way that will tarnish image of themselves and PTT.
- Bribes and misconducts must be reported to the next level supervisor or the Investigation Committee if found or detected.
- They should avoid gift, reward or benefit from parties that are related to PTT business unless it is for the purpose of business or customary during special occasion. The monetary gift or expensive gift should be reported to the next level boss and returned immediately.

**Code of conduct on receiving and giving gift, property and other favors**

When receiving gifts or benefits, PTT's employees must abide by the following criteria:

- Property or benefit obtained by the law or regulations issued according to the law
- Property or benefit accepted with morality i.e.
  - Receiving gratuitously and appropriately from relatives according to condition of life
  - Receiving from other person for a value of less than 3,000 baht
  - Receiving from the distribution from others

**PTT has also set up additional guideline governing gifts, property and benefit as follows:**

- No Employee or his/her family members shall request or receive gifts and benefit from contractors, sub-contractors, customers, suppliers, joint ventures or parties related to PTT's business which may affect his/her judgment in fulfilling his/her obligations to the Company as it deemed by PTT as tending to cause impartiality, uncomfot and constitute conflict of interest.
- PTT shall give discretion to consider giving gift, property or any benefit to other person. PTT shall be sensitive and shall not give too costly or improper gift that is against tradition, custom and law of Thailand and the countries where PTT invests in.
- PTT shall notify employees to report on receiving gifts and property or benefit periodically and shall inform the code of conduct to contractors, sub-contractors, customers, partner/suppliers, joint ventures or related parties.

## 136. Microsoft

Microsoft's Standards of Business Conduct<sup>1</sup>

**We manage our business in compliance with applicable laws and regulatory requirements.**

### **Regulatory Compliance:**

We are aware of and obey the laws and regulations that govern the global management of our business. We are responsible for understanding these laws and regulations as they apply to our jobs and for preventing, detecting, and reporting instances of non-compliance to a member of Microsoft management, Human Resources, Law and Corporate Affairs, the Director of Compliance, or the Business Conduct Line.

### **Lobbying:**

We recognize our right and responsibility to lobby on behalf of issues that affect our company and business operations. We conduct our lobbying activities in compliance with applicable laws and regulations governing these activities.

### **Political Activities and Contributions:**

Microsoft employees are encouraged to exercise their right to participate in political activities. Any decision to become involved is entirely personal and voluntary. Employees' personal political activities are done on their own time and with their own resources.

### **Regulatory Investigations, Inspections, and Inquiries:**

We are direct, honest, and truthful in our discussions with regulatory agency representatives and government officials. During investigations, inspections, and inquiries we work with Microsoft's Law and Corporate Affairs members and cooperate by responding to appropriate requests for information.

### **International Business Activities:**

Microsoft acknowledges and respects the diverse cultures, customs, and business practices it encounters in the international marketplace. Microsoft will comply with both

the applicable U.S. laws and regulations that govern its operations and local laws wherever it does business.

### **Sensitive Payments:**

Microsoft complies with the anti-corruption laws of the countries in which it does business, including the United States Foreign Corrupt Practices Act ("FCPA"). In compliance with the FCPA, Microsoft and its agents/partners/representatives will not make any direct or indirect payments or promises of payment to foreign government officials for the purpose of inducing the individual to misuse his/her position to obtain or retain Microsoft business.

### **Fair Competition and Antitrust:**

As a global business, we encounter laws and regulations designed to promote fair competition and encourage ethical and legal behavior among competitors. Antitrust laws and fair competition laws generally prohibit any activity that restrains free trade and limits competition. We conduct our business in compliance with these laws.

**We build and maintain the trust and respect of our customers, consumers, partners, and shareholders.**

### **Responsible Leadership:**

We manage our business responsibly in order to maintain the confidence, respect, and trust of our customers, consumers, partners, shareholders, and other audiences. We are committed to acting with integrity, investing in new product development, being responsive and accountable to our customers and partners, and remaining a leader in our field. We understand the responsibility that comes with being a worldwide technology and business leader and accept our unique role in both our industry and the global business community.

<sup>1</sup>Source: [http://download.microsoft.com/download/6/5/f/65f1aced-0ca6-4855-82ac-b10475d556d8/business\\_conduct.doc](http://download.microsoft.com/download/6/5/f/65f1aced-0ca6-4855-82ac-b10475d556d8/business_conduct.doc)

**Communication:**

We apply standards of full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed or submitted to the Securities and Exchange Commission, and in other public communications as well. We establish and maintain clear, honest, and open communications; listen carefully; and build our relationships on trust, respect, and mutual understanding. We are accountable and responsive to the needs of our customers, consumers, and partners and take our commitments to them seriously. Our advertising, sales, and promotional literature seeks to be truthful, accurate, and free from false claims.

**Obtaining Competitive Information:**

Microsoft has an obligation, and is entitled, to keep up with developments in our industry, including obtaining information about our competitors. We obtain information about our competitors through honest, ethical, and legal methods.

**Fair Information Practices:**

Our business is built around technologies to manage information, and we treat that information with confidentiality and integrity. We are committed to creating a trustworthy environment for Internet users, and continually striving to protect their online privacy is at the core of this commitment. We have adopted privacy practices, developed technological solutions to empower individuals to help protect their online privacy, and continue to educate consumers about how they can use these tools to manage their personally identifiable information while they use the Internet.

**Vendors:**

Microsoft vendors must adhere to the highest standards of ethical behavior and regulatory compliance and operate in the best interest of Microsoft. Vendors are expected to provide high-quality services and products while maintaining flexibility and cost-effectiveness. All vendors are required to read and comply with the Microsoft Vendor Code of Conduct and, when appropriate, train their employees and representatives to ensure that they are aware of Microsoft's expectations regarding their behavior. We do not engage in any unethical or illegal conduct with our vendors. We do not accept incentives such as kickbacks or bribes in return for conducting business with them.

**We are responsible stewards in the use, protection, and management of Microsoft's assets.**

**Financial Integrity:**

We honestly and accurately record and report business information. We comply with all applicable local, state, and federal laws regarding record completion and accuracy. We require that financial transactions be executed in accordance with management's authorization, and recorded in a proper manner in order to maintain accountability for Microsoft's assets. Our financial information reflects only actual transactions and is in compliance with Microsoft and other applicable accounting practices. The CEO, CFO, Corporate Controller and other employees of the finance organization are also required to comply with the Microsoft Finance Code of Professional Conduct.

**Use and Protection of Assets:**

We wisely use and protect the assets of the company, including property (both physical and intellectual), supplies, consumables, and equipment. We use these assets exclusively for Microsoft's business purposes.

**Fiscal Responsibility:**

Microsoft employees exercise good stewardship over and spend Microsoft's funds in a responsible manner.

**Use of Information Technology:**

At all times, we should use good judgment and common sense; conduct ourselves ethically, lawfully, and professionally; and follow applicable authorization protocols while accessing and using company-provided information technology and its contents. In using these company assets and systems, we do not create, access, store, print, solicit, or send any material that is intimidating, harassing, threatening, abusive, sexually explicit, or otherwise offensive or inappropriate, nor do we send any false, derogatory, or malicious communications.

**Intellectual Property:**

We comply with the laws and regulations that govern the rights to and protection of our own and others' copyrights, trademarks, patents, trade secrets, and other forms of intellectual property.

**Creation, Retention, and Disposal of Records and Information Assets:**

We create, retain, and dispose of our business records and information assets, both written and electronic, as part of our normal course of business in compliance with Microsoft policies and applicable regulatory and legal requirements.

**Confidential and Proprietary Information:**

We respect our ethical and legal responsibilities to protect Microsoft's confidential and proprietary non-public information and communicate it only as necessary to conduct Microsoft's business. We do not use this information for our personal advantage or for non-Microsoft business use, and maintain this confidentiality even after Microsoft no longer employs us.

**Insider Information and Securities Trading:**

In the course of doing business for Microsoft or in discussions with one of its customers, vendors, or partners, we may become aware of material non-public information about that organization. Information is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to trade in the public securities of the company. Individuals who have access to this type of information are called "insiders." We discuss this information on a limited, "need to know" basis internally, and do not share it with anyone outside Microsoft. We do not buy or sell the public securities of a company, including our own, on the basis of such information, and we do not share ("tip") this information with others. Because of the extremely sensitive nature of and severe penalties associated with "insider trading" and "tipping," contact Microsoft's Law and Corporate Affairs before you buy or sell public securities in situations that could be of this nature.

**Conflicts of Interest:**

Microsoft employees are expected to act in Microsoft's best interests and to exercise sound judgment unclouded by personal interests or divided loyalties. Both in the performance of our duties for Microsoft and our outside activities, we seek to avoid the appearance of, as well as an actual, conflict of interest. If in doubt about a potential conflict, speak with your immediate supervisor, manager, another member of management, your Human Resources Generalist, or your Law and Corporate Affairs contact as specified in the Resources for Guidance and Reporting below.

**Gifts and Entertainment:**

Microsoft policy and practice encourage the use of good judgment, discretion, and moderation when giving or accepting gifts or entertainment in business settings. Gift giving and entertainment practices may vary in different cultures; however, any gifts and entertainment given or received must be in compliance with law, must not violate the giver's and/or receiver's policies on the matter, and be consistent with local custom and practice. We do not solicit gifts, entertainment, or favors of any value from persons or firms with which Microsoft actually or potentially does business. Nor do we act in a manner that would place any vendor or customer in a position where he/she may feel obligated to make a gift, provide entertainment, or provide personal favors in order to do business or continue to do business with Microsoft.

**Purchasing Decisions and Practices:**

In our purchasing decisions, negotiations, contract development, and contract administration we comply with the applicable laws and regulations that govern those relationships.

## Microsoft's Business Conduct and Compliance Program

### Administration and Enforcement

Microsoft's Department of Law and Corporate Affairs is responsible for the overall administration of the company's Business Conduct and Compliance Program and for providing employees with resources and materials to assist them in conducting their business activities in a legal and ethical manner. In administering the program, Law and Corporate Affairs works closely with Finance, Human Resources, Internal Audit, and Security.

The General Counsel serves as the company's Chief Compliance Officer and has overall responsibility for the management of the program. The General Counsel reports directly to the CEO and, for this purpose, to the Audit Committee of the Board of Directors. The General Counsel oversees directly an Office of Legal Compliance (OLC). The Director of Compliance, who is part of the Office of Legal Compliance, reports to the Chief Compliance Officer and the Audit Committee of the Board of Directors and has the responsibility for the day-to-day administration of the Business Conduct and Compliance Program. This responsibility includes, but is not limited to, applying the Standards to specific situations in which questions may arise and interpreting the Standards in a particular situation.

The Standards of Business Conduct and the Business Conduct and Compliance Program are endorsed by and have the full support of Microsoft's Board of Directors. The Board of Directors and management are responsible for overseeing compliance with and enforcing the Standards of Business Conduct.

Violations of Microsoft's Standards of Business Conduct cannot and will not be tolerated. Consequences for such violations may include disciplinary action up to and including termination of employment. Individuals who have willfully failed to report known violations will also be subject to disciplinary action.

Waivers of provisions of the Standards of Business Conduct that are granted to any director or executive officer of Microsoft may only be made by Microsoft's Board of Directors or by Board committee designated by the Board of Directors. Any such waiver that is granted to a director or executive officer will be publicly disclosed as required by Nasdaq listing requirements and applicable laws, rules, and regulations.

### Resources for Guidance and Reporting

It is your right and your responsibility to obtain guidance about a business practice or compliance issue when you are uncertain about what action you should take and to report possible violations of the Standards of Business Conduct.

If you need details on a specific policy, you may e-mail our compliance team at [buscond@microsoft.com](mailto:buscond@microsoft.com). If you need guidance regarding a business practice or compliance issue or wish to report a possible violation, talk to your immediate supervisor, manager, another member of management, your Human Resources Generalist, or your Law and Corporate Affairs contact.

If you are a Microsoft employee or vendor without access to our corporate intranet and wish to send a confidential e-mail to the Director of Compliance, you may do so by e-mailing the Business Conduct and Compliance alias ([buscond@microsoft.com](mailto:buscond@microsoft.com)). A confidential e-mail may be delivered via the Internet by submitting a report via the Microsoft Integrity Web site. These e-mails will be received by a third-party vendor, who will remove your contact information prior to forwarding a summary of the e-mail to the Office of Legal Compliance.

You may also send a letter to the Director of Compliance at Microsoft Corporation, Law and Corporate Affairs, One Microsoft Way, Redmond, WA 98052 or send a confidential fax to (425) 705-2985. Letters and faxes sent to the Director of Compliance may be submitted anonymously if you choose to do so.

If you have a concern regarding a questionable accounting or auditing matter and wish to submit the concern confidentially or anonymously, you may do so by submitting a report via the Microsoft Integrity Web site, calling the Business Conduct Line, or sending a letter or fax to the Director of Compliance as outlined above.

Microsoft will handle inquiries discreetly and make every effort to maintain, within the limits allowed by the law, the confidentiality of anyone requesting guidance or reporting a possible violation.

Microsoft will not tolerate any retribution or retaliation taken against any employee who has, in good faith, sought out advice or has reported a possible violation. However, if any employee makes a knowingly false report of a possible violation for the purpose of harming another individual, that employee will be subject to disciplinary action.

## 137. Royal Ahold

Global Code of Professional Conduct and Ethics<sup>1</sup>

### What this Code is For

#### Your Personal Pledge to Do the Right Thing

This Code represents a commitment by Ahold to do business with integrity. By working for an Ahold company, you are agreeing to uphold this commitment. Understanding the Code and the company policies that apply to you is an essential function of your job. Associates who fail to follow these standards put themselves, their co-workers, their company and Ahold at risk. They are also subject to disciplinary action up to and including termination of employment.

### Asking Questions and Raising Concerns

#### Your Duty to Speak Up

We strive to create a culture based on trust and individual responsibility. Associates may, however, encounter unethical or illegal behavior within Ahold. We are committed to providing an anonymous and fair way for associates to report such behavior and any actual or suspected violations of applicable law, rules and regulations or of this Code to the appropriate parties.

You should promptly report violations to your direct supervisor or a senior executive – if necessary, anonymously. Many Ahold companies already have procedures in place to enable anonymous reporting of inappropriate behavior as well as procedures to effectively investigate the claim and, where necessary, take corrective action. See the section “The Ahold Check-In Line” for more details.

Ahold prohibits retaliation, or knowingly taking any action with the intent to retaliate, against any associate who makes a report in good faith of a potential violation of the Code or participates in an investigation of any such reports, other than permitted by law or case law (jurisprudence). No associate making such a report in good faith will be discriminated against, in the terms and conditions of employment, as a result of having made the report. Retaliation is a serious violation of this Code that will result in

appropriate disciplinary action, including possible termination of employment.

### Where to Go for Help

#### Who to Contact For Help

We work hard to foster an environment of open, honest communication. If you have a concern about a legal or business conduct issue, you have options.

The most important thing is that you ask the question or raise the concern.

Confidentiality will be maintained to the extent consistent with the best interest of the associates involved, our companies, and our companies’ obligations under the law.

Contacting your supervisor is usually a good start to raise a compliance or integrity issue.

You may also get help or advice from:

- Your supervisor’s supervisor.
- The head of your department.
- Your company’s Compliance Officer.
- Your company’s Legal or Human Resources Department.
- The Chief Corporate Governance Counsel for the Ahold Group, or his Assistant.

Other reporting mechanisms established by your company may also be available.

### The Ahold Check-In Line

If you are ever unsure about where to go, or are uncomfortable about using one of the other resources identified in this Code, or if you wish to raise an issue anonymously, call the Ahold Check-In Line number listed for your company. The Ahold Check-In Line was implemented in 2004 and applies to all Ahold companies in the United States and Europe. In the Netherlands, the Check-In Line is referred to as the “Signaallijn”

<sup>1</sup>Source: <http://www.ahold.com/files/aholdglobalcode-eng.pdf>

and in Central Europe as the “Fair-Play Line.” In other countries other names may have been used for local purposes. The Ahold Check-In Line is operated by an independent company that reports the call to your company to enable it to respond to your concerns about compliance and integrity. The line operates 24 hours a day/seven days a week and has multilingual services available at all times.

Please refer to page 35 of this Code for a listing of the Ahold Check-In Line numbers for the companies covered by this Code.

#### **What Happens If I Call**

If you call the Ahold Check-In Line, a call specialist will listen and make a detailed summary and report of your call. The information will then be forwarded to the appropriate individual in your company (for example, the Compliance Officer) to look into the matter.

Every effort will be made to maintain the confidentiality of those reporting. We will give your call a quick response, especially when circumstances make that important. If an investigation is undertaken, we will look into the issue promptly and, whenever called for, see that corrective action is taken.

#### **Can I Call Anonymously**

The Ahold Check-In Line allows you to raise concerns anonymously. It assigns tracking numbers so that if you do not want to give your name you can still check back to receive a response or provide more information. Of course, giving your name can often help us look into the matter more efficiently, and as explained above, the Ahold family of companies has a firm policy against retaliation for raising a good faith concern under this Code.

#### **Conducting Business**

##### **Money Laundering and Contraband**

Trading in products in violation of customs or fiscal laws has different names – “contraband,” “smuggling” or “ tax evasion” are among them. Law enforcement officials around the world are increasingly concerned about contraband and its

connection with any other criminal activity – i.e. “money laundering”. The policy for all Ahold companies is clear: We will not condone, facilitate, or support contraband or money laundering; and we will help governments prevent illegal trade involving our companies’ private label or other products.

#### **When The Government Is Our Customer**

Each year, U.S. Foodservice does substantial business with U.S. Government entities. U.S. Retail companies as well as Deli XL in the Netherlands and Belgium, or other Ahold companies in Europe may do business with state and local governments. While integrity is the foundation for all dealings with customers, special rules apply when a government is our customer – rules that are in some cases very different from those that apply in dealing with a commercial customer. Violations can result in criminal and civil penalties. It may be that there are local rules on public tendering. These rules should always be followed.

Those involved in bidding on or providing service under a government contract need to know these rules.

Basic rules, which also apply to non-government bids mutatis mutandis, include:

- Never seek or accept confidential bid information.
- Never offer or provide gifts, gratuities or entertainment without prior written approval of the Compliance Officer and the Legal department of your company.
- Know and follow anti-kickback rules, including restrictions on gifts by those seeking business from the government and from government contractors.
- Understand “most favored customer” pricing and verify compliance.
- Conform strictly to the contact’s quality, quantity and testing requirements.
- Billings must always be accurate, complete, and in full compliance with all rules and regulations, including time and cost allocations.
- Be truthful, accurate, and complete in all representations and certifications.
- Know your customer’s rules and regulations.

- Don't initiate any employment discussions with any current or former government employee before first consulting with your Legal department.

### **Receiving Gifts and Entertainment**

Ahold associates should decline any gifts whose acceptance could raise suspicion of improper influence or conduct. Ahold associates may not receive gifts that exceed customary courtesies common under accepted ethical business practice. Gifts or entertainment in exchange for favors or undue consideration must always be rejected.

As a guideline, gifts with a value (cash or non-cash) of more than EUR 50, USD 60 (or the equivalent in local currency) are inappropriate and should be declined, handled according to local company policy, or referred to the local Compliance Officer. If politely refusing a gift would offend or jeopardize a business relationship, the direct supervisor or local Compliance Officer should be consulted.

When offered entertainment that exceeds the standard local guideline on entertainment or when any doubt exists as to the appearance of impropriety, the direct supervisor or local Compliance Officer must be consulted.

### **Offering Gifts or Entertainment**

Ahold associates may not give gifts that exceed customary courtesies common under accepted ethical business practice. In general, gifts (cash or non-cash) should not exceed EUR 50 or USD 60 (or equivalent in local currency) in value.

Ahold associates must follow conventional Ahold expense practices when entertaining a public official. The local standards are set in accordance with national laws and customs and in the letter and spirit of this Code.

When requested to offer entertainment that exceeds the standard local guideline on entertainment or when any doubt exists as to the appearance of impropriety, the direct supervisor or local Compliance Officer must be consulted.

### **International Bribery and Corruption**

Bribing and corrupting public officials are serious crimes and punishable in many countries. They are counter to the free and fair competition to which Ahold is committed. Although Ahold is seated in the Netherlands, U.S. law regarding the corruption of public officials anywhere in the world has extraterritorial effect. It therefore applies to all Ahold companies and associates world-wide. In addition, as a result, all Ahold companies and associates world-wide must comply with United States law that prohibits the bribing of public officials. Ahold associates, either directly or indirectly, may not offer, promise, give, demand or accept bribes or other undue advantage to obtain or retain business or other improper advantage to or from anyone

for any reason. Ahold associates may not make use of third parties to use subcontracts, purchase orders or consulting agreements as a means of paying bribes to public officials, business relations, or their relatives.

### **Unfair Business Practices**

Ahold competes vigorously for business, but some conduct in the name of competition is not consistent with the law or Ahold's commitment to integrity. Never compete by using such unfair practices as:

- Disparaging or making false statements about competitors or their services;
- Stealing or misusing competitors' trade secrets;
- Cutting off a competitor's sources of supply;
- Inducing customers to break contracts with competitors;
- Requiring someone to buy from your company before we will buy from them; and
- Paying bribes to help your company's business or to hurt a competitor.

**Improperly Influencing Audits**

No associate of Ahold shall take any action, or cause any other person acting under the direction of such associate, including, without limitation, customers, vendors, creditors or advisors of Ahold, to take any action, to, directly or indirectly, fraudulently influence, coerce, manipulate, or mislead any accountant engaged in the performance of an audit or review of the financial statements of Ahold that are required to be publicly disclosed if it is reasonable to believe that such action would result in Ahold's financial statements being materially misleading. Such action would include offering or paying bribes, providing an auditor with misleading legal analysis or threatening to cancel or cancelling existing audit or non-audit engagements.

## 138. Sears Holdings

### Code of Conduct<sup>1</sup>

#### GENERAL

##### ADDITIONAL RESPONSIBILITY FOR MANAGERS

SHC's managers are expected to exemplify the highest standards of ethical business conduct. Pursuant to SHC's open door policy, managers are intended to promote open discussion of ethical and legal implications of business decisions. Managers have a responsibility to create and sustain a work environment in which associates, contractors, and vendors know that ethical, legal behavior is expected. This responsibility includes ensuring that the Code of Conduct is communicated to those associates, contractors, and vendors working for or with the manager. It also means managers are responsible for ensuring that subordinates are properly trained and familiar with policies required to do their jobs.

##### DISCIPLINARY ACTION

The Company will enforce compliance with the Code of Conduct and all Company policies and procedures through appropriate disciplinary action up to and including termination of employment and legal action. Adequate Company discipline of individuals responsible for an offense is a necessary component of enforcement. The appropriate form of discipline by the Company will be case-specific and fairly applied. A few examples of conduct that may result in discipline include: (i) violation of the law or Company policy, including requesting or directing others to violate the law or Company policy; (ii) failure to report a known or suspected violation of Company policy; (iii) failure to cooperate in an investigation of possible violations of Company policy; (iv) retaliation against another associate for reporting a concern or violation; (v) intentional false reporting of another associate; (vi) failure to monitor and oversee compliance with Company policies and applicable law by subordinates effectively; and (vii) unauthorized disclosure of confidential information relating to SHC or SHC associates, vendors or customers.

#### POLICIES

##### COMMERCIAL BRIBERY

No SHC associate should directly or indirectly pay or receive a bribe or kickback intended to influence business conduct. SHC further prohibits any activity that creates the appearance of improper conduct.

Nothing of value may be given or received by a SHC associate to bribe or influence a decision by SHC or a vendor, supplier, subcontractor, competitor (or their agents), or governmental official or their representatives. A SHC associate should never accept from a vendor any personal services, promise of employment, samples for personal use, or money or its equivalent.

##### CONFLICTS OF INTEREST / PERSONAL BENEFITS

As an associate, you must be sensitive to any activities, interests or relationships that might interfere with, or even appear to interfere with, your or any other associate's ability to act in the best interest of SHC. Because it is impossible to describe every potential conflict, SHC relies on your commitment to exercise sound judgment, to seek advice when appropriate, and to adhere to the highest ethical standards in the conduct of your personal and professional affairs.

- **GIFTS, MEALS, ENTERTAINMENT.** Except as expressly permitted below, associates may not accept gifts or the conveyance of anything of value, including entertainment, from a vendor (as used in the Code of Conduct, "vendor" means a current or prospective vendor and includes vendors of merchandise, supplies, equipment, software or any other commodity, consultants and service providers, and any other type of entity or organization that SHC may transact business with). You should never accept a gift under any circumstances and regardless of value if it could appear to others that your business judgment has been compromised. Similarly, you may not allow a family member, close friend or other person with whom you have a close personal relationship to accept gifts, services, or preferential treatment from any vendor in exchange for a past, current, or future business relationship with SHC. Infrequent, non-cash gifts of nominal value (less than \$50) which you have not

<sup>1</sup>Source: [http://www.searsholdings.com/govern/code\\_text.htm](http://www.searsholdings.com/govern/code_text.htm)

requested or encouraged are permissible. Customary and reasonable business meals at which the giver is present are also permissible if occasional rather than frequent. SHC associates should return non-perishable gifts valued over \$50.00 and donate perishable gifts to a charitable organization or share them with other associates.

Accepting tickets from a vendor to a sporting event, concert or other form of entertainment at which the giver is present is generally permissible as long as you reimburse the vendor for the full face value of the tickets and such acceptance is occasional rather than frequent. However, accepting tickets to events that are impossible or very difficult to obtain tickets for, such as to the Super Bowl, the World Series, the Western Open or the Stanley Cup Finals, is generally not acceptable and is not permissible absent the approval of your manager and the Chief Compliance and Ethics Officer.

- **TRAVEL, CONFERENCES.** Unless approved by the Chief Compliance and Ethics Officer, travel or lodging should not be paid for by a vendor. If you are offered travel or lodging from a vendor and (1) it is not for entertainment or recreational purposes and (2) you believe there are valid business reasons for accepting such offer, you must first obtain the approval of your manager and then request approval from the Office of Compliance and Ethics. The request for approval must come from your manager, evidencing his or her approval of the request, and must include your name and position at SHC, the nature of the travel and lodging and your business reason for wanting to accept the offer. The request to accept the accommodations will be approved or denied by the Chief Compliance and Ethics Officer.
- **FAMILY / FRIENDS.** A conflict of interest may arise if you have a family member, close friend or other person with whom you have a close personal relationship who is employed by, or has an interest in, a vendor. Family members include siblings, parents, children, spouses, and in-laws, and may also include other family members depending upon the nature of the relationship.

If you have a family member, close friend or other person with whom you have a close personal relationship who has an interest in or is employed by a competitor or a

vendor, you are required to disclose the nature of the relationship to your area's Senior Vice President and the Office of Compliance and Ethics. If you are at all unsure as to whether a conflict of interest exists due to a business relationship involving any such person, you should discuss the relationship with your supervisor and the Office of Compliance and Ethics to determine the best course of action.

- **OUTSIDE EMPLOYMENT.** SHC prohibits all salaried associates and all hourly associates with management responsibilities from working for or receiving payment from any vendor or competitor of SHC. A conflict of interest may also arise if an associate's outside employment activities are so demanding that they interfere with the associate's responsibilities to SHC. In no event should an associate be engaged in other employment activities on Company time or while using Company resources. A full-time associate must disclose any outside employment to his/her supervisor, and if the supervisor has any questions he/she should contact the Office of Compliance and Ethics for guidance.
- **FORMER ASSOCIATES.** Unless you have received written approval from your area's Senior Vice President and the Office of Compliance and Ethics, you should not engage in any SHC-related business with a former SHC, Kmart, or Sears associate for at least twelve months following the date the former associate ceases employment with SHC.
- **DISCLOSURE.** The best way to avoid an embarrassing—or even a job threatening—situation is to disclose any situation that may have the potential to be misinterpreted by others. If you have any questions about an actual or potential conflict of interest, including the appropriateness of accepting a gift or invitation, you should discuss the matter with your supervisor and the Office of Compliance and Ethics.

#### **CUSTOMS AND IMPORT**

U.S. laws govern SHC's conduct regarding international trade. Several U.S. laws restrict or prohibit trade with certain countries. You are expected to comply with all U.S. export restrictions, as well as applicable export control

laws of each country in which SHC business is conducted.

You must also comply with the Foreign Corrupt Practices Act, which prohibits SHC from directly or indirectly offering or authorizing payment of money or anything of value to foreign governmental officials, parties, or candidates for the purpose of influencing the acts or decisions of foreign officials. If you have any questions, please consult the Law Department.

#### **REPORTING PROCEDURES**

Maintaining ethical standards is the responsibility and obligation of every SHC associate. Early identification and resolution of conflict of interest and other ethical issues that may arise are critical to maintaining our commitments to our customers, vendors, investors, and to ourselves and our co-workers. SHC associates are expected to treat compliance with ethical standards as a critical element of their responsibilities. While this Code of Conduct sets forth a wide range of practices and procedures, it cannot address every issue that may arise. If you are unsure of what to do in a situation, you should seek additional guidance and information before you act. If something seems unethical or improper, or if you have questions regarding the best course of action, you should promptly contact any of the following:

- Your supervisor, department manager or any SHC officer
- Your Human Resources Representative
- The Office of Compliance and Ethics
- Chief Compliance & Ethics Officer  
Sears Holdings Corporation  
3333 Beverly Road, B6  
Hoffman Estates, IL 60179
- The SHC Business Ethics Hotline [1-800-8ASSIST]

The Hotline is operated by specially trained third-party representatives. The Hotline is available 24 hours a day, 7 days a week. Hotline representatives will listen to your

concerns, ask questions, and review the information provided. They will then forward your concern to the Office of Compliance and Ethics, which will take appropriate action.

It is against Company policy to retaliate against any associate who raises a concern in good faith and, if requested and to the extent possible, every effort will be made to maintain confidentiality. All reported violations will be acted on appropriately. If your concern requires an investigation, the Company will respond promptly. If possible, you will be informed about the status of the investigation and the outcome of the matter. However, SHC has an obligation of confidentiality to all associates, including those being investigated.

## 140. Mitsui

Mitsui & Co., Ltd. CSR Report 2007<sup>1</sup>

### **Strengthening the Compliance Program and Risk Management**

#### **The Internal Reporting System**

The foundation of our compliance efforts is maintaining an open work environment that reflects our management philosophy and values, and preventing problems through smooth communication within the Mitsui community. If employees have concerns about any possible misconduct, they are responsible for promptly raising the concerns and seeking guidance from their supervisors or others in an appropriate manner. Each concern will be promptly responded to and carefully reviewed, and appropriate action will be taken.

Mitsui offers eight channels for raising concerns about compliance, including internal lines and options through outside attorneys-at-law or a third-party institution for those who wish to remain anonymous. In response to the enforcement of the Whistleblower Protection Act in April 2006 in Japan, the company developed the Internal Reporting System Regulations, and made it clear that no employees should be retaliated against for raising a concern. Furthermore, we have made it possible for affiliated companies in Japan to adopt Mitsui's designated outside attorneys-at-law and a third-party institution as their own external channels, and, through appropriate guidance to affiliated companies on how to set up and manage internal reporting channels, are enhancing our system for allowing employees of affiliated companies to raise concerns without fear of retaliation. Our Regional Chief Compliance Officers are chiefly responsible for overseeing the improvement of channels for reporting and seeking guidance at our overseas bases and affiliated companies, in line with local laws and customs.

#### **Effective Training and Education**

To ensure that business ethics are a living issue throughout the company, we provide a wide range of compliance training programs for all employees at all levels. In the fiscal year ended March 31, 2007, a total of 34 training courses were in place, which were held 97 times for a total of 3,255 participants. The participants were new

employees, line managers, administrative employees, temporary staff, and employees changing assignment, such as those moving overseas, changing job type or being seconded to subsidiaries or associated companies. Many training courses are being initiated by business groups, regional offices, and subsidiaries and associated companies, to meet their specialized needs. We also provide interactive training courses that advance discussions with and among participants.

#### **E-learning Program on Compliance**

In 2005 we started to provide an e-learning training program, with the aim of making each employee more knowledgeable on laws and policies that apply to business activities, and all employees in Japan are required to take this training. We keep the e-learning content on our intranet so that employees can review and learn at any time on their own initiative. In the fiscal year ended March 31, 2007 we released the program to employees of subsidiaries and associated companies. In the Americas, Europe, and Australia, we also provided on-line education programs tailored to each region's legal systems.

#### **Global Anti-Corruption Initiatives**

Mitsui believes that a company pursuing business on a global basis, one of our corporate responsibilities is to promote anti-corruption measures worldwide. This principle is also advocated in the United Nations Global Compact.

Our Business Conduct Guidelines for Employees and Officers not only prohibits our employees from engaging in bribery and corruption in Japan, but also extends to corrupt practices including rendering public officials or persons in similar positions in a foreign country any economic favour such as money, gifts or other favours for the purpose of securing any improper advantage. To ensure strict compliance with this company policy in the workplace, procedures for the entertainment of and exchange of gifts with overseas public officials and persons in a similar position are set forth in the "Guidelines for Business Entertainment of, Gifts and Invitations to Foreign Public Officials".

<sup>1</sup>Source: [http://www.mitsui.co.jp/en/csr/report/detail/\\_icsFiles/afiedfile/2008/05/07/csr2007\\_e\\_1.pdf](http://www.mitsui.co.jp/en/csr/report/detail/_icsFiles/afiedfile/2008/05/07/csr2007_e_1.pdf)

### Business Conduct Guidelines for Employees and Officers<sup>1</sup>

#### **Gift and Favor**

Employees should not render public officials or persons in a similar position any economic favor such as money, gift or other favor in return for performance of their duties.

Employees should not render public officials or persons in a similar position of a foreign country any economic favor such as money, gift or other favor for the purpose of securing any improper advantage.

Employees should not pay any agent, advisor or consultant any commission which they have reason to know will be used for influencing public officials or persons in a similar position in an unlawful manner.

Employees should not render employees or officers of customers of the Company any economic favor such as money, gift or other favor, the value of which is greater than a generally accepted commercial level at the relevant locale, nor should they receive such economic favor from officers of customers of the Company.

#### **Report and Sanction**

If an Employee finds evidence of violation of these guidelines, he or she should inform the Administrative Division concerned, Compliance Department of Legal Div. (the secretariat of the Compliance Committee), a Compliance Officer of Business Unit, Chief Compliance Officer of Regional Business Unit, a person in charge of Compliance of each Div. or Branch, or any other of his or her superiors.

If an Employee desires to inform anonymously, he or she may do so to the outside lawyers or a third-party hotline.

Employees should cooperate in any investigation of such alleged violation. If, as a result of the investigation, it becomes clear that there was a violation of these guidelines, sanctions will be imposed on the violator or his or her superiors in accordance with the regulations of the Company.

The Company ensures that no retaliatory action will be taken against an Employee for informing of such violation or cooperating in such investigation and makes every effort to prevent such informant and any Employees cooperating in such investigation from suffering any disadvantage at his or her office.

<sup>1</sup>Source: <http://www.mitsui.co.jp/en/company/governance/04/index.html>

## 141. Seven & I Holdings

CSR Report 2007<sup>1</sup>

### Internal Control Systems

#### Compliance

To further raise CSR awareness, Seven & i Holdings is flexibly promoting the Corporate Action Guidelines so that their letter and spirit will permeate across the Group.

To ensure full compliance with the Seven & i Holdings Corporate Action Guidelines, and all applicable laws and regulations, Seven & i Holdings has established Corporate Action Committees or assigned fulltime employees with responsibility for compliance and sound corporate actions, in each operating company.

These committee members and the specially assigned employees are involved in the Corporate Ethics and Compliance Sub-Committee (p.18), under the CSR Promotion Committee, to better implement the Guidelines and improve the quality of related activities by bringing them together to share their knowledge and experience, establishing a common understanding on this area and discussing measures to upgrade their activities.

At the operating company level, “Help Lines” and “Yellow Whistle” systems, which allow its employees to report or consult on actual or possible wrongdoings, are in place for the purpose of deterrence and prevention of, and early solution to any behaviors or actions against the Corporate Action Guidelines. The systems are operated in a way to protect the informants from any disadvantage. For example, employees can even use the systems anonymously.

<sup>1</sup>Source: [http://www.7andi.com/en/csr/pdf/2007/2007\\_01\\_all.pdf](http://www.7andi.com/en/csr/pdf/2007/2007_01_all.pdf)

## 142. United Parcel Service

### 2007 UPS Corporate Sustainability Report<sup>1</sup>

#### Governance

#### Ethics and Compliance

Our legacy of ethics and integrity is fundamental to our ability to attract and retain the best employees, gain and keep the trust of our customers, create shareholder value, support the communities in which we operate and protect our reputation.

This value system is coupled with the UPS Policy Book and the UPS Code of Business Conduct. These two elements — the philosophical and the practical — work together to create an environment where good people can make good decisions.

Our commitment to ethical operations begins with top management. Our General Counsel and Corporate Secretary serves as the Corporate Compliance Officer and has a reporting responsibility to the Board of Directors' Audit Committee. During 2007, on-site corruption risk assessments were completed for our top 16 high-risk countries.

The UPS Code of Business Conduct provides employees with worldwide Business Conduct guidelines, which apply to all UPS business units. The Code of Business Conduct is available to employees in 12 languages on our intranet. During 2007, 98 percent, or approximately 33,000 management, specialists and technical employees, were trained on anti-corruptions policies and procedures.

Several tools are in place to monitor the effectiveness of our compliance initiatives globally, including the UPS Business Ethics Questionnaire (BEQ), an Annual Compliance Report and Certification Process, and Regulatory Compliance Reviews. Employees around the globe have access to the UPS Help Line, a toll-free number they can call to ask advice or report concerns.

### Code of Business Conduct<sup>2</sup>

#### PREFACE

This UPS Code of Business Conduct sets forth standards of conduct for all of UPS. Throughout it, "UPS" is used to refer to the enterprise as a whole, to each person within it, and to any person who represents UPS or any part of the UPS organization.

Adherence to the Code is required of all employees and representatives of UPS. The Code is available in multiple languages on the Corporate Compliance Web site.

The Code provides information about our standards of integrity and explains our legal and ethical responsibilities. It does not address every specific situation or set forth a rule that will answer every question. Rather, it is intended to provide guidance on our responsibilities and to assist us in making the right decisions. Additional requirements are set forth in detail in various individual compliance programs developed by functions with appropriate expertise and training. It is our responsibility to understand which compliance programs apply to our area of responsibility and to manage the business accordingly.

The UPS Code of Business Conduct, Policy Book, and UPS Charter are complementary documents that work together to guide our objectives and explain our responsibilities to our four constituencies: people, customers, shareowners, and communities. To ensure a complete understanding, discussion of the Code, Policy Book, and UPS Charter at business meetings and other suitable occasions is encouraged.

Any employee of UPS, regardless of his or her position within the company, who violates our legal or ethical responsibilities, will be subject to appropriate discipline, which may include dismissal. Non-compliance with certain aspects of the Code and/or the Business Conduct and Compliance Program also may subject the individual offender and UPS to civil and/or criminal liability.

<sup>1</sup>Source: [http://www.sustainability.ups.com/docs/2007\\_CSR\\_PDF\\_Report.pdf](http://www.sustainability.ups.com/docs/2007_CSR_PDF_Report.pdf)

<sup>2</sup>Source: <http://pressroom.ups.com/pix/Code.pdf>

### **ASKING QUESTIONS AND VOICING CONCERNS**

The Code provides an overview of the legal and ethical responsibilities that we share. Each of us must uphold these responsibilities. The standards and expectations outlined here are intended as a guide for making the right choices. If any aspect of the Code is unclear to us, or if we have any questions or face dilemmas that are not addressed, this should be brought to the company's attention. If we become aware of a situation in which we believe our legal or ethical responsibilities are being violated or if we feel that we are being pressured to violate the law or our ethical responsibilities, it is our personal responsibility to communicate this concern to the company.

No employee will be disciplined, lose a job, or be retaliated against in any way for asking questions or voicing concerns about our legal or ethical obligations, when acting in good faith. "Good faith" does not mean an individual has to be right; but, it does mean believing the information provided is truthful.

It is important that we communicate a question or concern through one of the many available channels.

We can speak with our direct manager or supervisor, or use the Open Door Policy to talk to someone else in management, including the Human Resources manager, or someone from the function with the expertise and responsibility to address the concern. Any of these people may have the information needed, or will be able to refer the question to another appropriate source.

Another communication channel to assist us is the UPS Help Line. We can contact the UPS Help Line when we have a concern or want to report a potential violation of our legal or ethical responsibilities. We may use whatever method of communication with which we feel most comfortable. The important thing is to get the needed guidance, to report what is known, and to get questions answered.

The UPS Help Line, which is answered by an outside vendor, is available to all employees, 24 hours a day, 7 days a week. Interpreters are available for language assistance. The UPS Help Line can be reached toll-free at 1-800-220-4126. Individual country codes can be found on the Corporate Compliance Web site and should be used for UPS Help Line calls made outside of North America.

Although callers are encouraged to identify themselves to assist the company in effectively addressing their concerns, callers may choose to remain anonymous, and that choice will be respected. The UPS Help Line is not equipped with caller ID, recorders, or other devices that can identify or trace the caller's number.

When the UPS Help Line is called, the person can expect that:

- A report will be forwarded to appropriate UPS management for follow-up.
- The concern will be addressed by members of management that may include representatives from Corporate Compliance, Human Resources, Corporate Legal, Security, or Internal Audit. If the inquiry is one that can be properly handled by someone in the region or district, it will be referred there for resolution. Each concern will be carefully evaluated before it is referred for investigation or resolution.
- The concern will be handled promptly, discreetly, and professionally. Discussions and inquiries will be kept in confidence to the extent appropriate or permitted by law.
- Certain follow-up information about how the concern was addressed may be obtained upon request.

Investigations into allegations of unethical or illegal conduct must be conducted confidentially and professionally. The UPS Guidelines for Investigation of Workplace Issues is available from Corporate Compliance for management who may conduct such an investigation.

Additional information can be found in the section titled "Retaliation" and on the Corporate Compliance Web site.

### **RETALIATION**

Our commitment to integrity includes a responsibility to foster an environment that allows people to report violations without the fear of retaliation or retribution. No one should be discouraged from using any available channel within the organization.

Even simple questioning of someone can lead to claims of retaliation, even though that was never the intent, as it may make a person feel that he or she did something wrong by choosing one method over another. People must be able to choose whichever method they are most comfortable with to communicate their concern.

Anyone who retaliates against another employee for reporting known or suspected violations of our legal or ethical obligations is in violation of the Code and subject to disciplinary action, up to and including dismissal. Retaliation also may be a violation of the law, and as such, could subject both the individual offender and UPS to legal liability.

Additionally, the same rules apply with regard to retaliation or retribution against employees related to company-sponsored solicitations, such as for charities or political action committees.

## **OUR PEOPLE**

### **Gifts and Entertainment**

All employees and representatives of UPS should understand the legal and ethical issues associated with gifts and entertainment and how they can affect our relationships and reputation with our customers, suppliers, and the general public. The decision to offer or to accept gifts or entertainment should be made only in compliance with legal requirements and ethical considerations, and with the involvement of a manager if unsure of the appropriate course.

The issue of gifts and gratuities may have legal implications when a government or government entity is involved, and serious consequences can result from mishandling these relationships. Offering or accepting bribes and pay-offs is always prohibited.

Business gifts and entertainment are courtesies designed to build goodwill and sound working relationships among business partners. We do not, however, want to obtain business through improper means as to gain any special advantage in a relationship. Business gifts that compromise, or even appear to compromise, our ability to make objective and fair business decisions are inappropriate.

Solicitation of gifts is never appropriate, even for charitable purposes or UPS events.

All gifts and entertainment, other than infrequent items of nominal value, must be disclosed to a manager.

The difference between appropriate and inappropriate gifts is not always easy to determine. The UPS Guidelines for Gifts and Gratuities should be reviewed to determine whether a gift is appropriate. Any doubt should be resolved in favor of not giving or receiving the gift.

Additional information is available in the UPS Guidelines for Gifts and Gratuities and in the UPS Anti-Corruption Compliance Program materials available on the Corporate Compliance Web site.

## **OUR COMMUNITIES**

### **Anti-Corruption Compliance**

As a U.S.-based corporation, UPS is subject to the U.S. anti-bribery laws that are enforceable worldwide and cover all UPS operations, including all businesses, agents, and joint ventures. Anti-bribery laws include the Foreign Corrupt Practices Act (FCPA) and all such laws of the countries in which we operate.

Broadly speaking, the FCPA prohibits a U.S.-based company or any of its worldwide businesses or affiliates from bribing — or offering, promising, or authorizing anything of value to — a foreign government official in order to obtain or retain business. We conduct our business in accordance with the FCPA, and every one of us, regardless of the country in which we work, must adhere to its requirements.

Under the FCPA as well as other anti-bribery laws, UPS, its employees, and its agents also are prohibited from doing indirectly what we are prohibited from doing directly — we cannot make any payment to a third party if all or any part of the payment will be given to a prohibited person. UPS could be held liable for such payments even if the company did not know, but should have known, that the payment was going to a prohibited person.

All management employees are expected to become familiar with the UPS Anti-Corruption Compliance Manual, and how these responsibilities apply to their current positions, and to review them whenever their position or responsibilities change.

## 143. Pfizer

2007 Corporate Responsibility Report<sup>1</sup>

### Governance and Compliance

#### Preventing Bribery and Corruption

The Foreign Corrupt Practices Act (FCPA), which became US law in 1977, contains three key provisions that pertain to our business:

- An anti-bribery provision, which makes it unlawful to bribe foreign government officials directly or indirectly to obtain or retain business
- The books and records provision, which imposes requirements on public companies to maintain accurate books and records, and to implement stringent accounting and financial controls and
- The system of internal controls provision, which imposes requirements on public companies to implement stringent accounting and financial controls.

To continually improve on our ability to adhere to all provisions of the FCPA, we implemented, in April 2007, the International Anti-Bribery and Anti-Corruption Corporate Procedure. This procedure establishes anti-bribery standards and processes designed to support compliance with the FCPA, as well as local anti-bribery laws.

Pfizer also developed an implementation platform to help local teams train colleagues and adopt local procedures.

This platform is divided into 12 separate sections, which covers such things as third-party transactions and consultancy agreements to gifts, hospitality, international meeting support and site visits, to educational grants, investigator-initiated research grants, charitable contributions and political contributions.

To support compliance even further, the company has also established the following tools and systems:

- A compliance hotline in 70 countries
- Global compliance liaisons in all markets
- Training for all colleagues, with materials available in 45 languages
- Auditing procedures for all sales and marketing programs.

Summary of Pfizer Policies on Business Conduct<sup>2</sup>

### Compliance at Pfizer — A Shared Responsibility

#### Pfizer Compliance Education Center

You can learn more about compliance at Pfizer and about specific compliance topics like securities laws, antitrust, pharmaceutical sampling, and others by logging on to the Pfizer Compliance Education Center (PCEC) through the Compliance web site at <http://compliance.pfizer.com>.

From time to time you may be required to complete online compliance training courses available on the PCEC.

#### Colleagues and Compliance

Pfizer views all employees as critical to maintaining an effective compliance system. In addition to your personal responsibility for following the standards described in this Blue Book, you are responsible for raising concerns about risks to the Company — ideally, before these risks become actual problems.

If you reasonably believe that another employee has violated, or may violate, a local, state, or federal U.S. law, law of a foreign country, or specific Pfizer policy or procedure, you must report that information immediately to your supervisor or to the Corporate Compliance Officer through the Corporate Compliance Group. Whenever you are in doubt, it is best to raise your concern.

<sup>1</sup>Source: [http://media.pfizer.com/files/corporate\\_citizenship/cr\\_report\\_2007.pdf](http://media.pfizer.com/files/corporate_citizenship/cr_report_2007.pdf)

<sup>2</sup>Source: <http://www.pfizer.com.au/Media/PfizerPolicyBusinessConduct.pdf>

By raising concerns you allow management the opportunity to address potential problems. And since non-compliance can pose serious risks for Pfizer, customers, patients, investors, and employees, this is an important step. The following chart shows some of the possible consequences of non-compliance:

- Consequences for Pfizer May Include
  - Prosecution, fines, and other penalties for the improper conduct of its employees.
  - Loss of business.
  - Damage to Pfizer's: good name; trade and customer relations;
  - business opportunities.
- Consequences for an Employee May Include
  - Prosecution, fines, imprisonment and other penalties for improper conduct.
  - Termination of employment.
  - Loss of incentive pay and annual increases.
  - Other forms of disciplinary action, as determined by the Company.
  - Damage to personal reputation.
- Consequences for Patients and the Public May Include
  - Compromised product safety.
  - Environmental risk.
  - Higher cost of life-saving drugs.
- Consequences for Customers May Include
  - Loss of good faith in their dealings with Pfizer.

- Consequences for Investors May Include

- Loss of confidence in Pfizer.
- Loss of investment value.

### **Compliance Hotline**

While compliance matters can often be resolved at the local level, the Compliance Hotline provides another way to address matters that might not be adequately resolved there and, in general, provides a way to report a concern or get information or advice anonymously.

The Compliance Hotline is available 24 hours a day, 7 days a week, 365 days a year.

To reach the Hotline:

- in the United States, call toll-free 1-866-866-PFIZ (1-866-866-7349).
- outside the United States, dial your access code (which you can find by contacting an AT&T operator or by visiting <http://www.att.com/traveler>), wait for the tone or prompt and then call 1-866-866-PFIZ (1-866-866-7349). Translation services are available.

The Compliance Hotline is operated by specially trained third-party representatives. Calls to the Compliance Hotline will not be traced or recorded, and callers can choose to remain anonymous if they wish. Compliance Hotline representatives will listen to your concerns, ask questions, and review the information provided. They will then forward your matter to Pfizer's Corporate Compliance Group, which will take appropriate action. The caller can arrange to receive information about the Company's response to the call. To find out

## The Marketplace

### Bribery and Corruption

Pfizer forbids payments of any kind to any person either to obtain advantage in selling goods and services or to advance our interests with government authorities. Any such payment, made anywhere in the world, violates Pfizer's policies and procedures.

Most countries in which we do business have laws that forbid the making, offering, or promise of any payment or anything of value (directly or indirectly) to a government official (and, in the U.S., to foreign political parties and candidates), particularly when the payment is intended to influence an official act or decision to award or retain business. In our business, we must be particularly sensitive to bribery and corruption issues because a country's government is often both the regulator of our products and a major customer.

We also retain the services of scientists and doctors, many of whom are employees of public institutions and are considered government officials. For this reason, no payments, gifts, or services intended to influence or even appearing to influence a government official's actions should be given.

Pfizer also prohibits "commercial bribery," which violates the laws of many countries. Commercial bribery refers to the furnishing of something of value to an intermediary (e.g., an employee of a customer) without his or her supervisor's knowledge, with the intent to influence the supervisor's commercial conduct. Pfizer prohibits any employee, consultant, middleman, or other agent acting on such individual's behalf or on behalf of the Company from directly or indirectly engaging in commercial bribery.

### The Anti-kickback Law

In the United States, there is a special healthcare law (the Anti-kickback Law) that prohibits the offering of anything to a person that is intended to influence that person to recommend or purchase a healthcare product (including a prescription medication) or service that may be reimbursed by Medicare or Medicaid. This is to ensure that a healthcare provider's decision about a choice of treatment or product for his or her patient not be influenced by motives of personal gain or enrichment. Please visit the

Compliance web site at <http://compliance.pfizer.com> for more information.

### Marketing Integrity

At Pfizer, we are committed to fair competition. This means, among other things, abiding by all laws that apply to our marketing activities. Under these laws, it is illegal to use unfair methods of competition or unfair or deceptive acts or practices in commerce. This prohibition includes, but is not limited to:

- false or misleading advertising, or any other form of misrepresentation made in connection with sales;
- the use of lotteries in the sale of products;
- bribery of competitors' or customers' employees; and
- unfair comments about competitors' products.

### Business Intelligence

In today's business environment, we have access to a great amount of public information about other companies, their products, and services. It is generally not unethical or illegal to have and make use of public information in conducting our business.

You are free to gather intelligence about companies from public sources such as their web sites, published articles, price bulletins, advertisements, brochures, public presentations, and customer conversations. You may also contract with an outside vendor to gather business information, but only if the selection and contracting process is approved by the Legal Division. You should only accept business information about other companies when you believe that the receipt and use of it are lawful and ethical, and do not violate anyone's confidentiality obligations. You must never use, or ask any third party to use, unlawful or unethical means such as misrepresentation, deception, theft, spying, or bribery to gather any such information. If you need assistance in this area, contact the Legal Division or the Corporate Compliance Group.

### **Money Laundering Prevention**

Money laundering occurs when criminals try to “clean” the proceeds of their crimes to hide them or to make those proceeds appear legitimate. Pfizer is committed to complying fully with all anti-money laundering laws throughout the world.

Employees must protect Pfizer’s integrity and reputation by helping to detect possible money laundering activities. These activities are often intricate and difficult to discover. Learn to watch for warning signs of money laundering, which may include a customer who is reluctant to provide complete information or who requests to make payments in cash. If you believe you have encountered a warning sign, notify your supervisor and contact the Corporate Compliance Group immediately.

### **Our Company and Shareholders**

#### **Acceptance of Gifts, Entertainment, Loans, or Other Favors**

Conflicts of interest are not always obvious, and many may arise despite your best intentions. While business courtesies are encouraged, the Company prohibits you — or someone from your immediate family — from receiving gifts, services, perks, entertainment, or other items of more than token or nominal monetary value from the Company’s suppliers or customers. More over, such gifts are permitted only if they are not made or received on a regular or frequent basis.

## 144. Intesa Sanpaolo

Sustainability Report 2007<sup>1</sup>

### Prevention of illicit behaviour

As part of its surveillance model, the Audit Department adopts a series of checks to evaluate the adequacy of the controls and to prevent illicit behaviour in areas of risk such as corruption, anti-terrorism, money laundering, embargos. These verifications are part of the department's surveillance models, which constitute the methodological and regulatory support of the control systems and the annual audit plan. An example is the investigation conducted on the Treasury services of the Public Institutions, on a sample of branch offices selected on the basis of risk prevention analysis. Specific

monitoring systems have been implemented to deal with money laundering and embargos.

When the resources of the Bank are involved in particularly critical cases, the Audit Department promptly conducts investigations, examining the events/ phenomena to ascertain the causes and/or damages/responsibilities involved.

The Audit Department conducts checks on the risks of corruption in all the parent company processes. Corruption as an offence is included in Intesa Sanpaolo's organizational, management and surveillance Model, in compliance with Legislative Decree 231/01. The Department's competence with regard to the specific administrative responsibility risks introduced by this Decree includes:

- ensuring that the Model is respected
- monitoring the Model is kept up to date
- maintaining information flows to the internal surveillance committee regarding the efficacy and the respect of the Model
- recommending corrective action when necessary.

Great attention is paid to risk connected with corruption within all Italian companies which have adopted organizational and surveillance models under the terms of Legislative Decree 231/01.

Similarly, the level of attention to such risks is also high in our banks abroad, in countries which have adopted a specific law; where such laws do not exist, the Audit Department still conducts monitoring activities in high risk areas.

### CSR Training

Virtual Communities have been organized and utilize tools such as news, forums, chat lines, document archives and, in general, everything which represents the new frontier of Social networking. Using these tools encourages a constant interchange of experiences and of opinions between participants in special training programmes and the creation of formal and informal "knowledge" connections within the company itself, helping to increase and broaden human and social capital. Furthermore, 8.3% of employees in the Group (5.8% in Italy and 15.3% abroad) have received specific training on the prevention of corruption.

### Code of Ethics

Specific initiatives for employees responsible for distributing the Code of Ethics in Italy and abroad and for encouraging the importance of behaviour patterns, environments and products consistent with social responsibility have been organized (CSR referees, internal and external training staff as well as professional experts who interact with our staff.

### Equator Principles

Fulfilling commitments as a result of our subscription to the Equator Principles, a training programme related to the principles of this agreement has been planned, organized and already commenced in part with the support of external consultants, accredited by the International Finance Corporation (IFC). The training was received by members of staff who deal with Project Financing (above all, but not only for international projects), people who deal with Risk Management and credit and legal assessments as well as staff dealing with the CSR within the company.

<sup>1</sup>Source: [http://group.intesasanpaolo.com/portallsir0/isInvestor/en\\_sostenibilita/BilancioSociale07\\_en.pdf](http://group.intesasanpaolo.com/portallsir0/isInvestor/en_sostenibilita/BilancioSociale07_en.pdf)

**Contentious procedures with employees**

<b>Disciplinary action taken against staff</b>	<b>Italy</b>	<b>Abroad</b>
Written censure and verbal or written reprimand	137	65
Reduction in retribution (up to four hours)	7	15
Suspension from work with subtraction of retribution (from one to ten days)	207	12
Justified dismissal	34	112
Number of disciplinary sanctions aimed at employees for corruption	0	0
Number of dismissals for corruption	0	2
<b>Total</b>	<b>385</b>	<b>206</b>

Code of Ethics<sup>1</sup>

**Implementation and control**

**Reporting cases of non-compliance**

Reports of cases of non-compliance with the present Code should be sent by email to [codice.etico@Intesasanpaolo.com](mailto:codice.etico@Intesasanpaolo.com) or by regular post to the following address: Intesa Sanpaolo - Reclami Etici, Via Lugaro 15 Turin.

Intesa Sanpaolo guarantees that whoever reports a case of non-compliance in good faith will be protected from any form of retaliation, discrimination or penalization, and ensures maximum confidentiality, except in cases otherwise indicated by law.

<sup>1</sup>Source: [http://group.intesasanpaolo.com/portallsir0/isInvestor/en\\_sostenibilita/CodiceEtico\\_en.pdf](http://group.intesasanpaolo.com/portallsir0/isInvestor/en_sostenibilita/CodiceEtico_en.pdf)

## 145. Lowe's

### CODE OF BUSINESS CONDUCT AND ETHICS<sup>1</sup>

#### CONFLICTS OF INTEREST

All Employees should avoid any conflict or the appearance of any conflict in their personal interests, or the interests of their immediate family, with the interests of Lowe's. For this purpose, immediate family includes an Employee's parents, children, spouse, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the Employee's home. A conflict of interest can arise when an Employee takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interests also arise when an Employee, or members of his or her immediate family, receives improper personal benefits as a result of his or her position with the company, whether received from Lowe's or a third party.

Employees and members of their immediate families should not have any financial interest, direct or indirect, in any organization that is or is seeking to be a supplier of merchandise or other property or services to the company. The ownership of a small minority equity interest in a publicly traded company doing business with or seeking to do business with the company is not considered as giving rise to a conflict of interest. Additionally, an Employee should not act on behalf of Lowe's in any transaction with another organization in which an immediate family member of the Employee has a material financial interest or by which an immediate family member is employed in a management or sales and marketing position.

In general, Employees and members of their immediate families should not request or accept gifts, gift certificates, discounts, gratuities or other items of value (including services) from any of Lowe's vendors or service providers. However, because there is a wide range of activities performed by Employees, it is difficult to specify exactly what may be considered to constitute a conflict of interest. A conflict of interest exists when favors, gifts, entertainment or the like become more than nominal in value, as determined from time to time by the Chief Executive Officer in consultation with the Chairperson of the Governance Committee of the Board of Directors. Invitations to lunch, dinner, or other such minor favors from vendors or suppliers that are normal in

our business and have no special significance attached to them are not considered as giving rise to any conflict of interest. Employees may not accept a favor, gift, entertainment, special service, or special treatment of any kind from any individual or organization that conducts or seeks to conduct business with Lowe's, or that competes with Lowe's, however, unless all of the following criteria are met: (i) it would be consistent with good business practices; (ii) the value is reasonable, given the nature of the event or frequency of the activity are reasonable; and (iv) the activity is beneficial to the company's business relationship or accomplishes a legitimate business purpose.

These guidelines apply at all times and do not change during traditional gift-giving seasons or during the planning of a company event.

In order to accept any favors, gifts, entertainment, special service or special treatment that exceeds nominal value, Employees must receive approval from an officer of the company who reports directly to the Chief Executive Officer. The officer giving such approval must record all such approvals and submit the records of them promptly to Lowe's General Counsel.

Directors, the Chief Executive Officer and those officers of the company reporting directly to the Chief Executive Officer may self-approve favors, gifts and entertainment that exceed nominal value, provided that the favor, gift or entertainment is appropriate in accordance with this policy and the director or officer maintains an accurate and complete record of all such gifts or entertainment. Officers, other than the Chief Executive Officer and General Counsel, must submit for review their records of gifts and entertainment received to Lowe's General Counsel on a quarterly basis. The Chief Executive Officer must submit such record to the chairperson of the Governance Committee of the Board of Directors for review on a quarterly basis. Lowe's General Counsel must submit such record to the Chief Executive Officer for review on a quarterly basis.

A member of Lowe's Board of Directors shall not, as a result of any relationship between the director (or his or her immediate family members or related interests) and the company, be in violation of this policy on conflicts of interest if the Governance

<sup>1</sup>Source: <http://www.shareholder.com/lowes/ethics.cfm>

Committee of the Board of Directors and the Board of Directors have evaluated the relationship and affirmatively determined the director is independent within the New York Stock Exchange Corporate Governance Rules relating to director independence and Lowe's Categorical Standards for Determination of Director Independence.

#### **PAYMENTS TO GOVERNMENTAL OFFICIALS**

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to foreign government officials or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country. In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or Employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. Governmental officials include elected or appointed officials of any foreign or domestic federal, state, county, municipal or other political subdivision, agencies thereof, and their families and Employees. If any questions arise about such matters, you should seek guidance from the company's General Counsel.

#### **IMPORTANCE OF ACCURATE BOOKS AND RECORDS AND ADHERENCE TO SYSTEM OF INTERNAL CONTROLS TO FINANCIAL REPORTING**

The integrity of financial reporting by public companies represents the foundation of the United States securities markets on which Lowe's common stock and other securities are traded. All books, records, accounts and other financial information prepared by Employees that are the building blocks of Lowe's external financial reporting must be reasonably detailed, must accurately reflect transactions and events and must conform to applicable legal and accounting requirements. Lowe's has established and maintains a system of internal controls over financial reporting that consists of policies and procedures designed and operated to provide reasonable assurance about the reliability of the company's financial reporting and its process for preparing and fairly presenting financial statements in accordance with generally accepted accounting principles in the United States. This system includes Lowe's

policies and procedures for maintaining accurate and complete accounting records, authorizing receipts and disbursements and the safeguarding of assets. The accuracy of Lowe's financial statements and other financial information either included in the reports Lowe's files with or furnishes to the U.S. Securities and Exchange Commission or discloses in press releases or other communications to investors, is dependent upon Employees respecting and adhering in all instances to the company's system of internal controls over financial reporting.

The audit committee of Lowe's Board of Directors has established a special procedure for Employees to submit concerns or complaints regarding questionable conduct relating to accounting, internal accounting controls or audit matters on an anonymous and confidential basis. They may be submitted anonymously and confidentially by calling Lowe's Whistleblower Hotline at 1-866-557-3820.

Alternatively, they may be reported by contacting directly Lowe's General Counsel or Vice President of Internal Audit. For additional information about how to submit such a concern or complaint, see Lowe's Complaint Procedure for Questionable Accounting or Auditing Matters posted on LOWESNET, the company's intranet site.

#### **COMPLIANCE WITH THIS CODE**

Any Employee having information or knowledge of any actual or contemplated transaction or conduct that appears to violate this Code or who becomes aware of an actual or potential conflict of interest shall promptly inform his or her supervisor or report the matter by calling Lowe's Open Door Line at 1-800-784-9592 or by contacting Lowe's at [www.ethicspoint.com](http://www.ethicspoint.com). If the actual or contemplated violations of this Code, or actual or potential conflicts of interest, involve Lowe's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions or any other executive officer, such matters should be reported directly to Lowe's General Counsel, but can also be reported by calling Lowe's Open Door Line at 1-800-784-9592 or by contacting Lowe's at [www.ethicspoint.com](http://www.ethicspoint.com). The company will not permit retaliation against Employees for reporting, in good faith, suspected violations of this Code. The Internal Audit Department, as part of its regular procedures, shall assess compliance with this Code.

All management Employees (and those non-management Employees designated by senior management) shall be required at least annually to affirm, to the best of their knowledge, that they have complied with this Code, have no knowledge of any violation of this Code not previously reported and have not been requested to engage in any activity in violation of this Code. Employees may also be required to submit detailed information on any business interest in which they or their immediate family are involved.

The company's outside independent auditors shall report promptly in writing to the General Counsel any matter discovered during their examination of Lowe's financial statements that appear to violate this Code. The Internal Audit Department shall report promptly in writing to the General Counsel any matter reported to or investigated by the Internal Audit Department that appears to involve a violation of this Code.

Lowe's will evaluate all complaints and reports of violations of this Code, and, when warranted, Lowe's will conduct either an informal inquiry into the matter or a formal investigation and forward the results to appropriate members of management for follow up. Depending upon the nature and circumstances of the alleged violation, a report or complaint may be addressed by any one or a combination of the following departments at Lowe's: Human Resources, Internal Audit, Legal, or Loss Prevention.

The failure of any Employee of Lowe's to comply with this Code will result in disciplinary action which, depending on the seriousness of the matter, may include reprimand, probation, suspension, demotion or dismissal, and possible civil or criminal action including reporting the unethical behavior to the appropriate authorities. Disciplinary measures will apply to supervisors and senior executives who condone questionable, improper, or illegal conduct by those Employees reporting to them or who fail to take appropriate corrective action when such matters are brought to their attention, or who allow unethical or illegal conduct to occur because of their inattention to their supervisory responsibilities.

## 146. Tokyo Electric Power

Sustainability Report 2008<sup>1</sup>

### TEPCO Group Management Principle

#### Compliance with Corporate Ethics

TEPCO has set up a Corporate Ethics Committee composed of members from top management, and an Ethics Line, to widely collect information on corporate ethics compliance from their entire Group and take specific action against matters that need to be addressed. Each department has a corporate ethics officer, who works closely with the Ethics Line, while making independent efforts to promote corporate ethics compliance. Around 50 TEPCO Group companies have so far established a similar framework.

#### Ethics Line

The Ethics Line receives reports and consultations on legal and ethical violations from TEPCO employees and other stakeholders, including members of TEPCO Group companies and business partners. All calls are referred to the Corporate Ethics Committee, which, when necessary, discloses individual incidents and proposes measures to prevent recurrence. The Ethics Line has received 223 calls in FY 2007.

#### Employee Training

TEPCO provides various types of training at different levels, to raise awareness about corporate ethics. It hosts seminars by outside lecturers, intended for management level employees of TEPCO and its Group companies, and holds monthly meetings between corporate ethics officers from each department and management personnel, as well as regular training programs for these officers. Each department makes independent efforts to train its employees and deepen their awareness and understanding of TEPCO's code of conduct, using various tools. These include FAQ's on specific scenes concerning corporate code of conduct; case studies that are used in group discussions designed to develop moral thinking skills; practical guides that provide detailed explanations of important points to consider when in engaging in code of conduct dissemination activities; and audio-visual resources such as e-learning and video programs. Since FY 2006, individual workplaces have increasingly begun to

implement independent activities and group discussions that closely correspond to their respective workplace environment.

### The Corporate Code of Conduct<sup>2</sup>

#### Honest and Sincere Conduct

#### Appropriate External Relations

##### (1) Attitude toward Customers and Business Clients

- We interact with our customers and business clients in good faith by considering the standpoint of others. We use good sense when entertaining or being entertained by our customers and business clients or when exchanging gifts and maintain temperate and sound relations.
- We are fully aware that we are supported by the partnership of our business clients including affiliated firms and supporting companies, and develop trust-based relationships with them.

##### (2) Attitude toward Politicians and the Public Administration

- We maintain sound and transparent relations with politicians and the public administration. We use due moderation by having friendly and informal exchanges with political and governmental circles and bestow adequate consideration as to when and how such exchanges are carried out.

##### (3) Attitude toward Illegal Organisations

<sup>1</sup>Source: <http://www.tepco.co.jp/en/challenge/environ/pdf-1/08report-e.pdf>

<sup>2</sup>Source: <http://www.tepco.co.jp/en/corpinfo/overview/pdf-1/kizyun-e.pdf>

- We are resolutely against illegal organizations. We do not give any favour in any name to such organizations.

### **Open Communication**

#### **Operating Rules**

Response to a Violation of the Corporate Code of Conduct, please contact

- If any employee performs an unethical business act which violates the present Corporate Code of Conduct, he or she will be subjected to disciplinary action.
- If an employee suspects that a practice is against the Corporate Code of Conduct and business ethics or if he or she is unable to make a decision on whether or not it is right to continue such a practice, he or she should consult upper management. If circumstances prevent the employee from consulting upper management or if he or she hesitates to provide counsel, he or she should consult the Ethics Line.
- Any employee who consults the Ethic Line can be assured that his or her privacy will be protected and any information disclosed will be kept in strict confidence. Furthermore, the Company will not treat anyone who has consulted the Ethics Line in an unfair manner.

## 147. Rabobank

Annual Sustainability Report 2007<sup>1</sup>

### Managing our CSR

#### Supervision by the Compliance Department and compliance officers

Alert supervision and effective management are designed to safeguard our integrity and protect our reputation worldwide. This begins with the systematic listing of relevant rules and regulations, and tracking developments relating to social standards for integrity. In the event non-compliance with relevant external regulations (e.g. relating to market abuse and duty of care) and in-company procedures, the Compliance Department monitors whether management takes the necessary corrective action. It is also important for staff to have the right attitude towards compliance with regulations. For that reason, they are regularly reminded of the importance of respecting internal and external codes, and statutory rules.

In the compliance structure, compliance officers perform a key role. Every business unit, every local Rabobank and every foreign branch has a compliance officer to support management in these areas. The compliance officers are supported by the Compliance Department and report their findings to the local management and to the Department. The Department issues coordinating reports to the Executive Board and the Supervisory Report, which are used as management information for the business operations.

This includes issues that Rabobank will not, or cannot, be involved in. Examples of improper activities by customers include money laundering, financing of terrorism, insider trading, price manipulation, tax offences and evasion of reporting requirements. The Bank's own conduct and that of its staff is also an important topic for our compliance officers. This concerns such matters as failure to exercise due care, misleading communication, conflicts of interest, as well as insider trading and price manipulation.

### Our employees

#### Whistleblower regulation

The Rabobank Group's Regulation on the Internal Reporting of Abuse (whistleblower regulation) is designed to ensure that integrity is maintained. A confidential contact person has been appointed and a committee set up in connection with this regulation. In 2007, 11 reports of abuse were received by the confidential contact person, of which 5 were considered by the committee (2006: 7 reports). More information is available here.

Annual Sustainability Review 2007<sup>2</sup>

### The quest for an optimum form of engagement

#### Engagement in lending

In lending operations, too, engagement is part and parcel of a broader CSR appraisal process. In this process we appraise the CSR sensitivity of the business activities. We also ask whether there is any question of unwanted practices with respect to ten CSR issues (including corruption, human rights, environmental pollution, irresponsible use of raw materials, animal welfare,

and consumer interests) and finally, where applicable, specific instructions are followed applicable to CSR sensitive sectors. In this way we obtain a picture per client of the CSR issues at play and whether the client takes preventive or remedial measures. To this we assign a qualification: 'acceptable', 'acceptable subject to conditions' or 'unacceptable/high risk'. If a client is acceptable subject to conditions in the field of CSR, we opt for engagement and enter into a constructive dialogue with the client about possible improvements.

<sup>1</sup>Source: [http://www.sustainabilityreport2007rabobank.com/Downloads/Maatschappelijk\\_jaarverslag\\_Rabobank\\_Groep\\_2007\\_UK.pdf](http://www.sustainabilityreport2007rabobank.com/Downloads/Maatschappelijk_jaarverslag_Rabobank_Groep_2007_UK.pdf)

<sup>2</sup>Source: [http://www.sustainabilityreport2007rabobank.com/Downloads/Maatschappelijk\\_jaarbericht\\_Rabobank\\_Groep\\_2007\\_UK.pdf](http://www.sustainabilityreport2007rabobank.com/Downloads/Maatschappelijk_jaarbericht_Rabobank_Groep_2007_UK.pdf)

## 148. China Mobile Coummnications

China Mobile Communications Corporation 2008 CSR Report<sup>1</sup>

### **Managing Risk and Preventing Corruption**

In 2008, SASAC released guidelines that emphasized the importance of risk management in key State-Owned Enterprises, asking that enterprises integrate risk management into their daily operations and make it a major priority in 2009.

This year we improved our systems to identify, review, and manage risks. We have also improved our internal controls, legal risk management, and anti-corruption efforts, introducing new preventative measures and disciplinary controls.

### **Preventing Corruption, Promoting Business Ethics**

In 2008, we built a better system for addressing and preventing corruption, improved our anti-corruption efforts, and strengthened ethical business conduct—all with a specific focus on prevention. We also ran a series of business ethics trainings and sought to integrate ethical standards into our culture. In addition, we rolled out new measures in line with the Seven Business Ethics Standards for management staff within State-Owned Enterprises. Our monitoring efforts have also been reinforced. Management staff and their direct reports are more closely supervised during procurement processes, ensuring that we have effective controls in place when decisions are made on planning, staffing, and resource allocation. We are also running a company-wide audit to ensure we have oversight over major projects happening at a subsidiary provincial level.

<sup>1</sup>Source: [http://www.chinamobile.com/en/mainland/corporate/2008csr\\_en/download/cmcc2008csr\\_en.zip](http://www.chinamobile.com/en/mainland/corporate/2008csr_en/download/cmcc2008csr_en.zip)

## 149. Fujitsu

FUJITSU GROUP SUSTAINABILITY REPORT 2008<sup>1</sup>

### **With our Business Partners**

#### **Fujitsu CSR Procurement Guideline – Fair Trade and Corporate Ethics**

- Fair Trade: We promote fair, transparent and free competition and do not engage in any illicit trade.
- Protection of Confidential Information: We maintain and promote proper handling of confidential information, including third parties' confidential personal information.
- Protection of Intellectual Property: We strive to obtain, maintain and utilize the intellectual property of others, understanding the role that intellectual property plays as an important resource to underpin organizations' business activities.
- Prohibition of Bribes: We do not engage in any bribery of public officials or any similar activities, or any corruption, extortion, or appropriation through the abuse of one's position in the organization.

<sup>1</sup>Source: <http://www.fujitsu.com/downloads/ECO/rep2008/fujitsureport2008-e.pdf>

## 150. Time Warner

### 2008 CORPORATE SOCIAL RESPONSIBILITY REPORT<sup>1</sup>

#### **ETHICS, GOVERNANCE, AND PUBLIC POLICY**

##### **Standards of Business Conduct**

In 2004, our company's Board of Directors revised and strengthened our Standards of Business Conduct, which applies to corporate employees

and serves as a model for similar codes of conduct adopted at each of Time Warner's business units. Our Standards of Business Conduct stress the importance of abiding by the law, being truthful, being transparent in our business dealings, putting the needs of our stockholders, and customers first, and steering clear of excesses and ethical lapses. The Standards of Business Conduct are available at [www.timewarner.com](http://www.timewarner.com) under Corporate Governance.

Since business situations can often be complicated or unclear, and the laws governing ethics and compliance are numerous, a strong compliance environment needs more than codes of conduct. It also requires training, education, and employee trust. To that end, we pledged that by the end of 2006, all regular employees in the U.S. would be trained on the Standards of Business Conduct and we are pleased to report that goal was met. In addition, new hires who are regular domestic employees of Time Warner are required to receive training on the Standards shortly after their arrival at the company, and annual ethics and compliance training is also conducted for existing employees. Ongoing efforts in this area include multimedia training programs, as well as an award-winning awareness campaign, that use a variety of media and print outlets to reach our employees. We have also provided additional training to those employees involved in conducting international business to support compliance with the Foreign Corrupt Practices Act (FCPA). As we continue to expand our company's international business dealings, training and awareness of the FCPA and anti-corruption laws will continue to be a focus for 2008 and beyond.

We welcome questions and concerns about any conduct that may run counter to our values, and we will not tolerate retaliation for concerns raised or reported in good faith.

We want our employees to understand that Time Warner's Ethics and Compliance representatives work not only to safeguard the company's reputation, but also to protect employees from unsafe, unethical or criminal conduct in the workplace. A recent employee survey confirms that our employees know they can report concerns without jeopardizing their status in the company and know who to contact for guidance on ethics and compliance issues.

In 2007, Time Warner was recognized by Ethisphere Magazine as one of the world's most ethical companies – one of only two media and entertainment companies awarded this honor. We also devote substantial resources to our system of internal control over financial reporting and compliance programs that are designed to provide that the company's financial statements and disclosures are accurate and complete, and in accordance with the applicable legal requirements in all material respects. As part of this effort, specialized training is provided to financial executives and lawyers to assist them in implementing standards effectively and to provide guidance on abiding by the comprehensive internal controls and compliance procedures we have in place.

Enforcement is also key to an effective ethics policy. A Corporate Compliance Review Committee meets regularly to review individual compliance matters for the entire company. The Audit and Finance Committee of the Board is responsible for reviewing and recommending changes to the Standards of Business Conduct and for overseeing the company's Ethics and Compliance program. The Audit and Finance Committee also appoints the company's Chief Ethics and Compliance Officer, who provides the Committee with reports on the company's Ethics and Compliance programs.

<sup>1</sup>Source: [http://www.timewarner.com/corp/citizenship/index.page/tw\\_csr\\_report08.pdf](http://www.timewarner.com/corp/citizenship/index.page/tw_csr_report08.pdf)

<sup>2</sup>Source: [http://www.timewarner.com/corp/corp\\_governance/pdf/SBC\\_External\\_062205.pdf](http://www.timewarner.com/corp/corp_governance/pdf/SBC_External_062205.pdf)

## TIME WARNER INC. CORPORATE STANDARDS OF BUSINESS CONDUCT<sup>2</sup>

### OVERVIEW

#### How are the Standards of Business Conduct Enforced?

Reports of violations may be received from a number of sources, including employees, outside parties, or as a result of an audit or litigation. Once a report is received by the Compliance Office, it is promptly and thoroughly investigated (See "How Are Investigations Conducted"). Depending on the nature of the violation or the results of an investigation, disciplinary action may or may not be taken. Time Warner is not obligated to take any particular disciplinary action, but the discipline imposed may include: oral or written warning, probation, demotion, suspension, restitution, termination of employment including "for cause" termination that may result in forfeiture of stock options granted under Time Warner stock option plans, or referral for criminal prosecution or civil action. Some of the factors that may be taken into account are: the nature of the violation; the impact on Time Warner or any of its Divisions; and the individual's history of compliance with these Standards of Business Conduct.

#### Questions or Concerns:

If you have questions or believe that violations of the Standards are occurring or have occurred, you should not keep the information to yourself, but should promptly inform the appropriate personnel. As a general rule, you may contact your supervisor, Legal Department, Human Resources representative, or Compliance Office with questions or concerns. In addition, as you'll see below, for certain types of violations, the Standards provide more specific guidance on whom you should contact.

In any event, you may always contact the Compliance Office with questions or concerns as follows:

- send an e-mail to [TWCorpBusConduct@timewarner.com](mailto:TWCorpBusConduct@timewarner.com)
- make a telephone call (which may be anonymous) to the Compliance Help Line at: 1-800-375-0288
- send a letter (which may be anonymous) addressed to  
Compliance Office  
Time Warner Inc.  
One Time Warner Center  
New York, New York 10019
- send a fax to (212) 504-2686
- For the latest information on the Ethics and Compliance program, including updated contact information, visit the Ethics and Compliance website, available on the My TW home page and at [http://mytw.twi.com/MyTW/our\\_company/compliance\\_ethics/index.html](http://mytw.twi.com/MyTW/our_company/compliance_ethics/index.html)

Supervisors and the Legal and HR Departments should report all serious violations of the Standards to the Compliance Office as soon as possible. Time Warner does not permit retaliation against any employee who in good faith seeks advice, raises a question or reports misconduct. Anyone engaging in retaliation will be subject to disciplinary action, which could include termination of employment.

### PROTECTING COMPANY RECORDS AND INFORMATION

#### Dishonesty and Fraud

Like all organizations, ours is faced with risks from dishonesty and fraud which can take many forms and can cause the Company and our reputation immense harm. We are committed to the deterrence, detection and correction of such misconduct and to perpetuating a culture that does not tolerate it.

Broadly, dishonesty and fraud can involve many forms, such as

- theft or other misappropriation of assets, including assets of the Company, our customers and suppliers;
- questionable payments to agents, consultants or professionals who haven't been properly retained by the Company or have over billed or under performed services;
- misstatements and other irregularities in the Company's books, records, financial and disclosure statements, etc.;
- forgery or other alteration of documents;
- transfers to or deposits in the bank account of an individual, rather than in the account of the company with which we are doing business;
- billings made higher or lower than fair value, at a customer's request;
- payments made for any purpose other than that described in supporting documents;
- payments made to employees of customers or agencies through intermediary persons or organizations, or that seem to deviate from normal business transactions;
- bid rigging;
- embezzlement;
- fraud and other unlawful acts; and
- bribery and kickbacks.

Examples of bribes or kickbacks that would not be tolerated by Time Warner include:

- Giving something of value to an individual in return for a favorable exercise of that individual's discretion; and
- A payment secretly made to a Time Warner employee by a vendor seeking Time Warner business with the purpose of influencing the employee to award business to the vendor or to secure more favorable terms.

## **CONFLICTS OF INTEREST**

### **Gifts and Entertainment**

General Guidance: From time to time, you may receive or give gifts that are meant to show friendship, appreciation or thanks from or to people who do business with Time Warner companies. You should never accept or offer gifts or entertainment when doing so may improperly influence or appear to influence your or the recipient's business decisions. If you are involved in any stage of a decision to do business with another company or person, you must refrain from accepting or giving any gift or entertainment that may influence or appear to influence the decision to do business. Some business units may have additional restrictions on giving and receiving gifts and entertainment. You are responsible for knowing these business unit specific restrictions and abiding by them.

Quick Tips: Here are some helpful tips when considering whether to accept a gift:

- Cash gifts are never appropriate.
- Don't accept a gift if it could cause you to feel an obligation.
- Don't accept a gift from a vendor if it may give the vendor, other suppliers or subcontractors the impression that they have to provide similar gifts or favors in order to obtain company business.
- Don't justify accepting a gift by arguing, "Everybody else does it," "I deserve a break today," or "No one will ever find out."

Accepting Gifts; The \$500 Rule: Larger gifts are more likely to cause a conflict of interest. Accordingly, the advance approval of both your supervisor and, if approved by your supervisor, then the Compliance Office are required in order to give or accept more than \$500 worth of gifts to or from a single source in any 12-month period. Among the factors that will be considered in determining the appropriateness of any gift over the \$500 amount will be whether the gift is customary or industry appropriate and openly given without any expectation or realization of special advantage.

Examples of appropriate gifts would be (1) t-shirts, mugs, pens or other widely distributed promotional items, (2) consumable items that can be shared with co-workers, (3) tickets to a cultural, sporting or major entertainment event to be attended without a representative of the giver where the total value of all tickets accepted is less than \$500.

**Accepting Entertainment Invitations:** Social interaction is an acceptable means of building and maintaining business relationships. Functions such as business dinners, drinks, parties, receptions or meetings in a social context are appropriate if a significant purpose of the social event is business related and your participation is in the ordinary course of business, usual and customary and not so frequent as to suggest a business purpose is not valid. Accepting invitations in such circumstances to sporting, cultural, and major entertainment events is appropriate in most instances. When travel accommodations are included in any invitation, acceptance of the travel accommodations must be pre-approved by your supervisor.

**Governmental Authorities:** There are special rules that apply to dealing with federal and many state, local and foreign governmental authorities. For example, see the “Foreign Corrupt Practices Act” Standard below. These are likely to be more restrictive than the general guidance in these Standards, so you should contact the Legal Department for guidance before considering any gifts to or entertainment of any governmental authorities.

## **CONDUCTING BUSINESS IN A GLOBAL MARKETPLACE**

### **Fair Dealing**

We wish to promulgate a culture throughout the Company of integrity, honesty, incorruptibility and fair dealing in everything we do. We do not seek competitive advantages through illegal or unethical business practices. Each of us should endeavor to deal fairly with our customers, service providers, suppliers, competitors and fellow employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

We have an obligation to conduct all sales and marketing activities in a lawful, ethical and fair manner. Accordingly, Time Warner will not tolerate unfair practices, including lying, deception, mislabeling, improper certification or other similar activities obfuscating the truth.

### **Foreign Corrupt Practices Act**

#### **General Standards**

The Foreign Corrupt Practices Act is a criminal bribery law. It was enacted into law to (i) prohibit bribery and (ii) impose accounting and recordkeeping requirements. The FCPA makes it illegal to pay, authorize, promise or offer a corrupt payment (or anything of value) to a “foreign government official” for the purpose of causing the foreign government official to act or fail to act or otherwise use his or her influence to assist Time Warner in obtaining, retaining or directing business. The FCPA is a complex law that is interpreted quite broadly. There are significant US criminal penalties for individuals and companies that violate FCPA and foreign countries may impose additional sanctions.

Without the advance written approval of the Compliance Office or your Legal Department, employees are not permitted to promise, authorize, offer or make any payment, including for travel, lodging or entertainment, in money, products or services, directly or indirectly, to any “foreign government official” (defined broadly). In addition, the Compliance Office or your Legal Department should be consulted before Time Warner hires any foreign agent, representative or consultant.

## 151. GlaxoSmithKline

Corporate Responsibility Report 2007<sup>1</sup>

### **Ethical Conduct**

Strong policies, codes of practice and good training are essential elements of our approach. However, on their own they cannot guarantee that our employees will meet our standards. Our internal compliance systems are designed to identify and address breaches of our codes.

There is a strong business case for achieving high standards of ethical conduct:

- Greater stakeholder trust in GSK and our products including among regulators, doctors and patients
- Improved risk management by preventing breaches of our ethics policies which could have serious financial or legal consequences
- Competitive advantage due to better reputation and reduced costs of failures

We completed a thorough review of our compliance and risk management strategy in 2007 and are improving our programmes in a number of areas as a result.

Putting the patient first is at the heart of ethical conduct for a pharmaceutical company. This means maintaining high ethical standards during all stages of R&D (see research practices page 55) and once a product is approved for marketing.

Marketing ethics is a particularly important aspect of ethical conduct for GSK and one that is relevant to patient safety. It is essential that our marketing practices help doctors to prescribe medicines that are in the patient's best interests. Our policies prohibit kickbacks, bribery or other inducements to doctors, and any promotion for unapproved uses of our medicines.

### **Our approach**

#### **Our Code of Conduct**

Our Employee Guide to Business Conduct requires all employees to act with integrity, comply with the law, avoid conflicts of interest and report any violations or unethical behaviour. It provides guidance, including specific examples, on what constitutes unacceptable behaviour.

Read our Code of Conduct, Employee Guide to Business Conduct, and management certification statement in the background section of our website.

#### **Marketing ethics**

We market our medicines to doctors, hospitals and governments. In some countries, such as the US, we also advertise medicines directly to consumers. Our specialist sales representatives meet regularly with doctors and pharmacists to inform them about our medicines and their approved uses.

We believe that sales representatives play an important role in providing up-to-date information to doctors on our products and their benefits to patients. However, we recognise that the marketing of pharmaceutical products raises some challenging issues.

In particular, some people are concerned that marketing by pharmaceutical companies exerts undue influence on doctors, that sales representatives do not always give doctors full information about potential side effects, or that promotion for unapproved uses may be occurring despite increased training, monitoring and oversight. Our approach to addressing these issues includes regional marketing codes of practice, regular training and monitoring.

#### **Marketing Codes of Practice**

Our Pharmaceutical Marketing and Promotional Activity policy applies to all employees and agents. It commits us to promotional practices that are ethical, responsible, principled and patient-centred. It prohibits kickbacks, bribery or other inducements to doctors, and any promotion for unapproved uses of our medicines.

<sup>1</sup>Source: <http://www.gsk.com/responsibility/cr-review-2007/downloads/CR-Report-2007.pdf>

This policy is supported by regional marketing practices codes in Europe, our Pharmaceuticals International region, Japan and the US. These codes apply the same standards but reflect differences in market structures, national healthcare systems and regulations.

A copy of the GSK European Promotion of Medicines Code of Practice is available in the background section of our website.

#### **Training and awareness**

Training and awareness programmes help employees understand the importance of ethical conduct and to apply our policies in practice.

New employees in the UK and the US complete induction training on our Code of Conduct. Our annual management certification programme requires managers to confirm that they comply with our ethics policies. The programme covers over 14,000 managers worldwide. Read our management certification statement in the background section of our website.

Managers can access three e-Learning modules on ethical leadership.

Specialised training is provided for employees working in R&D, manufacturing and sales and marketing where there are additional regulatory requirements.

Training for employees working in sales and marketing includes:

- Induction training and testing on our marketing code of practice
- Detailed training for sales representatives on the medicines they promote and the diseases they are designed to treat
- Regular refresher courses held at least once a year
- Regular management updates in Europe and the US on the types of unethical conduct detected and disciplinary actions taken

#### **Monitoring and compliance**

We established a new fraud risk assessment tool to help us prevent financial fraud. Our finance leadership team will review all financial fraud cases on an annual basis.

#### **Addressing misconduct**

In 2007:

- 1,535 employees were disciplined for policy violations
- Of these, 320 were dismissed or agreed to leave the company voluntarily (known as separations)
- Other disciplinary actions included documented warnings (1,215 instances) and financial penalties
- The 1,535 disciplinary actions included 476 cases of employees breaching sales and marketing codes
- These 476 cases resulted in 59 dismissals or separations from the company. All the other 417 cases resulted in documented warnings

In addition to appropriate discipline, employees staying with the company received retraining and increased monitoring. In some cases retraining is also extended to an employee's colleagues to prevent them making similar mistakes.

The main types of violations this year included:

- Marketing and promotional activities
- Good manufacturing /good distribution practices
- Falsification of documents
- Travel and expenses claims

## GSK Code of Conduct<sup>1</sup>

### Specific Requirements

#### Staff Responsibility

All GlaxoSmithKline Staff must comply with this Policy, and associated Standards of Conduct in the pursuit of Company business;

If a decision about a particular action is not covered specifically by this Policy or associated Standards of Conduct, Staff is required to seek guidance from his or her supervisor, Human Resources, GSK Legal or a Compliance Officer.

Failure by any Staff, including managers or supervisors who ignore prohibited conduct, or have knowledge of the conduct and fail to correct it, to comply with this or any GSK policy will be subjected to disciplinary action up to and including separation from the Company in accordance with local labour laws.

### Policy

#### Acceptance of Entertainment and Gifts

GSK Staff may accept gifts or entertainment that are lawful and ethical, supports GSK's business, (e.g., not just for staff well being or use), are infrequent, low in value, and are customary in a business relationship (e.g., pens, coffee mugs or calendars). If any Staff is uncertain about whether a gift is permitted or not, he or she must seek guidance from their supervisor, or a Compliance Officer.

## About us – Governance<sup>2</sup>

### Corporate Ethics and Compliance Programme

#### About GSK's Corporate Ethics and Compliance Programme

GSK's Corporate Ethics and Compliance Programme was established by the Board of Directors to support GSK's commitment to high standards of ethical conduct. The programme is under the direction of the Corporate Ethics and Compliance Officer, who reports to the Chief Executive Officer. Through the programme the Corporate Ethics and Compliance staff provide oversight and guidance to ensure compliance with applicable laws, regulations, and company policies, and to foster a positive, ethical work environment for all employees.

#### Corporate Ethics and Compliance contact information

- Corporate Ethics and Compliance Officer  
UK Phone: + 44 20 8047 4501  
US Phone: +1 215-751-5895  
Fax +1 215-751-5319
- Mailing Address:  
Box 58572  
Philadelphia  
Pennsylvania 19102  
USA

(This secure, off-site post office box may be used for reporting concerns. Please do not use this address for Adverse Event Reporting. If you are a physician, follow the procedures required by your country's regulations.)

#### Integrity helpline

Corporate Ethics and Compliance manages the Integrity helpline, a service that provides a channel for reporting to GSK alleged breaches of any legal or regulatory

<sup>1</sup>Source: <http://www.gsk.com/about/downloads/Policy-Code-Conduct.pdf>

<sup>2</sup>Source: <http://www.gsk.com/about/corp-gov-ethics.htm>

obligations, financial fraud, including accounting, internal controls and auditing, or any alleged contravention of GSK's Code of Conduct or corporate policies.

The helpline is a confidential, toll-free number available to all GSK employees, contractors and vendors, and interested outside parties. Calls are not traced, and callers may remain anonymous (caller ID has been disabled). People in the US and Canada may call toll-free 1-866-GSK-ETHICS (1-866-475-3844) during normal business hours (ET). Callers outside the US should contact the Confidential Reporting Line for their country. The UK number is 0808 100 5689 access code 47500. Other country numbers are available on the Corporate Ethics & Compliance Community of myGSK.

#### **Non-retaliation**

GSK recognises that employees may be reluctant to report concerns for fear of retaliation and considers the link to Corporate Ethics and Compliance as a valuable communication channel for employees. GSK will take disciplinary action against any employee who threatens or engages in retaliation, retribution, or harassment of any person who has reported or is considering reporting a concern in good faith.

#### **GSK's Code of Conduct**

GSK's Code of Conduct is the foundation for all the company policies. It sets out the fundamental principles that the company values and that employees should apply in their daily work. Supporting the Code of Conduct policy is a range of corporate policies providing specific guidance in areas such as competition law, marketing practices, non-discrimination, share dealing, and conflicts of interest. GSK's employee guide to business conduct highlights the Code of Conduct, core compliance policies and provides guidance to employees. It is the responsibility of each employee to implement the code and follow the employee guide to sustain the trust and confidence of all GSK stakeholders.

## 152. Caterpillar

Caterpillar's Worldwide Code of Conduct<sup>1</sup>

### INTEGRITY

#### WE AVOID AND MANAGE CONFLICTS AND POTENTIAL CONFLICTS OF INTEREST

We must not engage in activities that create, or even appear to create, conflict between our personal interests and the interests of the company. These situations arise where a personal interest or family or other relationship makes it difficult for an individual to represent the company fully and fairly. Conflicts of interest can arise in any part of Caterpillar's operations. The most serious conflicts of interest usually arise where an employee or former employee has authority to spend the company's money, has authority to hire or engage a person outside the company, or has information that could be valuable to a person outside the company. A conflict of interest or the appearance of a conflict of interest very often arises where an employee is offered a gift, favor, or entertainment. While some of this activity is part of a normal business relationship, we do not accept gifts, favors, or entertainment that have a value greater than we could reasonably reciprocate or that obligate or appear to obligate us to act in any way contrary to the law, Caterpillar business interests or Caterpillar's ethical business practices.

#### WE REFUSE TO MAKE IMPROPER PAYMENTS

In dealing with public officials, other corporations, and private citizens, we firmly adhere to ethical business practices. We will not seek to influence others, either directly or indirectly, by paying bribes or kickbacks, or by any other measure that is unethical or that will tarnish our reputation for honesty and integrity. Even the appearance of such conduct must be avoided.

### LIVING BY THE CODE

#### REPORTING RIGHTS AND RESPONSIBILITIES

Each of us who becomes aware of a circumstance or action that violates, or appears to violate, the Code of Conduct, enterprise policy or applicable law, should contact his or her supervisor or local management as soon as possible. Each of us has a further personal right and responsibility to report any circumstance or action that violates, or appears to violate, the Code of Conduct, enterprise policy or applicable law. We must use these reporting rights responsibly and must report issues only where we reasonably believe there has been a violation, and not where the report is intended to be harassing, is based on personal opinion only, or is otherwise trivial.

You can raise a question or concern, or make such a report, to your supervisor, local business unit management, or the Office of Business Practices.

#### NO RETALIATION POLICY

Caterpillar will not take any action against you as a result of raising an ethical issue in good faith. Also, Caterpillar does not tolerate any reprisal by any individual against an employee for raising a concern or making a report in good faith.

If you are not able to get an answer to a question, or resolve an issue, under the Code of Conduct by working with your supervisor or local management, you can contact the Office of Business Practices:

- Direct Telephone: +1-309-494-4393 (English only)
- Toll-free Helpline: Caterpillar maintains toll-free Helpline numbers in various countries. Inside Canada, the United States and the U.S. Virgin Islands the number is 1-800-300-7898. Toll-free numbers currently in effect for other countries are posted on the Caterpillar Intranet at <https://codeofconduct.cat.com>, and language translation is available for those numbers.
- Call Collect Helpline: +1-770-582-5275 (language translation available)
- Confidential Fax: +1-309-494-4818

<sup>1</sup>Source: [http://www.cat.com/cda/files/853384/7/2005\\_code\\_body\\_EnglishFull.pdf](http://www.cat.com/cda/files/853384/7/2005_code_body_EnglishFull.pdf)

- Internet E-Mail: [BusinessPractices@cat.com](mailto:BusinessPractices@cat.com)

You can request a copy of the Office of Business Practices Data Privacy Statement using any of the methods listed above.

## 153. Veolia Environnement

Ethics, Commitment and Responsibility<sup>1</sup>

### HONESTY AND INTEGRITY

#### Within Veolia Environnement

Honesty and integrity are built upon a strong feeling of loyalty among Veolia Environnement, its employees and its customers. For each employee, it implies clear and transparent handling of information. It also assumes compliance with confidentiality requirements regarding the use of personal data or of sensitive data of companies within the Veolia Environnement group, as well as the proper use of files.

As such, employees must comply with the Code of Conduct that relates to trading in the shares of Veolia Environnement (Appendix 1).

Acting with honesty and integrity also means refraining from making any complaints against another employee with wilful disregard of the truth. Nevertheless, an employee who in good faith believes that a breach of our Code of Ethics has occurred has free access, on a confidential basis without fear of retaliation, to the Ethics Committee. The Ethics Committee is empowered to investigate alleged Code of Ethics violations, as well as to provide its opinion on any issue relating to Veolia Environnement's core values and guiding principles (Appendix 2).

#### With regard to all stakeholders

In this context, acting with honesty and integrity involves representing Veolia Environnement in a faithful and effective manner vis-à-vis both its customers and all with whom it has a relationship.

In general, this means:

- Respecting all Veolia Environnement's contractual commitments as well as all applicable laws or regulations, particularly those relating to fair competition, corruption and political contributions.
- Ensuring regulatory compliance of all installations and activities entrusted to

Veolia Environnement, in particular by advising customers as to how they may comply with applicable regulatory requirements.

- Maintaining the confidentiality of exchanges: Veolia Environnement employees may become aware of confidential information relating to Veolia Environnement or its business partners. This information may relate to technical studies, projects or processes, industrial data, sales or financial plans, as well as items likely to concern either Veolia Environnement's or its customers' assets and know-how. Each employee must take all precautions necessary to ensure that this information is divulged neither to unauthorised third parties nor to other employees not entitled to such information.
- Avoiding conflicts of interest: Employees of Veolia Environnement must be constantly mindful of their duty to defend Veolia Environnement's legitimate interests. Veolia Environnement employees, whether they hold elected offices as citizens or whether they are involved in public initiatives, and who are confronted with situations where either their personal interest or the interests of those they represent in any way whatsoever create a conflict of interest with regard to those of Veolia Environnement, are obliged to declare the risk of conflict of interest to management. Moreover, all employees must inform management prior to exercising an external professional activity and must declare, as required, any interests acquired, directly or indirectly, in any enterprise with which Veolia Environnement maintains business relations or with which it competes.
- Protecting the quality of Veolia Environnement's image which, in the same way as its business activities, helps determine its credibility and continued prosperity. Hence, employees must abstain from any act that may damage the reputation of Veolia Environnement.

#### In supplier and service provider relationships

In this type of relationship, honesty and integrity require that employees take the following precautions:

<sup>1</sup>Source: [http://www.veoliaenvironnement.com/media/ethics-programme\\_en.pdf](http://www.veoliaenvironnement.com/media/ethics-programme_en.pdf)

- Selecting suppliers based on their performance and in relation to objective criteria, while taking into account the principles contained in the Veolia Environnement Purchasing Charter (Appendix 3) in terms of ethics, vigilance and responsibility (e.g. prohibition of forced labour or child labour).
- Ensuring that outside providers behave ethically: inherent in Veolia Environnement's business activities is the recourse to outside providers, including intermediaries (with power to represent or not), negotiators, advisors and consultants. These providers must always be compensated in relation to the services stipulated in their contract. Veolia Environnement employees must implement all measures necessary to ensure effective coherence between the stipulated service and the agreed upon compensation. In particular, Veolia Environnement has adopted and distributed clear procedures to ensure that agreed upon services conform to reality and that such services are being legally provided.
- Refusing to offer or receive any direct or indirect personal reward, service or financial benefit. Employees may only offer gratuities or gifts in accordance with Veolia Environnement's practice in this area. In the event of doubt, they must consult with management. Moreover, they must not use Veolia Environnement property or information for their own purposes, nor use their position within the company for personal benefit or gain. In their professional capacity, they must not accept gifts or invitations other than in accordance with Veolia Environnement's practice.

About Veolia – Corporate Governance<sup>1</sup>

#### **Ethics Committee Referrals**

Have you run into a problem which, in your opinion, could compromise the “Ethics, Belief and Responsibility” program?

#### **State the Problem Clearly**

Lay out, as factually as possible, the information you have concerning :

- The situation and context;
- Company organization and procedures, the managers/supervisors with the authority to make a decision;
- The issue or emergency at stake for the company and other principals. In addition, try to identify the facts you don't have. If possible, try to supplement your information using objective sources. Carefully re-read the program (active link) and the internal rules, procedures and policies, if any, that might apply to the topic. Try to identify the applicable rules and to phrase your question precisely.

#### **Who to Contact**

The first people to talk to are your immediate supervisors. If the issue remains unresolved, you may contact the legal, human resources or financial departments of the company you work for. If none of above options resolve the matter, or if there is a serious reason for keeping your question confidential, you may submit it to the nearest ethics correspondent or to the Ethics Committee. You will be asked to tell them what you have done thus far.

Naturally, you always have the option of consulting employee representative organizations, if the question falls within their scope of responsibility.

#### **Referring the Matter to the Ethics Committee**

The Ethics Committee's internal rules state that any Veolia Environnement employee having problems implementing the program that are not resolved by his or her managers may apply in good faith to the Ethics Committee.

You can refer a question to the committee either by mail or phone message directed to one of its members. You can also do so directly and securely using this link: [ethique.ve@veolia.com](mailto:ethique.ve@veolia.com).

<sup>1</sup>Source: <http://www.veoliaenvironnement.com/en/group/governance/ethics/referrals.aspx>

You must identify yourself to your contact and provide a reliable means of getting in touch with you. Your contact will keep your identity confidential unless you expressly authorize its disclosure.

#### **Handling of Requests**

The committee will not follow up on referrals that remain anonymous after an initial, possibly anonymous contact.

To handle identified requests, the committee will work as closely as necessary with the various company departments, including auditing, legal affairs and human resources, with management and with outside experts. It will provide feedback to the requestor concerning its follow-up, within a period of time to be determined on a case-by-case basis depending on the type of problem.

An employee reporting in good faith a possible failure to implement the “Ethics, Belief and Responsibility” program must be protected from potential reprisals as a result of his or her action. The Ethics Committee shall be attentive to this issue and shall forward the appropriate recommendations to the company’s management.

## 155. Bayer

### SUSTAINABLE DEVELOPMENT REPORT 2007<sup>1</sup>

#### Our sustainability management

##### Further milestones in 2007

A major focus of both the public discourse and Bayer's efforts in 2007 were the themes of climate protection, anti-corruption and human rights. In November 2007, we presented our Group-wide "Bayer Climate Program" (see page 28 f.) – an ambitious package of measures that we plan to implement by 2020. To draw heightened attention to the topic of anti-corruption within the Bayer Group and underscore our commitment to stringent rules of conduct and compliance, we declared 2007 "Bayer Year of Anti-Corruption."

About 70,000 employees took part in anti-corruption training courses that we offered at all sites. A further milestone was the implementation of our "Human Rights Position," which we published in May 2007 (see also page 70 f.).

##### Sustainable procurement management

Bayer actively upholds its commitment to environmental protection, human rights, fair working conditions and the fight against corruption worldwide in its purchasing activities too. Through the establishment of a sustainable procurement management system, Bayer aims to exert influence as a purchaser responsibly and to avert sustainability risks.

##### Global commitment to compliance and preventing corruption

Bayer will not tolerate any violations of the law. A comprehensive corporate compliance system is in place requiring all employees of Group companies to act responsibly and fully observe applicable law. Legal compliance is taken very seriously, as is demonstrated by Bayer's numerous activities in this area and the global anti-corruption campaign launched in 2007.

##### Group-wide campaign

"Bayer will not entertain any business deals that involve bribery. No amount of

additional revenues can justify illegal or unethical business practices." Those were the words of Group Management Board Chairman Werner Wenning when Bayer's Group-wide communications campaign on compliance issues was launched in August 2007. Bayer managers the world over were provided with specially developed training materials in German, English and Spanish and called upon to raise their employees' awareness of the need for compliant behavior. Since the campaign began, Bayer has already given almost 70,000 of its employees training on compliance-related issues, particularly in the area of corruption prevention.

##### Varied training programs

In addition, the subgroups and service companies conduct their own compliance training, addressing regional and industry-specific topics as well as issues of significance to the entire Bayer Group. "When deciding on the focus of our training measures, we follow a risk concept that is partly based on the Corruption Perceptions Index of Transparency International, and we actively involve the local Compliance Officers in planning," notes Hartwig.

Starting in 2008, Bayer plans to work with an outside provider on adding more web-based learning opportunities to its training repertoire.

##### Local compliance hotlines

In 2007 Bayer also began expanding its existing system of local compliance hotlines. Today, hotlines are already available to a large proportion of Bayer employees to enable them to anonymously report any suspected violations to an independent unit and seek counsel in their native language. In the future, the contact information of local Compliance Officers and personnel will be available to all employees via the intranet. By using the hotlines to solicit information and counsel as well as report suspected violations, Bayer employees are demonstrating their increasing awareness of compliance issues.

##### Responsible competitive conduct

Our economic and social responsibility includes making sure that our strict corporate

<sup>1</sup>Source: <http://www.sustainability2007.bayer.com/en/Sustainable-Development-Report-2007.pdf>

compliance code is observed throughout the Bayer Group. Our “Program for Legal Compliance and Corporate Responsibility at Bayer” bans corruption and anti-competitive conduct. It also prescribes compliance with anti-discrimination regulations and the protection of intellectual property and sets out rules on product safety, occupational safety and environmental protection. To ensure that the program is applied consistently, an efficient compliance structure has been put in place worldwide in recent years. We use suitable means to communicate our policy of “zero tolerance” of non-compliance to our employees and provide additional information on specific issues. During 2007, which we declared “Anti-Corruption Year,” we initiated a global communication campaign on corporate compliance with a clear focus on avoiding corruption (see Focus Issue Corporate Compliance on page 44 ff.).

#### **Violations will not be tolerated**

The message of Bayer’s compliance program is clear: zero tolerance for violations. Should violations be suspected despite the measures taken to ensure compliance, there are a number of possible ways to report them.

The consequences for violators range from a reprimand to immediate termination, depending on the severity of the case. Any proven compliance violations will affect managerial staff’s performance reviews. Hartwig stresses: “Managers who fail to demonstrate that they took adequate measures to prevent violations will also be penalized.” On no account may performance targets be agreed on that conflict with the compliance program.

In spite of all these efforts, violations were committed in 2007 by individual Bayer employees and business partners. In the case of proceedings against a former service provider to Bayer and certain Bayer employees, who are under investigation by the Cologne public prosecutor’s office for bribery, Bayer has already terminated all contracts with this provider and suspended the business relationship indefinitely. Some of the Bayer employees involved have already been dismissed. “We reserve the right to take further action pending the results of the investigation,” Hartwig comments. In proceedings brought by the European Commission in 2007 against five rubber producers, including Bayer, concerning collusion on prices, Bayer turned state’s evidence and was granted immunity from prosecution for cooperating with investigators.

## Corporate Compliance Policy<sup>1</sup>

### **Introduction**

#### **Why be concerned about corporate compliance?**

Bayer is esteemed as a company with distinct strengths. While this reputation is the product of many years’ work, the careless, improper actions of just one employee can damage our image in the blink of an eye. We must prevent this. To do so requires that all employees be guided in their activities by reasoned principles, particularly those set forth in this Corporate Compliance Policy. Remember that the way each employee conducts the company’s business can affect Bayer’s public image.

The Corporate Compliance Policy serves as the basis for this. It does not, however, cover all conceivable situations or describe all of the particular rules that must be followed. Furthermore, the law in some countries may prescribe stricter standards than those set forth here, in which case the stricter standards govern.

Unlawful and unethical behavior can have far-reaching consequences for the company, including:

- criminal penalties
- administrative fines
- civil and punitive damages
- seizure of profits
- exclusion from contracts
- termination of business relationships
- attempted extortion
- harm to our image
- negative perceptions by the capital market

<sup>1</sup>Source: <http://www.bayer.com/en/Corporate-Compliance-english.pdf>

Individual employees who violate the principles of this Corporate Compliance Policy also face serious consequences, such as fines or imprisonment, claims for damages, sanctions under labor law and possible termination of employment.

Employees who disobey the rules cannot claim to have been acting in Bayer's interests, because any compliance violation ultimately harms the company. In view of the possible consequences, any advantage somebody purports to have gained in a specific situation can never, not even economically, be advantageous to the company as a whole.

### **We are committed to integrity in business dealings – no corruption**

#### **Bayer will not tolerate corruption**

Corruption is contrary to fair competition and harms the company's economic standing and reputation. In addition, many countries treat corruption as a crime, regardless of whether the actual act takes place in their jurisdiction or in another country. Thus, Bayer employees are strictly prohibited from attempting to unlawfully influence business partners, whether through favors, gifts or the granting of other advantages, anywhere in the world. This rule particularly applies to dealings with individuals acting on behalf of government agencies or other public institutions.

Bayer will not entertain any business deals that involve breaking the law or violating company rules relating to the granting or acceptance of favors, mindful of the fact that some business may be lost as a result. No amount of potential additional revenues or earnings can justify illegal business practices. This applies without exception throughout the Bayer Group. No employee, regardless of the country in which he or she works, is entitled to violate the law or company policy.

Any gift, even those given indirectly (for example to friends, relatives or associations), is considered an advantage. Examples include: cash, invitations to events, airline tickets, hotel stays, employment for friends or relatives, special personal favors and even the provision of expensive food and drink.

The granting or acceptance of gifts must take place in compliance with the law as well

as Bayer's internal guidelines. If stricter rules and laws exist (for example codes of conduct issued by pharmaceutical associations), then the stricter standard must be observed.

Bayer employees are not allowed, under any circumstances, to demand personal gifts. Likewise, they may not offer or grant gifts of cash, or gifts equivalent to cash, to any public official.

In dealings with business partners, employees must avoid granting or accepting any gifts in connection with the negotiation, award or performance of a contract, and any gift granted or accepted must be of a size deemed unobjectionable under the laws applicable to both the giver and the recipient. In case of doubt, please contact the respective legal department.

#### **How does this policy affect each individual's daily work routine?**

#### **All employees are required to immediately report any violations of the Corporate Compliance Policy**

Violations of this Corporate Compliance Policy should be reported to the responsible Compliance Officer or to Corporate Auditing immediately.

Employees may also notify their supervisor or the legal department.

When employees suspect corruption or the intentional mishandling of company property or finances, for example, embezzlement, fraud, breach of trust or the offering or acceptance of bribes, they should report the matter without delay directly to Corporate Auditing.

Promptly reporting this kind of information is likely to save the company from suffering additional, more serious harm or at least mitigate the damage. For this reason employees should direct this kind of information to the individuals and departments mentioned above, because they are most capable of taking the necessary legal steps.

The company also offers ways of reporting suspected compliance violations anonymously, for example via a telephone hotline.

The company will ensure that no employee is in any way disadvantaged because he or she, acting in good faith, reports a possible compliance violation. When the reporting employee is himself/herself involved in a violation of this Corporate Compliance Policy, the company, in determining any action to be taken against that employee, will consider whether or not the report and any timely assistance given in investigating the possible violation helped avert further damage to the company.

#### **How is compliance structured at Bayer?**

**The Board of Management of Bayer AG appoints the General Counsel of Bayer AG as Group Compliance Officer. In this function he reports directly to the Board of Management.**

In addition, Compliance Officers are appointed by the group management companies (Bayer AG, Bayer HealthCare AG, Bayer CropScience AG, Bayer MaterialScience AG, Bayer Business Services GmbH and Bayer Technology Services GmbH) and each country organization. The subgroups (Bayer HealthCare, Bayer CropScience and Bayer MaterialScience) also appoint country-specific Compliance Officers for each of their operating units, who report to the Compliance Officer of the respective group management company. All of the Compliance Officers appointed in a specific country form the local Compliance Community, which is headed by that country's Senior Bayer Representative.

Each Compliance Officer has the following core responsibilities:

- to provide advice
- to assess risk
- to conduct compliance training
- to establish communication channels for reporting suspected compliance violations

- to investigate alleged compliance violations and assist in deciding on possible sanctions against the employees involved
- to arrange audits pertaining to
  - a) possible compliance violations
  - b) subject matters identified through risk assessment
- to introduce any necessary organizational changes as determined in the course of compliance investigations
- to prepare and issue reports (on individual cases and for the year)

Bayer will ensure the ongoing viability of this Corporate Compliance Policy by creating the necessary framework for its operation and providing the necessary resources.

The viability and effectiveness of this Corporate Compliance Policy will be regularly reviewed. Constant monitoring along with frequent evaluation and reporting are designed to ensure its continual improvement. In addition, Corporate Auditing will carry out a review of the Policy's effectiveness on behalf of the Group Compliance Committee at regular intervals.

## 156. Medco Health Solutions

### Standards of Business Conduct<sup>1</sup>

#### How to Use This Guide

Ethical behavior and compliance with laws are critical to Medco's success. To help you understand our position and identify areas of specific concern for Medco and our industry, we are providing this resource. It includes a description of Medco's compliance and ethics program and resources and summaries of Medco's Code of Conduct and other key policies requiring honest and ethical behavior when you are acting on Medco's behalf. This guide also serves as the basis for Standards of Business Conduct training, which is required for all directors, officers, employees, and contingent workers.

#### How the Guide Is Organized

We have divided the policy guide's contents into three chapters of related policies: "Our Conduct Standards," "Our Workplace Standards," and "Our Information Standards." Each chapter contains summarized versions of Medco's corporate compliance policies. You can find complete versions of each on the company's intranet by visiting HR WorkWays at <http://www.hrworkways.com/medcohealth>, or the Compliance website, <http://www.home.medco.com/compliance>.

#### To Whom These Compliance Policies Apply

Dave Snow, Medco's chairman and chief executive officer, has emphasized that the policies contained within this guidebook apply equally to all Medco employees, as well as to the employees of its affiliates and subsidiaries.

As a Medco employee, it is your responsibility to review and become familiar with these policies, and, if you have any questions, see your manager, your Human Resources representative, or the company's Compliance and Ethics Office to have them answered.

#### How to Report a Compliance or Ethics Concern

Our top priority is to create an environment in which Medco employees can seek guidance when they face compliance questions or ethics challenges.

The best thing you can do when faced with a compliance or ethics concern is to ask for help and speak to the appropriate people. These include:

- Your manager
- Your local Human Resources representative
- The Corporate Compliance and Ethics Office
- The Medicare Compliance Office
- The Accredo Compliance Office
- A lawyer in the Office of General Counsel

Medco's Compliance Offices—including the Corporate Compliance and Ethics Office, the Medicare Compliance Office, and the Accredo Compliance Office—are available to all employees to help answer questions and address concerns regarding compliance and business ethics conduct.

Generally Medicare questions and concerns, including Medicare fraud, waste, and abuse issues, should be directed to the Medicare Compliance Office. Ethical and Compliance concerns involving Accredo should be directed to the Accredo Compliance Office. The Corporate Compliance and Ethics Office is available to all employees and contractors to help answer questions and address concerns, or to report a suspected compliance violation.

If, for whatever reason, you feel that none of these are appropriate, you can call the Medco Compliance and Ethics Line at 1 877 285-4131. This is a toll-free hotline available around the clock to any employee who has questions or concerns about potentially non-compliant or unethical conduct. If you call the Ethics Line, you don't have to give your name unless you want to.

You can use the following resources to reach any of the Compliance Offices:

- You can send an e-mail to "[MedcoComplianceandEthics@medco.com](mailto:MedcoComplianceandEthics@medco.com)" with any compliance or business ethics questions you might have.

<sup>1</sup>Source: [http://media.corporate-ir.net/media\\_files/irol/13/131268/corpgov/standards\\_business\\_conduct.pdf](http://media.corporate-ir.net/media_files/irol/13/131268/corpgov/standards_business_conduct.pdf)

- You can speak confidentially to a representative of the Compliance and Ethics Office by calling 1 800 880-6403.

### **Non-retaliation**

You should not fear retaliation if you make a report. Medco's Code of Conduct and other Human Resources policies prohibit any employee from retaliating or acting against anyone for raising or helping resolve a compliance concern.

### **Code of Conduct**

All employees are to complete the e-learning program "Standards of Business Conduct" within their first 30 days of employment.

### **Penalties for Violations**

Anyone who fails to comply with the Code of Conduct, violates Medco policies, or encourages others to violate the Code or other policies shall be subject to disciplinary action up to and including termination of employment. Such discipline also applies for failing to ensure compliance with Medco policies or applicable law, and not cooperating with an investigation or audit.

### **No Retaliation**

Medco prohibits any employee from retaliating or acting against anyone for raising or helping resolve a compliance concern.

### **Compliance With Government Program and Other Client Commitments**

#### **Details**

Medco shall comply with the following statutes to the extent applicable, as well as with the regulations or other guidance related to these statutes:

- Federal and state false-claims act statutes prohibiting knowingly or recklessly submitting false claims or reports, encounter data, or bid information under federal or state health programs

- Federal and state anti-kickback statutes prohibiting the provision or receipt of anything of value to induce the flow of federal health care program business; the Public Contract Anti-Kickback Act, and similar state statutes
- The Civil Monetary Penalty and similar state statute prohibitions on the provision or receipt of inducements to beneficiaries of Medicare, Medicaid or other health care programs in order to influence the utilization or ordering of healthcare services
- The Federal Anti-Referral law, commonly referred to as the Stark Law, and similar state laws prohibit self-referrals of certain designated health services including outpatient prescription drugs and durable medical equipment and supplies
- Federal and state laws prohibiting theft or bribery concerning programs receiving program funds
- The Health Insurance Portability and Accountability Act (HIPAA), providing mandatory standards for transmission, privacy, and security of electronic health data
- Other applicable criminal statutes
- The Code of Federal Regulations and all sub-regulatory guidance produced by CMS for Medicare Part D, such as manuals, training materials, and guides, in addition to similar guidance under other programs
- Applicable provisions of the Food, Drug, and Cosmetics Act
- Other applicable state laws
- Other contractual commitments to our federal, state, or other clients

Citations to these statutes and discussions of Medco policies and procedures specific to compliance with the above commitments can be found at the Compliance home

page (note below). Reference the “Medicare D” tab for policies related to Medicare Part D and fraud, waste, and abuse detection.

Medco is committed to, and expects and requires of each employee, officer, director, or contingent worker compliance with the above commitments and Medco's policies and procedures regarding compliance with these commitments.

#### **Consequences of Non-compliance; Penalties**

Failure to comply with the specific provisions of law, such as Medicare, Medicaid or other federal or state program requirements, can result in significant loss of business through exclusion or debarment of Medco from serving specific programs. It can also result in potential penalties or even criminal sanctions, which can be imposed on individual employees as well as the company. Anyone to whom these policies apply who fails to comply with them shall be subject to disciplinary action up to and including termination of employment.

Such discipline may apply to direct violation of a Medco policy or requesting others to violate a Medco policy; failing to demonstrate leadership required to ensure compliance with Medco policies and applicable law; failure to cooperate with an investigation or an audit; and retaliating against an employee for raising a compliance concern.

#### **Raising Compliance or Ethics Concerns; Retaliation Prohibited**

Concerns about conduct that falls short of compliance standards can be raised through the management or Compliance resources listed on page 2, including the Medco Compliance and Ethics Line (1 877 285-4131), a toll-free hotline available around the clock that includes a mechanism for individuals to make a report and engage in follow-up communications anonymously.

Medco offers the above resources to report concerns and potential non-compliance with government programs and other client requirements, and Medco is committed to promptly reviewing any concerns raised to determine whether action need be taken. In addition to Medco's internal reporting mechanisms, additional resources include the Health and Human Services/ Office of Inspector General Fraud and Abuse Hotline and

the various State Attorney General Fraud and Abuse Hotlines.

Medco Health prohibits any employee from retaliating or taking adverse action against anyone for raising or helping to resolve a compliance concern. A number of federal and state statutes include provisions that under specific circumstances provide protections against retaliation for those who raise or help to resolve a violation of those statutes.

#### **Gifts, Entertainment, and Business Courtesies**

##### **Overview**

Medco seeks to address and regulate any direct or indirect participation in activities that could impair or be perceived to impair an individual's business judgment. This policy applies to all Medco employees and is overseen by the company's controller and the Corporate Compliance and Ethics Office.

##### **Policy Summary**

Medco discourages the provision or receipt of gifts, gratuities, entertainment, financial consideration of any type, or of items of more than reasonable monetary value (\$150 or less) from actual or potential suppliers, vendors, or customers. Further, no employee may give or receive such a gift more than twice in any calendar year.

##### **Providing and receiving gifts or business courtesies:**

- Avoiding impropriety: No employee should ever give, offer, or accept, nor authorize anyone else to give, offer, or accept, anything of value to a customer, vendor, or other business partner of Medco in order to obtain any improper advantage or if the gift may improperly affect an employee's judgment.
- Government officials: Members of the Medco community should under no circumstances give or authorize anyone to offer any gift, meal, or other thing of value to a government official, except under specific circumstances outlined in the policy or permitted by law.
- Business-appropriate gifts or courtesies: Gifts and business courtesies offered or made shall only be permitted if they are business-

appropriate (i.e., those that a reasonable person would expect in a business setting). Invitations from current or potential business associates to social events may be accepted if the cost is reasonable and does not include travel or lodging.

**Entertainment reimbursement:**

- All business meals and entertainment must have a clear business purpose.
- When entertaining a client, an appropriate limit must be placed on the number of Medco employees who attend.
- If more than one employee is present at a meal or entertainment function, the highest-ranking employee must pay the bill and seek appropriate reimbursement.
- An employee who wishes to participate in any activity that may involve the attendance of family members must seek advance permission from his or her senior vice president.

**Exceptions:**

- This policy's monetary limits may be exceeded under limited circumstances. Please view the complete policy for details.

**Internal gifts:**

- Medco discourages internal gifts, which are those exchanged between individual employees or between business areas in which reimbursement is sought from the company.
- Recognition programs, such as the Award for Excellence, can accomplish the objectives of internal gifts.

## 157. Supervalu

### Code of Ethics<sup>1</sup>

#### Fair Dealing

The Company is committed to promoting the values of honesty, integrity and fairness in the conduct of its business. Employees, officers and directors are expected to deal honestly and fairly with the Company's customers, suppliers, business partners, employees, and competitors.

Employees, officers and directors should not:

- Make false or misleading statements to customers, suppliers or other third parties;
- Make false or misleading statements about competitors;
- Solicit or accept from any person that does business with the Company, or offer or extend to any such person, cash of any amount; or gifts, gratuities, meals or entertainment that could influence or reasonably give the appearance of influencing the Company's business relationship with that person; or
- Otherwise take unfair advantage of the Company's customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair dealing practice.

#### Reporting Violations

Violations of this Code may cause harm to the Company, its employees, shareholders and others, and may damage its reputation. For these reasons, actual or suspected violations should be reported and it is the responsibility of every employee, officer and director to report such matters.

- Generally, in the case of employees, violations should first be reported to an employee's immediate supervisor. This may encourage the resolution of any problems within the appropriate work unit and provide valuable insights or perspectives on the matter reported.

- If an employee is not comfortable reporting the matter to his or her immediate supervisor or believes such person has not handled it properly, the employee should contact the Human Resources Department or a higher level of management within the organization.
- If an employee is not comfortable with either approach or wishes to report the matter confidentially and/or remain anonymous, the employee may call the Company's Corporate Compliance Hotline at: 1 (800) 241-5689.
- Directors and officers are expected to report, in person or in writing, any known or suspected violations of laws, governmental regulations or this Code, to the Corporate Compliance Officer, or the Audit Committee or Director Affairs Committee of the Board of Directors.

Reports by employees, officers, directors or third parties concerning material accounting, internal accounting control or auditing matters will be reported to the Audit Committee of the Company's Board of Directors.

The Corporate Compliance Officer, the Company's Legal Department, or if appropriate, the Audit Committee or the Director Affairs Committee of the Board of Directors, shall take all action it considers appropriate to investigate any violations reported. If a violation has occurred, the Company will take such disciplinary or preventive action as it deems appropriate; provided however, that with respect to any matter that involves a director, the Director Affairs Committee shall be responsible for taking such action, and with respect to any matter involving a material internal accounting control or auditing issue, the Audit Committee shall be responsible for taking such action.

It is against the Company's policy for anyone to be subjected to retaliation for reporting to the Company or any legal or regulatory authority, a suspected violation of this Code or any law or regulation.

<sup>1</sup>Source: [http://media.corporate-ir.net/media\\_files/irol/93/93272/corpgov/code-of-ethics.pdf](http://media.corporate-ir.net/media_files/irol/93/93272/corpgov/code-of-ethics.pdf)

## 158. Archer Daniels Midland

### Business Code of Conduct and Ethics<sup>1</sup>

#### ADM and Its People

##### Gifts and Entertainment

Gifts and entertainment are often used to strengthen business relationships. No gift, favor or entertainment shall be accepted or provided if it will obligate or appear to obligate the recipient. Gifts or entertainment may be accepted or provided if they are reasonable complements to the business relationships, are not in excess of generally accepted local business practices, are of modest value and violate neither local law nor the policy of the recipient's company. Requesting or soliciting personal gifts, favors, entertainment or services is unacceptable. No ADM Representative shall use Company positions to obtain personal benefits or special consideration for themselves, their families or anyone else. Subcontractors and suppliers will be selected on the basis of objective, business-related criteria, such as quality, technical excellence, cost and service.

#### ADM and Its Governmental Authorities

##### Corruption

ADM respects the rule of law and the fair, objective application of law and government policy to individual persons and entities. Any person acting on behalf of ADM must not directly or indirectly offer, promise to pay or authorize the payment of money or anything of value to government officials, political parties or candidates for public office for the purpose of influencing the acts or decisions of those persons or entities.

##### Resources

Education and appropriate channels of communication are foundations for equipping ADM Representatives to make good business decisions and act with integrity. Therefore, a number of resources have been made available for sharing questions, comments and concerns about activities or conditions in the workplace. Local ADM resources include supervisors, managers and human resource professionals. In some

cases employees have selected appropriate employee representatives (i.e. labor unions and works councils), which may also act as a resource to those represented employees. These are the recommended channels to use when in doubt regarding the best possible course of action in a particular situation, or to simply get advice. ADM supervisors, managers and human resource professionals who receive inquiries or information related to this Business Code of Conduct and Ethics or the standards explained in it are expected to ensure the inquiries or information is properly handled. Another resource is ADM's Office of Compliance and Ethics. This group exists as a corporate-level resource in the areas of ADM policy, regulatory requirements and governmental laws. There are a number of ways to access this department. They are listed on the back of this document.

Credible information given to ADM indicating a possible violation of the standards contained in this Business Code of Conduct and Ethics shall be investigated. ADM Representatives must cooperate in any internal investigation of such matters. Information developed during an investigation of alleged misconduct shall be handled in a confidential manner, being disclosed only to persons with a need to know or as otherwise required by law.

If an ADM Representative wishes to remain anonymous when providing information relating to the Company's business conduct, that person should use The ADM Way Helpline, a free telephone service, or write directly, without individual identification, to the Office of Compliance and Ethics at the address shown on the back of this document. The ADM Way Helpline has operators who speak nearly all languages and is available 24 hours a day, seven days a week to those in countries that have available access codes.

Access codes for relevant regions are listed on the back of this document. Those calling The ADM Way Helpline should choose not to share their name with the operator if anonymity is desired. Please be aware that, at times, anonymity may hinder an effective investigation or proper remedial action.

ADM Representatives must not retaliate against anyone for providing information, in good faith, concerning an actual or alleged violation of ADM's standards or policies or for participating in an investigation.

<sup>1</sup>Source: <http://www.adm.com/company/Documents/The-ADM-Way-English.pdf>

## 160. Telecom Italia

### CODE OF ETHICS OF THE TELECOM ITALIA GROUP<sup>1</sup>

#### COMPLIANCE WITH THE CODE

- Group companies are committed to adopting the procedures, rules and instructions serving to ensure that the values embodied in the Code are reflected in the conduct of each company and in that of its employees and collaborators, with provision made, where appropriate and in accordance with applicable laws and regulations, for a system of sanctions for violations.
- Employees, collaborators, consultants and third parties having business relations with the Group must promptly inform the person in charge of internal control at the company they work for, directly or via their immediate superior, in the manner laid down in the relevant internal procedures and not using anonymous reports, of any:
  - violation or inducement to violate applicable laws and regulations, this Code or internal procedures;
  - irregularity or negligence in keeping accounting records, preserving the related documentation or fulfilling obligations with regard to financial or internal management reports;
  - requests for clarification regarding the assessment of the correctness of their own or others' conduct and any shortcomings in the Code or proposals for amendments or additions.
- The person in charge of internal control must verify any such reports to establish the facts and take appropriate action, including proposals to punish the culprits where this is provided for and in accordance with the procedures laid down in applicable laws and regulations, collective bargaining agreements or contracts.
- Persons who make a report in good faith must not suffer any adverse consequences. Their names must be kept confidential in accordance with the relevant internal procedures, except as provided for by law.
- The Committee for Internal Control and Corporate Governance and the Board of

Statutory Auditors must be promptly informed of the reports received by the persons in charge of internal control and the consequent action taken.

#### Governance – Procedures<sup>2</sup>

##### Whistle blowing procedure

In observance of article 7 of the Group's Code of Ethics and Conduct, the "Whistle blowing procedure" – code 2008-00108 – is in force for all companies of Telecom Italia Group.

This procedure institutes a process, the management of which is assigned to the person in charge of the internal control of Telecom Italia, to ensure the reception, analysis and treatment of reports of problems in the internal control system, corporate information, fraud or other issues (for example, breaches of the Code of Ethics and Conduct, bullying, theft, security), submitted in any form (in hardcopy, electronically, by fax etc.) by employees (including Top Management), associates, consultants, or labour providers, as well as third parties in business relations with the Group.

Every report will be analysed. The results of the preliminary investigation carried out on reported cases are brought to the attention of the company's Top Management, designated controlling bodies, and other corporate functions who may be concerned from time to time, guaranteeing total protection of the persons who have made the reports.

<sup>1</sup>Source: [http://www.telecomitalia.it/TIPortale/docs/investor/Code\\_of\\_Ethics\\_Feb09.pdf](http://www.telecomitalia.it/TIPortale/docs/investor/Code_of_Ethics_Feb09.pdf)

<sup>2</sup>Source: <http://www.telecomitalia.com/cgi-bin/tiportale/TIPortale/ep/browse.do?tabId=4&pageTypeld=-12695&LANG=EN&channelId=14161&channelPage=/ep/channel/default.jsp>

## 161. Fannie Mae

### OUR CODE OF CONDUCT<sup>1</sup>

#### I Avoid Conflicts of Interest

##### KNOW OUR CODE

- I understand that there may be outside activities and/or financial interests about which I am obligated to inform Fannie Mae and for which restrictions may arise, such as:
  - owning a financial interest in a company that does business, seeks to do business, or competes with Fannie Mae, especially if I'm in a position to make, control, or influence a decision with respect to Fannie Mae's business with that company;
  - serving on a board of directors or similar body; or
  - engaging in employment outside Fannie Mae, especially with any competitor of Fannie Mae or any company that does business or seeks to do business with Fannie Mae.
- I recognize that similar restrictions and obligations may arise as a result of the activities and financial interests of my relatives and associates. For this reason, I review and follow the Conflict of Interest Policy and Conflict of Interest Procedure in order to address a conflict or the appearance of a conflict.
- I am aware of the restrictions and my obligation to inform Fannie Mae regarding the employment of my relatives by Fannie Mae.
- I understand that there are restrictions regarding giving or accepting gifts, entertainment, or other items of value in the course of my employment with Fannie Mae. I review the Entertainment and Gifts Policy and Procedure for specific guidance and ask questions as needed. I understand that stricter rules apply when dealing with government employees.

### CODE BREAKERS

- Using my Fannie Mae position for personal gain or to further personal business activities
- Using Fannie Mae property or information for my personal benefit or the benefit of a relative or associate
- Conducting non-Fannie Mae work during work hours
- Offering, promising, paying, or giving anything of value — directly or indirectly — either to a government employee or official, or to a foreign official, foreign political party, party official, candidate, or their staff in a manner inconsistent with applicable law or policy
- Offering, giving, soliciting, or accepting any inappropriate gifts, entertainment, bribes, inducements, or kickbacks (which also may be a criminal act)
- Giving one Fannie Mae vendor an unfair advantage or preferential treatment over other vendors

#### I Follow Our Code and Policies

##### KNOW OUR CODE

- I recognize that compliance and ethics are shared responsibilities at Fannie Mae.
- I follow our Code and our policies. I recognize that our company policies are maintained in the Corporate Policies and Procedures Repository (CoPPeR). I am aware that these policies are updated periodically and that I am responsible for understanding changes to policies that apply to my job responsibilities.
- I maintain all other critical records in a Fannie Mae official records management repository (e.g., Documentum), and maintain all other records in accordance with the Records Management Policy.

<sup>1</sup>Source: <http://www.fanniema.com/aboutfm/pdf/codeofconduct.pdf>

- I understand that if I violate our Code or a policy, I can be subject to disciplinary action up to and including termination of employment. In addition, I understand that some violations may result in referral for civil or criminal prosecution.
- I acknowledge that compliance with our Code and policies is a condition of my employment. I also recognize that the Code does not alter my at-will employment relationship with Fannie Mae or expand my legal rights or the legal obligations of Fannie Mae.

#### **CODE BREAKERS**

- Violating our Code

#### **I Raise Compliance and Ethics Concerns**

#### **KNOW OUR CODE**

- If I have a question about compliance and ethics, am unsure about my obligations or those of others, or suspect or know that wrongdoing (including a violation of our Code) has occurred or will occur, I raise my question or concern with:
  - my manager;
  - any other appropriate member of management, including an officer;
  - my Human Resources Business Partner; or
  - Compliance & Ethics via Fannie Mae Ethics by phone at 1-888-FM-ETHICS (1-888-363-8442), by e-mail at [fm\\_ethics@fanniemae.com](mailto:fm_ethics@fanniemae.com), or via the FM Ethics Webline at [www.fanniemae.com/fmethics](http://www.fanniemae.com/fmethics).
- I understand that I may contact FM Ethics confidentially and anonymously by phone, e-mail, or Webline.

I understand that FM Ethics will make every effort to protect my identity if I have requested that they do so.

- I exercise good judgment and common sense when raising a compliance and ethics concern. I raise my concern to an appropriate level and organization within Fannie Mae, depending on the nature of the concern. I refer to Fannie Mae's policies as needed.
- I ask for guidance and keep asking until I get an answer.

#### **CODE BREAKERS**

- Failing to raise a suspected or known violation of our Code (including a violation of policy, law or regulation) in an appropriate manner
- Retaliating against an employee because of a question that he or she asks or a report that he or she makes under our Code or related policies
- Failing to cooperate with or interfering with an investigation of wrongdoing or potential wrongdoing
- Knowingly and falsely accusing another employee of wrongdoing

## 162. Freddie Mac

### Code of Conduct for Employees<sup>1</sup>

#### Our Responsibilities

##### Our Responsibilities as Employees

As Freddie Mac employees, we are in the best position to enhance the Company's reputation in the community and to make Freddie Mac a better place to work. Each of us is required to review and follow the Code, as well as Freddie Mac's policies and procedures. Corrective action, including dismissal, may be taken against any employee who violates the Code or participates in any violation of the Code.

Each of us is responsible for fostering the integrity of our workplace by helping to enforce the Code's provisions. If you become aware of any issue or practice involving a potential violation of a federal, state, local or foreign law, or Freddie Mac policy or procedure, including the Code, you are strongly encouraged to report the matter immediately to your manager, Corporate Compliance, or another appropriate person (see the "Where to Get Help" section in this Code). We are empowered to take action when necessary to help ensure that Freddie Mac's operations will be undertaken ethically and lawfully.

Freddie Mac will investigate and resolve any known or suspected violation of applicable law, the Code or corporate policy in a prompt, fair and impartial manner, in accordance with applicable corporate policies and procedures.

The scope and precise manner in which an investigation is conducted will vary depending upon the circumstances of the conduct being investigated. You are obligated to cooperate fully, promptly and truthfully in any internal investigation. This obligation includes, but is not limited to, responding to requests for information, participating in investigatory interviews, and disclosing all information relating to the subject matter of the complaint. Failure to cooperate fully, promptly and truthfully in an investigation or to keep an investigation appropriately confidential may be grounds for discipline, up to and including dismissal.

#### Where to Get Help

##### The Compliance & Ethics Helpline (877-301-CODE)

You can use the Compliance & Ethics Helpline either to report potential wrongdoing or to ask questions about the Code of Conduct.

##### Reporting Potential Wrongdoing

The Helpline provides an avenue for anyone to report allegations of wrongdoing, on either an anonymous or confidential basis, 24 hours a day, 365 days a year. Freddie Mac uses a third-party service to help maintain anonymity when requested. When anonymity is not requested, the identity of callers will be kept confidential to the extent reasonably possible and consistent with law and good business practices. All reported matters will be appropriately investigated.

##### Questions About the Code of Conduct

The Helpline also provides an avenue for Freddie Mac employees and others to raise inquiries or seek guidance regarding the Code and its underlying policies. For example, is it permissible to accept an invitation to a particular business entertainment event? When calling the Helpline, callers can choose to be placed directly in contact with members of the Corporate Compliance Division to ask such questions.

##### Non-Retaliation Policy

Retaliation will not be tolerated against any individual who, based on his or her reasonable good faith belief, reports a concern about potential illegal or unethical conduct or a violation of Freddie Mac policies or procedures. Similarly, it is forbidden to retaliate against an employee or vendor who assists or otherwise participates in the resolution of a complaint or in an internal or external investigation or proceeding. At the same time, it is unacceptable to knowingly make a false complaint or statement in an investigation. Managers have the additional responsibility to ensure that the employees they supervise diligently comply with these non-retaliation obligations.

<sup>1</sup>Source: [http://www.freddiemac.com/governance/pdf/employee\\_code\\_conduct.pdf](http://www.freddiemac.com/governance/pdf/employee_code_conduct.pdf)

### **Avoiding Conflicts of Interest**

#### **Accepting Gifts, Meals and Entertainment**

In our role as Freddie Mac employees, the acceptance of even a well-intentioned gift or offer of entertainment can be misinterpreted as an attempt by the donor to improperly influence our behavior. With this in mind, we may:

- Not ask for gifts, entertainment, travel or anything of value;
- Not accept cash;
- Not accept gifts totaling more than \$100 in aggregate value per source per calendar year; and
- Not accept gift cards, gift certificates or other cash equivalents, greater than \$25 in aggregate value per source per calendar year.

#### **We generally may accept:**

- Business meals and entertainment (i.e., meals and entertainment that have a business purpose and at which the donor is present) that are not lavish, too frequent, or in excess of generally accepted practices;
- Gifts totaling \$100 or less in aggregate value per source per calendar year;
- Gift cards, gift certificates or other cash equivalents totaling \$25 or less in aggregate value per source per calendar year; and
- Gifts from family or friends that are not offered because of our status as a Freddie Mac employee.

#### **Providing Gifts and Entertainment**

We may provide to Freddie Mac customers, other business partners and industry

members gifts or entertainment that represent reasonable complements to business relationships. The value of any gifts should not exceed \$100 in aggregate value per recipient per calendar year. Offers of entertainment should further the business interests of Freddie Mac, and not be lavish or in excess of generally accepted business practices. We will not provide gifts or entertainment if doing so could be seen by others as engaging in bribery or other improper influence, as consideration for a business favor or as knowingly violating the recipient's corporate policies.

Various laws, regulations and rules limit or prohibit the giving of gifts and entertainment to, and the receipt of gifts and entertainment by, government employees and elected officials (including employees of states and municipalities and their investment and retirement funds). Penalties for violating these laws, regulations and rules can be severe.

Freddie Mac expects its employees to comply with laws, regulations and rules governing the provision of gifts to, and the receipt of gifts by, government employees and elected officials. Freddie Mac employees must also avoid engaging in any conduct that might resemble giving or receiving a bribe or unlawful inducement. Company policies require pre-approval for the provision of gifts and entertainment to federal and state government officials on behalf of Freddie Mac. Consult corporate policies for more information.

#### **Travel and Lodging Expenses**

To avoid the appearance of an obligation or lack of objectivity, Freddie Mac must pay for our travel and lodging expenses related to conducting Company business. As explained in more detail in corporate policies, we generally will not accept offers of either business or personal travel or lodging from people or entities that do business with or are attempting to do business with Freddie Mac. Employees can seek guidance in specific situations by consulting relevant corporate policies or by contacting the Corporate Compliance Division.

#### **Bribes, Kickbacks and Other Illegal Payments**

We will never offer or accept bribes, kickbacks or other illegal payments. If we are offered such a payment, we will decline to accept it. We are committed to complying

with U.S. and international anti-corruption laws and standards, including the Foreign Corrupt Practices Act (FCPA), which prohibits companies (including their agents, officers and employees), from offering anything of value to foreign government officials to influence decisions, obtain or retain business or secure any improper advantage. It is important to note that under the FCPA, employees of foreign government-owned entities, such as government-owned banks and financial institutions, are considered government officials.

## 163. Deutsche Bahn

Texte zum Nachhaltigkeitsbericht 2007<sup>1</sup>

### Unser Unternehmen – Die Deutsche Bahn AG

#### Vorbildliche Korruptionsbekämpfung

Die DB hat sich international zu einem Vorreiter der Antikorruption entwickelt. Wir bekämpfen Korruption schon an der Quelle – im Interesse der Gesellschaft, die auf unverzerrten Wettbewerb angewiesen ist, aber auch im Interesse unseres eigenen Unternehmens.

Als einer der größten Auftraggeber in Deutschland ist der DB-Konzern strukturell anfällig für Korruption. Im Jahr 2000 hat DB-Konzernchef Hartmut Mehdorn die konsequente und professionelle Verfolgung eingeleitet. Heute gilt die Deutsche Bahn unter Experten als Vorreiter – sowohl bei der Korruptionsbekämpfung als auch bei der Prävention. Dies wurde mehrfach von der internationalen Antikorruptionsorganisation „Transparency International“ bestätigt.

Erfolgreiche Korruptionsbekämpfung wendet erhebliche materielle und immaterielle Schäden vom Unternehmen ab, denn durch Korruption können neben dem Imageverlust erhebliche Mehrkosten entstehen, etwa durch mangelhafte Ausführung, überzogene Rechnungen, nachsorgende Investitionen oder Verzögerung von Inbetriebnahmen.

Zwischen 1997 und 1999 hat die Bundesrepublik erhebliche politische Anstrengungen unternommen, um einen rechtlichen Rahmen zu schaffen, in dem Korruption und alle Formen der Bestechung zur Erlangung von Aufträgen im nationalen und internationalen Geschäftsleben verboten und steuerlich sanktioniert wurden.

Diesen rechtlichen Rahmen halten wir selbstverständlich ein, aber unser unternehmerisches Handeln geht darüber hinaus: Für die Korruptionsbekämpfung hat die Deutsche Bahn einen hochrangigen, unabhängigen Lenkungsreis eingesetzt, der sich als zentrale Stelle im Unternehmen mit korruptem Verhalten repressiv und präventiv auseinandersetzt (siehe Abbildung). Als erstes deutsches Großunternehmen arbeitet der DB-Konzern mit Ombudsmännern. Mitarbeiter der Bahn oder

Geschäftspartner, die einen Korruptionsverdacht haben, können sich an diese Ombudsmänner wenden und bleiben dabei anonym. Andere Großunternehmen sind diesem Weg inzwischen gefolgt.

Dabei geht es nicht nur um die eigenen Mitarbeiter, sondern auch um externe Firmen. 2003 führte die DB mit der Vergabesperre für korrupte Unternehmen ein sehr striktes Instrument ein: Dabei können Firmen bei dringendem Tatverdacht zwischen vier Monaten und drei Jahren, in schweren Fällen unter Umständen sieben Jahre von der Auftragsvergabe ausgeschlossen werden. Dieses System wurde gemeinsam mit der Bauwirtschaft in einem über anderthalb Jahre dauernden Prozess diskutiert und ausgefeilt.

Die Korruptionsbekämpfung wird im zweijährigen Rhythmus ausführlich in einem eigenen Bericht dargestellt. Der nächste Bericht wird Anfang 2008 veröffentlicht.

Im Rahmen der Internationalisierung kommen auf die Deutsche Bahn neue Herausforderungen zu. Mit dem neuen Code of Conduct werden jedoch harmonisierte Grundsätze entwickelt, die künftig für alle Gesellschaften des DB-Konzerns gelten, beispielsweise auch die Akquisitionen Schenker und BAX. Diese Grundsätze werden allen Mitarbeitern des Konzerns bekannt gemacht. Weitergehende konzernweite Konzepte zur Schulung sind in Entwicklung. Im Juli 2007 wurde die bestehende Compliance-Organisation mit Wolfgang Schuppensteiner als neuem Chief Compliance Officer verstärkt. Schuppensteiner war seit 1993 Korruptionsbeauftragter der Staatsanwaltschaft Frankfurt am Main und gilt als einer der erfahrensten Korruptionsexperten in der Bundesrepublik. Er soll eine noch effektivere Zusammenarbeit im internationalen Konzern gewährleisten und die Gesellschaften der DB AG vor Sanktionen, Haftungsrisiken und Imageschäden bewahren.

### Unsere Produkte – Nachhaltige Produkte

#### Keine Macht der Korruption

Korruption verursacht wirtschaftliche Schäden. Weil die Deutsche Bahn Bauleistungen in Milliardenhöhe einkauft, muss sie sich gegen Missbrauch und Untreue mit klaren Regeln schützen.

<sup>1</sup>Source: <http://www.deutschebahn.com/site/shared/de/dateianhaenge/berichte/nachhaltigkeitsbericht2007.pdf>

Mit ihrem Antikorruptionsmanagement verfügt die DB über ein höchst wirkungsvolles Instrument und macht von der Möglichkeit Gebrauch, korrupte Unternehmen mit einer Vergabesperre zu belegen. Im Jahr 2003 hat die Bahn festgelegt, Sperren für betroffene Unternehmen von bis zu drei Jahren zu verhängen.

Compliance-Bericht 2006/2007<sup>1</sup>

### Prävention

#### Schrittweise in die Falle der Erpressbarkeit

Bei zunehmend komplexen Wirtschaftsprozessen werden nicht nur die Ermittlungen gegen Korruption immer aufwendiger. Auch die Täter passen sich dieser Komplexität durch eine subtile Vorgehensweise an. Eine beliebte Methode ist das „Anfüttern“. Den eigentlichen Korruptionsstraftaten geht nicht selten eine Phase des gegenseitigen Testens zwischen Zuwendungsgeber und Zuwendungsnehmer voraus. Diese allmähliche Entwicklung von vertrauensvoller Nähe und Abhängigkeit wird als Anfüttern bezeichnet.

Die vielfältigen Methoden des Anfütterns sind gekennzeichnet durch Intransparenz und das Verwischen von Grenzen zwischen dienstlichen Beziehungen und Privatsphäre.

Zu den Klassikern des Anfütterns gehören:

- Eventfinanzierungen wie Weihnachtsfeiern, Besuche auf dem Oktoberfest oder auf Messen, Hubschrauberflüge oder Pferderennen in Monaco als „Dankeschön“ und „Anerkennung für die gute Zusammenarbeit“. Nicht selten übernimmt das einladende Unternehmen auch Reise- und Übernachtungskosten für Begleitpersonen.
- Die Ausstattung des Arbeitsplatzes mit moderner Bürotechnik oder die

Überlassung von Autos auf Kosten des Auftragnehmers. Die häufig als „kleine Aufmerksamkeit“ umschriebene Zuwendung soll, so die Rechtfertigung, dazu dienen, den Auftrag im beiderseitigen Interesse leichter abzuwickeln. Dass Autos und Elektronikgeräte auch privat genutzt werden, wird stillschweigend vorausgesetzt.

- Das „Sponsoring“ von Sportvereinen und sonstigen gemeinnützigen Einrichtungen, in denen der Mitarbeiter oder seine Angehörigen Mitglieder sind.
- „Kreditvergaben“ von Auftragnehmern an Mitarbeiter. Während jede Bank von ihren Kunden Sicherheiten für einen Kredit verlangt und in einem Darlehensvertrag die Verzinsung und Rückzahlungsverpflichtung regelt, fehlt es bei den sogenannten Lieferantendarlehen nicht nur an einer schriftlichen Vereinbarung, sondern es wird im gegenseitigen Einvernehmen auch auf die Rückzahlung verzichtet. Der Kredit verwandelt sich so in eine Schmiergeldzahlung.

Allen Fällen gemeinsam ist die Argumentation der Empfänger, dass Einladungen und Zuwendungen des „Sponsors“ rein privater Natur seien. Dementsprechend wird der Vorgesetzte auch nicht informiert. Engere persönliche oder auch freundschaftliche Beziehungen zwischen Geschäftspartnern lassen sich zwar nicht vermeiden. Kritisch wird es aber, wenn mit zunehmender Intensität privater Kontakte die in geschäftlichen Angelegenheiten gebotene Distanz verloren geht. Geschäftspartner in Ämtern oder Unternehmen werden angefüttert, ohne zunächst die Gefahren zu erkennen, während die Zuwendungsgeber Nähe gezielt aufbauen. Sie forschen Vorlieben und Wünsche, Schwächen oder finanzielle Nöte aus, um eine korruptive Beziehung herzustellen. Kleine Aufmerksamkeiten sollen den Eindruck erwecken, ein Geschenk werde ganz uneigennützig aus einem freundschaftlichen Anliegen heraus gewährt. Dem Begünstigten wird so die Annahme der „Aufmerksamkeit“ leicht gemacht. Damit ist der Grundstein für eine dauerhaft „vertrauensvolle“ Beziehung gelegt.

Compliance-Fälle im Zeitraum 2006 bis 2007

- Hinweise insgesamt: 113

<sup>1</sup>Source: [http://www.deutschebahn.com/site/shared/de/dateianhaenge/berichte/compliance\\_\\_bericht06\\_\\_07.pdf](http://www.deutschebahn.com/site/shared/de/dateianhaenge/berichte/compliance__bericht06__07.pdf)

- davon eingegangen über Ombudsleute: 53
- davon eingegangen über die DB AG: 60
- Hinweise, die vom Bereich Compliance abgeschlossen wurden: 101
- Maßnahmen
  - arbeits- und disziplinarrechtliche Verfahren: 30
  - staatsanwaltschaftliche Ermittlungsverfahren: 24
  - Vergabesperren: 18

### **Schutz für Hinweisgeber: die Ombudsleute**

In der Strategie der Deutschen Bahn gegen Wirtschaftskriminalität und Korruption spielen Ombudsleute eine wichtige Rolle. Auf die Verschwiegenheit dieser externen Vertrauensanwälte können sich Hinweisgeber absolut verlassen.

Ein Mitarbeiter, der auf strafrechtlich bedeutsame Sachverhalte aufmerksam machen möchte und sich mit seinem Wissen unmittelbar an die Staatsanwaltschaft wendet, gerät nach der gültigen Rechtsprechung zwangsläufig in das Spannungsfeld zwischen Korruptionsbekämpfung einerseits und Loyalitätspflicht gegenüber seinem Arbeitgeber andererseits.

Ein Unternehmen kann von seinen Mitarbeiterinnen und Mitarbeitern erwarten, dass sie sich zunächst an interne Stellen wenden, wenn sie glauben, strafrechtlich bedeutsames Verhalten von Kollegen oder Vorgesetzten erkannt zu haben.

Dafür gibt es gute Gründe: Solche Straftaten können Indizien für Managementfehler sein und sind oft mit nicht unerheblichen Schäden verbunden. Es steht daher im Interesse eines jeden Unternehmens, entsprechende Sachverhalte schnell aufzuklären und weiteren Schaden abzuwenden. Um die Vertuschung von Straftaten geht es dabei gerade nicht. Die Arbeitsgerichte stehen hier deshalb auf der Seite der Arbeitgeber. Sie betrachten es als unzumutbar, ein Arbeitsverhältnis mit einem Mitarbeiter fortzusetzen, der Kollegen oder Vorgesetzte bei der Staatsanwaltschaft

anzeigt, ohne sich vorher innerhalb des Unternehmens offenbart zu haben.

Damit steckt der Mitarbeiter in einem Dilemma, aus dem er alleine nicht mehr herausfindet: Teilt er sich ohne Weiteres dem Staatsanwalt mit, darf sein Arbeitgeber sich darauf berufen, dass die Fortsetzung des Arbeitsverhältnisses mit ihm unzumutbar ist – auch wenn sich der Straftatverdacht bestätigt. Offenbart der Mitarbeiter sich im Unternehmen, muss er mit Mobbing durch Vorgesetzte und Kollegen und also schließlich ebenfalls mit dem Verlust seines Arbeitsplatzes rechnen. Das gilt insbesondere auch für die Fälle, in denen die Hinweisgeber selbst an Unregelmäßigkeiten beteiligt sind. Und schließlich kommt noch die Angst hinzu, dass sich Beobachtungen später nicht bestätigen und man als Denunziant dasteht.

Unter dem Eindruck solcher Alternativen besteht die große Gefahr, dass Mitarbeiter ihr Wissen über mögliche Straftaten lieber für sich behalten. Straftaten bleiben so lange Zeit unentdeckt und können großen wirtschaftlichen Schaden anrichten. Zugleich etabliert sich eine Unternehmenskultur, in der die Dummen diejenigen sind, die nicht mitmachen.

An einer solchen Entwicklung kann kein Unternehmen interessiert sein.

### **Anonymität bleibt gewährleistet**

Die Deutsche Bahn AG setzt deshalb zum Schutz von Hinweisgebern auf das Ombudsmann-System. Allen Mitarbeitern der DB sowie Lieferanten und Dienstleistern, die Hinweise auf Unregelmäßigkeiten geben wollen, stehen seit dem Jahr 2000 zwei externe Vertrauensanwälte als unabhängige Ansprechpartner zur Verfügung. Aufgrund ihrer gesetzlichen Schweigepflicht müssen sie die Anonymität der Hinweisgeber wahren. Die qualitativ

überwiegend hochwertigen Hinweise werden anonym und unmittelbar an den Chief Compliance Officer und die Compliance-Abteilung weitergeleitet. Dadurch wird eine effektive Aufarbeitung gewährleistet. Am Ende ist es dann die Deutsche Bahn selbst, die die Staatsanwaltschaft einschaltet.

### **Aufbau eines internationalen Hinweisgebersystems**

Mit dem Aufbau eines elektronischen Hinweisgebersystems weitet die Deutsche Bahn

ihr Angebot an Präventionsmaßnahmen aus. Es stellt einen entscheidenden Schritt zur Internationalisierung der Compliance- Arbeit dar. Denn in den Kampf gegen die Risiken von Korruption und Wirtschaftskriminalität müssen auch die Niederlassungen und Tochtergesellschaften des Konzerns weltweit eingebunden werden. Dabei dürfen Zeitunterschiede etwa zu den USA oder Asien keine Rolle spielen.

Die Anmeldung zum internationalen Hinweisgebersystem erfolgt im Internet über [www.bahn.de](http://www.bahn.de) und intern über das DB-net. Damit können sowohl Lieferanten, Geschäftspartner oder Kunden als auch Mitarbeiter der DB weltweit und rund um die Uhr vertrauliche Angaben zu Korruption und Wirtschaftskriminalität machen. In einem ersten Schritt soll das System in deutscher und englischer Sprache angeboten werden. Hinweisgeber, deren Meldungen keinen wirtschaftskriminellen Hintergrund haben, werden an das DB-Lagezentrum verwiesen, das ebenfalls rund um die Uhr mit deutsch- und englischsprachigen Mitarbeitern besetzt ist.

Das Hinweisgebersystem ist nicht bahntern, sondern wird auf einem externen Server in einem Hochsicherheits-Rechenzentrum betrieben. Unberechtigte Zugriffe sind damit ebenso ausgeschlossen wie die Identifizierung des Hinweisgebers. Nur er und der Mitarbeiter, der das Hinweisgebersystem im Bereich Compliance bedient, können die Nachrichten lesen.

### **Schulungen legen ein solides Fundament**

Führungskräfte und Mitarbeiter der DB werden künftig in Compliance-gerechtem Verhalten geschult. Entsprechende Konzepte erarbeitet der zuständige Bereich zusammen mit den Weiterbildungseinrichtungen DB Akademie und DB Training.

Angesichts einer Fülle von Gesetzen, Richtlinien und Bestimmungen wird es das vorrangige Ziel der Schulungen sein, den rund 237.000 Beschäftigten weltweit Handlungssicherheit zu geben und ihr Wissen über rechtliche und unternehmensinterne Regelungen auf ein solides Fundament zu stellen.

Die Schulungen beginnen zunächst mit den Führungskräften. Wie Vorstand und Aufsichtsrat müssen auch Führungskräfte dafür sorgen, dass „geeignete Maßnahmen (getroffen werden), ... damit den Fortbestand der Gesellschaft gefährdende Entwicklungen früh erkannt werden.“ (§ 91 Abs. 2 Aktiengesetz). Das bedeutet:

Sowohl die Organisation eines Unternehmens, als auch die Prozessabläufe müssen so gestaltet sein, dass die Einhaltung von Gesetzen gewährleistet ist und gegenläufige Tendenzen frühzeitig erkannt werden können. Damit Führungskräfte ihrer besonderen Verantwortung nachkommen und ihre Vorbild- und Multiplikatorenfunktion erfüllen können, müssen sie über die einzuhaltenden Gesetze und Regeln unterrichtet werden.

Ein Schwerpunkt der Schulungen wird auf den haftungsrechtlichen Konsequenzen liegen, die für die Führungskräfte selbst, aber auch für ihre Mitarbeiter und das Unternehmen erwachsen, wenn sie sich nicht so verhalten, wie es den Vorgaben der Compliance- Regeln entspricht. Ein weiterer Aspekt ist die Darstellung der Möglichkeiten, wie etwaigen Risiken entgegengewirkt werden kann.

## 164. Safeway

### 2007 CORPORATE SOCIAL RESPONSIBILITY REPORT<sup>1</sup>

#### Walking the talk

#### BUSINESS ETHICS

Safeway has worked hard to earn an excellent reputation for integrity, honesty and fair play – a reputation we've built over 82 years of doing business. If we are to continue earning the respect and trust of our customers, coworkers and business partners, it's imperative that we maintain and always abide by exemplary standards of conduct in every aspect of our business. Above all, we must act on our beliefs to set a good example for others to follow. When it comes to business ethics, others judge us not by what we know but by what we do.

At Safeway, we believe integrating our values with our work is good corporate citizenship and good business. To reinforce our commitment to conducting business with the highest ethical and legal standards, each year we reissue our Code of Business Conduct. The code sets forth guidelines to be followed at all levels of the company by our directors, officers and employees. As part of this process, our people must affirm that they are aware of no relationships or circumstances that place their personal interests or those of their immediate family in conflict or apparent conflict with the best interests of Safeway. If there are questions or concerns about possible conflicts, employees must explain them and agree to abide by the company's ruling.

We also provide mechanisms to report unethical conduct and to foster a culture of honesty and accountability. If employees believe a coworker, supervisor or executive may be violating our standards, they may contact their immediate supervisor or, if necessary, escalate their concerns to senior management. In addition, we maintain a confidential, toll-free hotline available 24 hours a day, through which employees can report apparent violations anonymously and without fear of reprisal. We have a separate toll-free line to report complaints relating to accounting, internal controls, auditing matters and other deceptive financial practices directly to the Audit Committee of our board of directors.

Our Code of Business Conduct, which is available on the company's Web site at [www.safeway.com/investor\\_relations](http://www.safeway.com/investor_relations), spells out the rules by which we must abide. Most of them are based on common sense and decency. We know we will never go wrong if we simply resolve to settle for nothing less than complete fairness and honesty in all our business dealings.

### CODE OF BUSINESS CONDUCT AND ETHICS<sup>2</sup>

#### INTRODUCTION AND BASIC PRINCIPLES

##### Seeking Help and Information

If you have any questions about your responsibilities, ask. If you have questions about Safeway policies or the law, ask. Communication is the key to effective compliance with the guidelines set forth in the Code. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your question or if you do not feel comfortable contacting your supervisor, contact the Legal Division. The Company has established a reporting Hotline that is available 24 hours a day, 7 days a week at 1-800-283-5965. You may remain anonymous and will not be required to reveal your identity in calls to the Hotline, although providing your identity may assist the Company in addressing your questions or concerns. The Board of Directors has appointed a Chief Governance Officer (the Company's Senior Vice President and General Counsel), whom you also may contact for questions, concerns and/or reporting purposes.

##### Reporting Non-Compliance

Each employee has an obligation to report to management any conduct that he or she believes in good faith to be an ethical or legal violation. If you observe any unethical or unlawful conduct, you are expected to report it to your supervisor, the Chief Governance Officer, the Legal Division, or through the reporting Hotline. Your

<sup>1</sup>Source: [http://media.corporate-ir.net/media\\_files/irol/64/64607/Corp\\_Social07.pdf](http://media.corporate-ir.net/media_files/irol/64/64607/Corp_Social07.pdf)

<sup>2</sup>Source: [http://media.corporate-ir.net/media\\_files/IROL/64/64607/governance/CodeofConduct\\_3142005.pdf](http://media.corporate-ir.net/media_files/IROL/64/64607/governance/CodeofConduct_3142005.pdf)

information will be handled discreetly and in accordance with the law and Company procedures.

#### **Policy Against Retaliation**

The Company prohibits any retaliation, direct or indirect, against an employee who, in good faith, seeks help or reports known or suspected violations of the Code or related Policies.

#### **Disciplinary Action and Waivers**

It is Company policy that any employee who violates this Code will be subject to appropriate disciplinary action, up to and including termination of employment. Any supervisor or manager who directs or approves any such violations, who knows of such violations and fails to act promptly to correct them, or who retaliates or tolerates retaliation against any employee who, in good faith, reports a violation, will likewise be subject to disciplinary action, up to and including termination.

Waivers of this Code for employees may be made only by an executive officer of the Company. Waivers of the Code for executive officers and directors may be made only by the Board of Directors, and any such waiver will be disclosed promptly to stockholders.

#### **COMPLIANCE WITH LAWS AND REGULATIONS**

Each employee has an obligation to comply with all laws, rules and regulations applicable to the Company's operations. These include laws covering insider trading, antitrust prohibitions, information privacy, employment discrimination or harassment, bribery and kickbacks, copyrights, trademarks and trade secrets, illegal political contributions, offering or receiving gratuities, environmental hazards, occupational health and safety, false or misleading financial information or misuse of corporate assets. A general description of some of these laws and regulations is included in this Code. A more detailed discussion is available in the Policies.

If there is a federal, state or local law or a provision in a collective bargaining agreement applicable to your employment that supersedes a provision of this Code or

any of the Policies, your conduct will be guided by the applicable law or collective bargaining agreement. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful or in compliance with this Code or the Policies, you should seek advice from your supervisor or the Legal Division.

## 166. BT

BT's Sustainability Report 2008<sup>1</sup>

### Responsible Business Practice

#### Implementation of our Statement of Business Practice

It is critical that our Statement of Business Practice is implemented throughout the business. All BT's lines of business are required to comply with the Statement and each has a designated senior manager responsible for making this happen. This section explains how we implement our business principles when expanding our operations and our mechanisms for reporting cases of non-compliance.

#### Compliance systems

We operate a confidential telephone and email helpline which employees can use to get advice or to report suspected ethical breaches of our policies to the Head of Group Business Practice. The helpline is available 24 hours a day, seven days a week and meets the requirements of the US Sarbanes Oxley Act. During the 2008 financial year the Company Secretary wrote to all BT employees telling them about the helpline and encouraging its use.

#### CSR in our due diligence process

We are expanding our business globally including in countries where there is a higher-risk of unethical or corrupt practices occurring. We need to assess these risks before deciding whether to tender for new business or establish operations in new countries.

Our online tool, 'CSR Countries Risk website', gives BT employees information on the risks associated with doing business in over 150 countries around the world. It enables our sales teams to assess the risk of corruption, human rights issues and other unethical practices through a red, amber or green rating system. It includes an assessment of each country's performance on human rights issues and any reported human rights abuses. Questions on human rights risks are included in our due diligence process used when BT acquires new businesses.

### Performance

Our Ethics Performance Measure (EPM) helps us assess how effectively we are implementing our Statement of Business Practice. It has three components:

- Awareness of the Statement
- An annual ethics benchmarking study that compares BT with other FTSE 100 companies
- An assessment of whether BT people behave in line with the Statement. We conduct an internal annual survey asking the question "Do BT people behave in line with BT's code of ethics, The Way We Work?"

Our EPM score was 85% this year.

We act against anyone abusing our business principles. During the 2008 financial year, 59 employees were dismissed for unethical behaviour. The following are examples are illustrative:

- A BT employee was dismissed for theft from Payphones
- A contractor has been removed from the BT contract following arrest on suspicion of arson attacks on BT premises

### Telecommunications Strategic Review – Code of Practice

In the 2006 financial year, there were significant changes to the way telecommunications are regulated in the UK, following a Strategic Review of Telecommunications by the industry regulator, Ofcom.

Following this, BT volunteered legally-binding Undertakings to Ofcom, which are designed to focus regulation where it is needed and reduce it elsewhere. Ofcom accepted these Undertakings.

'It Matters', our Code of Practice for BT people, sets out the rules employees must follow to comply with the Undertakings.

Importantly, this Code is part of our statement of business practice, 'The Way We

<sup>1</sup>Source: <http://www.btplc.com/Societyandenvironment/Ourapproach/Sustainabilityreport/pdf/2008/FullReport.pdf>

Work', and is therefore part of BT's corporate governance framework. The Code explains the rules in the Undertakings for:

- access to, and dissemination of, customer confidential information and commercial information
  - restrictions on influencing commercial policy
  - the different parts of BT Wholesale and the disciplinary consequences of non-compliance .
- Talk to your line manager or someone close to your business.
  - Use the specific helplines such as Security 0800 321999, Procurement and supply chain +44 (0)1977 592270, HR 0800 731 4747 or +44 (0)1908 358888.
  - BT is committed to tackling fraud, financial impropriety, abuse or any violation of our business principles. If you have any concerns or you would like advice in confidence contact Tel: +44 (0)20 7356 2626 or email [twww.help@bt.com](mailto:twww.help@bt.com)

The Code draws attention to BT's confidential hotline telephone number and other ways to report concerns about our compliance with the Undertakings. The Code also mentions the role of BT's Equality of Access Board and our commitment to give the Equality of Access Office reasonable access to any information it needs.

A programme of briefing and training ensures all relevant BT employees are aware of their responsibilities regarding compliance with the Undertakings.

Our mandatory regulatory compliance training for all employees covers compliance with the Undertakings and the Code of Practice.

The Way We Work - A statement of business practice<sup>1</sup>

#### **Help and confidential advice**

If you are in any doubt as to the interpretation of any of these standards:

- Refer to the Q&As in the 'The Way We Work – Getting it right' which is available from your manager or on the Intranet. This also contains details on our approach to human rights and political donations.
- Refer to local policies and procedures including ISIS documents on Intranet site <http://documents.intra.bt.com/bookstore/>

<sup>1</sup>Source: [http://www.btplc.com/TheWayWeWork/Businesspractice/twww\\_english.pdf](http://www.btplc.com/TheWayWeWork/Businesspractice/twww_english.pdf)

## 167. Volvo

### Code of Conduct<sup>1</sup>

#### **Business Principles**

##### **Relations with Business Partners**

The Volvo Group's dealings with its business partners are characterized by fairness.

The Volvo Group shall not offer customers, potential customers, governments, agencies of governments, or any representatives of such entities, any rewards or benefits in violation of either applicable laws or reasonable and generally accepted business practices.

Volvo Group employees must not accept payments, gifts, or other kinds of reimbursement from a third party that could affect or appear to affect their objectivity in their business decisions.

##### **Human Rights and Workplace Practices**

##### **Responsibility of Managers and Employees**

It is the responsibility of Volvo Group managers to communicate and demonstrate the content as well as the spirit of this document within their organizations, and to encourage employees to reveal behaviour that may be non-compliant with these principles. Explicit or implicit approval of questionable actions will not be tolerated.

Reports of violations of this code may be done anonymously and confidentially to the chairman of the audit committee. Persons reporting violations in good faith will not be subject to retaliation.

This Code of Conduct will be promptly and consistently enforced. Failure to comply with its provisions can result in disciplinary action.

This Code of Conduct has been adopted by the Board of Directors of AB Volvo and can only be amended or waived by the Board. Any amendments or waivers shall be disclosed.

<sup>1</sup>Source: <http://www.volvo.com/vce/vebiz2webauthor/sharepoint/docfetch.aspx?docID=59&listID=a560d670-9b7a-40ff-845b-f34973fc7493&area=VolvoCom%20Volvo%20Group>

## 168. Sunoco

### CODE OF BUSINESS CONDUCT AND ETHICS<sup>1</sup>

#### Introduction

This Code of Business Conduct and Ethics sets forth the basic principles that guide the business conduct of Sunoco, Inc. Sunoco intends not just to comply with legal requirements but to conduct its business in accordance with a high level of honesty and integrity. Public confidence and the reputation of the Company are valuable business assets that must be earned by ethical conduct in the Company's interactions with its vendors, customers, competitors, communities, investors, employees and the government. Each officer, director and employee is expected to act in good faith and with integrity in the performance of his/her responsibilities on behalf of the Company and in compliance with all applicable laws, rules and regulations. Officers, directors and employees of the Company also have a duty of loyalty to the Company to further its aims and goals and to work on behalf of its best interests. This Code of Business Conduct and Ethics is intended to comply with the provisions of the Sarbanes-Oxley Act of 2002 and its implementing regulations.

Officers, directors and employees of the Company must comply with this Code and Company policies and must conduct themselves in a manner to avoid even the appearance of improper behavior.

If a local custom or law requires less stringent standards than this Code or Company policy, officers, directors and employees still must comply with the Code and Company policy. Those who violate this Code will be subject to disciplinary action, up to and including termination of employment. Violations and waivers of, and amendments to, this Code will be disclosed as required by law. If there is a situation which an officer, director or employee believes may violate or lead to a violation of this Code, the guidelines described in Section 17 of this Code should be followed.

#### Compliance with Laws, Rules, Regulations and Ethics

Obedying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All officers, directors and employees must respect and obey the laws of the cities, states and countries in which the Company operates, and

the Company's business will be conducted in accordance with a high standard of honesty and integrity. If a local law conflicts with a policy in this Code, you must comply with the law; however, if local custom or policy conflicts with this Code, you must comply with the Code. Any questions regarding application of the law or the appropriateness of a particular course of conduct should be referred to the responsible managers, the Legal Department, the Human Resources Department, the General Auditor or other appropriate personnel. Suspected violations of law or policy should be reported to management, the Legal or Human Resources Department, the General Auditor or the Sunoco Compliance Hotline. Managers must resolve questions or violations promptly and properly, with the assistance of the Legal, Human Resources or General Auditor's Departments as necessary.

The Company holds information and training sessions to promote compliance with laws, rules, regulations and Company policies, which officers, directors and employees are expected to attend.

#### Entertainment and Gifts

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers or suppliers. No gift or entertainment should ever be offered, given, provided or accepted by any Company officer, director or employee or any family member of such person, unless it: (1) is not a cash gift; (2) is consistent with customary business practices; (3) is not excessive in value; (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. An officer, director or employee should discuss with his/her supervisor or the Legal Department any gifts or proposed gifts or entertainment which he/she is not certain are appropriate. Officers, directors or employees should also consult the Company's separate, more detailed Conflicts of Interest Policy and their business unit's Gift and Entertainment Reporting Guidelines.

#### Payments to Government Personnel

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to

<sup>1</sup>Source: [http://media.corporate-ir.net/media\\_files/irol/99/99437/codeofconduct.pdf](http://media.corporate-ir.net/media_files/irol/99/99437/codeofconduct.pdf)

government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The Company's Legal Department can provide guidance in this area. Officers, directors and employees should also consult the separate, more detailed Prohibited Payments and Political Contributions Policy.

#### **Reporting Any Illegal or Unethical Behavior and Protection Against Retaliation**

The Company is committed to achieving compliance with this Code and all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. Reporting of violations is important to assure that the Company swiftly detects, investigates, corrects, reports violations and prevents recurrence of violations. Employees and officers are expected to talk to supervisors, managers or other appropriate personnel and directors to the Governance Committee of the Board about observed illegal or unethical behavior and when they are in doubt about the best course of action to take in a particular situation. Employees are expected to cooperate in internal investigations of misconduct.

ALTHOUGH VIOLATIONS SHOULD FIRST BE REPORTED DIRECTLY TO MANAGEMENT, SUNOCO ALSO HAS A TOLL-FREE CONFIDENTIAL HOTLINE (800-228-5687) FOR ITS EMPLOYEES TO REPORT ANY VIOLATIONS OF LAW, THIS CODE OR OTHER COMPANY POLICIES BY COMPANY OFFICERS, DIRECTORS OR EMPLOYEES. THE HOTLINE IS AVAILABLE 24 HOURS A DAY/7 DAYS A WEEK AND CALLS ARE ANONYMOUS.

The Hotline may be used to report any concerns regarding the Company's compliance with any law, this Code or other Company policy, including but not limited to those concerning financial reporting and disclosures, financial or managerial controls, accounting, internal accounting controls, or auditing matters (including concerns regarding questionable accounting or auditing matters), antitrust, discrimination,

harassment, retaliation, health, environment or safety, or any impropriety by any officer, director, employee or agent of Sunoco.

All issues raised regarding financial or accounting matters will be brought to the attention of Sunoco's General Auditor and all significant issues related to financial matters and this Code will be brought to the attention of the Audit Committee of the Board of Directors.

It is the policy of the Company to provide employees with a working environment that is free of retaliation based on an employee's good faith reporting or disclosing of any violation of law, this Code or other policy. Reports may be made anonymously.

#### **Enforcement**

Those who violate this Code will be subject to disciplinary action, up to and including termination of employment.

## 170. Lockheed Martin

### Code of Ethics and Business Conduct<sup>1</sup>

#### Report Violations of this Code

You have many different channels to report violations or potential violations of this Code, including your manager, human resources, legal, security, internal audit, the energy, environment, safety and health organizations, and ethics, as appropriate.

If you have good reason to believe that a violation of the Code or a contract provision has occurred, or you are asked to violate the Code or a contract provision, don't remain silent. Report such violations, or suspected violations; depending on the circumstances, failure to report may itself violate this Code. Remember that no unethical or illegal acts can be justified by saying that they benefited the Corporation, or that they were directed by a higher authority in the organization.

In addition to reporting violations, you are encouraged to contact the Office of Ethics and Business Conduct to discuss any ethics question or concern. When faced with an ethical dilemma, it is always better to obtain guidance before acting.

You may contact the Corporate Office of Ethics and Business Conduct for information on how to contact your local Ethics Officer, or to report a concern or seek guidance. The following are some of the confidential ways that you can communicate with the Office of Ethics and Business Conduct.

- Call: 800-LM ETHIC  
Domestic or International: 800-563-8442  
For the Hearing or Speech Impaired: 800-441-7457
- Write: Office of Ethics and Business Conduct  
Lockheed Martin Corporation  
6801 Rockledge Drive  
Bethesda, MD 20817
- Fax: 301-897-6442
- E-Mail: [corporate.ethics@lmco.com](mailto:corporate.ethics@lmco.com)

- Ask Us: <http://ethics.corp.lmco.com/ethics/AskUs/index.cfm>

### Contacting Your Ethics Officer or the Office of Ethics and Business Conduct

#### What can you expect when you contact the Ethics Office?

- Your concern will be treated seriously and fairly.
- You will be treated with dignity and respect.
- You need not identify yourself.
- Whether you identify yourself or not, your communication will be kept confidential to the greatest extent possible.
- If your concerns are not resolved at the time you call, you will be informed of the outcome. If you have reported anonymously, you can call the Ethics Helpline to learn the outcome of the case.
- Due to privacy considerations, you likely will not be informed of the details of any discipline that may result from an investigation into your concerns.
- The Corporation takes its obligations very seriously and will take appropriate action in response to violations of this Code, even if these actions are not always visible to you.

Remember, there is never a penalty for contacting the Ethics Office in good faith. People in a position of authority cannot stop you; if they try, they are subject to disciplinary action up to and including dismissal.

Lockheed Martin will not tolerate retaliation against employees who raise concerns to any source in good faith. For more information, please see "How the Ethics Process Works at Lockheed Martin", which is available at the following internet link, or which will be mailed to you upon request:

<sup>1</sup>Source: <http://www.lockheedmartin.com/data/assets/corporate/documents/ethics/setting-the-standard.pdf>

[http://www.lockheedmartin.com/aboutus/ethics/ethics\\_program.html](http://www.lockheedmartin.com/aboutus/ethics/ethics_program.html).

### **Strictly Adhere to All Antitrust Laws**

#### **Setting the Standard**

If you are involved in any dealings with competitors, you are expected to know that antitrust laws may apply to your activities and to consult with the Ethics Office or the Legal Department before negotiating with or entering into any arrangement with a competitor. In addition, you should be aware that any of the following may violate antitrust laws:

- Price fixing;
- Boycotting suppliers or customers;
- Pricing intended to run a competitor out of business;
- Disparaging, misrepresenting or harassing a competitor;
- Bribery, kickbacks, or stealing trade secrets;
- Entering into agreements or understandings with competitors to divide the market in which they compete by allocating territories or markets, and/or limiting the production or sale of products or product lines;
- Conditioning the sale of one product/service on the sale of another unwanted product/service; and/or
- Conditioning the sale or purchase of products/services on the requirement that the seller or purchaser not do business with competitors of the Corporation.

You must avoid engaging in or discussing any of the above activities with competitors, suppliers, or customers, and must report any instances in which such activities are proposed or discussed to the Ethics Office or the Legal Department.

### **Do Business Ethically Outside the United States**

#### **Our Value**

Lockheed Martin's commitment to the highest standards of ethical conduct applies globally. Bribery, violations of export and import laws, and participating in illegal boycotts erode confidence in the marketplace, undermine democracy, distort economic and social development, and hurt everyone who depends on trust and transparency in the transaction of business.

#### **Anti-corruption:**

You must strictly comply with the anti-corruption laws that govern our operations in the countries in which we do business. Such laws include the U.S. Foreign Corrupt Practices Act (FCPA) and similar laws enacted by other countries, for example, under the Organization of Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Officials and other international, anti-bribery conventions. Generally, these laws prohibit bribery, directly or indirectly, of foreign government officials, political parties or candidates to obtain some improper business advantage. More specifically, they prohibit you, directly or indirectly, from corruptly giving, offering or promising anything of value to foreign officials or foreign political parties, officials or candidates, for the purpose of influencing them to misuse their official capacity to obtain, keep, or direct business or to gain any improper advantage. In addition, to prevent concealment of bribery, the FCPA prohibits knowingly falsifying a company's books and records or knowingly circumventing or failing to implement adequate internal accounting controls.

#### **Provide and Accept Appropriate Business Courtesies**

##### **Definition of Business Courtesy:**

Lockheed Martin defines the term business courtesy broadly to mean a gift, gratuity, favor, benefit, loan, commission, discount, forbearance, or other intangible or tangible item having monetary value for which fair market value is not paid by the recipient.

Such courtesies include but are not limited to, cash, honoraria, entertainment and recreation (tickets to sporting, recreational or other events, passes, fees, etc.), services, training, transportation, discounts, promotional items, lodging, meals, drinks, door prizes, or use of a donor's time, material, equipment or facilities.

**1. Offering or Providing Business Courtesies to Government Officials or Representatives:**

The rules and regulations that apply to the offering of business courtesies to government employees, officials, and representatives of the U.S. and foreign governments are complex. You must comply strictly with these laws and regulations and you must never offer or accept a business courtesy if doing so violates a law or regulation, will cause embarrassment for the Corporation, or will respect negatively on the Corporation's reputation.

The following subsections address the offering or providing of business courtesies in certain specific situations:

**A. U.S. Federal, State and Local Governments**

Employees of U.S. federal, state and local governments are subject to laws and regulations concerning acceptance of business courtesies from firms and persons with whom the government does business or over whom it has regulatory authority.

**a) Federal Executive Branch Employees**

You may not offer or give anything of value to federal Executive Branch employees, except as follows:

- Lockheed Martin advertising or promotional items of little intrinsic value (generally \$20.00 or less) such as a coffee mug, calendar, or similar item displaying the company logo;
- Modest refreshments such as soft drinks, coffee, and donuts on an occasional basis in connection with business activities; or
- Business courtesies, other than transportation, having an aggregate value of \$20.00 or less per occasion.

When combined, the value of the business courtesies may not exceed \$50.00 in a calendar year. Although it is the responsibility of the government employee to track and monitor these thresholds, you must not knowingly provide business courtesies exceeding the \$20.00 individual or \$50.00 annual limit.

**b) Federal Legislative and Judiciary Branches, and State and Local Government Employees**

Employees of the federal Legislative and Judiciary Branches and employees of state and local government departments or agencies are subject to a wide variety of laws and regulations.

With few exceptions, you may not provide business courtesies to Senate or House of Representatives members, officers or staffs. Generally, you also may not provide business courtesies to members of the Judiciary Branch.

You may provide business courtesies of reasonable market value to employees of state or local government in support of business activities, provided such practice does not violate any law or regulation or the standards of conduct of the recipient's organization.

It is your responsibility to know the prohibitions or limitations of the recipient's organization before offering any business courtesy.

**B. Foreign Governments**

The U.S. Foreign Corrupt Practices Act (FCPA) and the anti-corruption laws of other countries in which we do business may restrict the Corporation from offering or giving business courtesies to any foreign official, any foreign political party or official of a foreign political party, or any candidate for foreign political office. The company policy on Compliance with the FCPA contains a list of Hospitality Rules for Foreign Officials and Hospitality Guidelines that outline those business courtesies that are acceptable to offer and give in particular countries in which we do business. You should understand that because Lockheed Martin is incorporated in the United States, the FCPA applies to all employees around the world, including employees of wholly owned subsidiaries.

If you seek to offer or give a business courtesy that is not expressly provided for in the Hospitality Guidelines and Hospitality Rules, you must obtain prior approval from the Legal Department or the Ethics Office which will consult with the Legal Department.

## **2. Offering or Providing Business Courtesies to Non-Government Persons**

You may provide business courtesies of reasonable value to non-government persons in support of business activities, provided:

- The practice is not for any improper purpose and does not violate any law or regulation or the standards of conduct of the recipient's organization; and
- The business courtesy is consistent with marketplace practices, infrequent in nature, and not lavish or extravagant. While it is difficult to define "lavish or extravagant" by means of a specific dollar amount, you should make a common sense determination consistent with reasonable marketplace practices.

You are prohibited from offering or giving tangible gifts (including tickets to sporting, recreational, or other events) having a market value of \$100.00 or more to a person or entity with which the Corporation does or seeks to do business, unless specifically approved by your supervisor or manager, and the Ethics Office in advance.

## **3. Acceptance of Business Courtesies by Lockheed Martin Employees Who Procure Goods or Services**

If you buy goods or services for Lockheed Martin or are involved in the procurement process, you must treat all suppliers uniformly and fairly. In deciding among competing suppliers, you must objectively and impartially weigh all facts and avoid even the appearance of favoritism.

For this reason, you may not accept gifts from suppliers or vendors, except advertising or promotional items of nominal value such as a pen, key chain, water bottle, visor, cup or glass or generally similar items displaying a company's logo. Established routines and procedures should be followed in the procurement of all goods and services.

## **4. Acceptance of Business Courtesies by Lockheed Martin Employees in Non-Procurement Functions**

Although you may not use your position at Lockheed Martin to obtain business courtesies, it is permissible to accept unsolicited business courtesies, provided:

- The acceptance will promote goodwill and successful business relations;
- The courtesies are not lavish or extravagant under the circumstances;
- The courtesies are not frequent and do not respect a pattern or the appearance of a pattern of frequent acceptance of courtesies from the same entities or persons;
- You would feel comfortable discussing the courtesies with your manager or a coworker, or having the courtesies known by the public; and
- The courtesies have a market value of \$100.00 or less.

Solicitation of business courtesies is always prohibited. If you have any questions about the propriety of accepting a business courtesy, contact your supervisor or manager, or the Ethics Office for guidance. It is your personal responsibility to ensure that your acceptance of a business courtesy does not create the perception that favors were granted to secure favorable treatment.

## **Questions and Exceptions**

If you have any questions about whether an offer or acceptance of a business courtesy is in compliance with the rules, regulations, and Lockheed Martin policy, you must obtain guidance in advance from the Ethics Office, which will consult with the Legal Department as applicable. You may only offer, give or accept a business courtesy that is not expressly permitted by this Code or Lockheed Martin policy if you obtain written approval in advance from your supervisor or manager and the Ethics Office, as appropriate.

### **Properly Engage Consultants, Representatives, and Other Third Parties**

#### **Setting the Standard**

You must not retain a consultant, representative, or other third party to conduct business in a manner that is contrary to Lockheed Martin's policies or procedures or that would circumvent our values and principles. For example, you must not retain consultants, representatives or other third parties for the purpose of paying bribes or kickbacks, engaging in industrial espionage, obtaining the proprietary data of a third party without authority, or improperly gaining inside information or influence.

You are responsible for seeking advice from Consultant Services or the Legal Department prior to engaging an international or domestic consultant. Consultants and representatives must certify their willingness to comply with this Code, Lockheed Martin's policies and procedures, and all applicable laws and regulations.

#### **Participate in Business Conduct Compliance Training and Ethics Awareness Training**

##### **Our Value**

Lockheed Martin has developed education and communication programs in many subject areas to provide employees with job-specific information to raise their level of awareness and sensitivity to key issues.

##### **Setting the Standard**

Lockheed Martin expects all employees, consultants and the Board of Directors to participate in awareness training. You are required to complete

Ethics Awareness Training annually and compliance training as assigned. Completion of annual Ethics Awareness Training and Business Conduct Compliance Training is a condition of your continued employment with Lockheed Martin.

- The current list of Business Conduct Compliance Training courses can be found

on the Lockheed Martin Ethics website at:

<http://lockheedmartin.com/aboutus/ethics/BusinessConductCompliance.html> or obtained from your manager or supervisor.

- The Business Conduct Compliance Training URL is: <http://ethics.corp.lmco.com/ethics/guide.html>
- The external Ethics Awareness Training URL is: <http://lockheedmartin.com/aboutus/ethics/training.html>

## 172. Bouygues

CORPORATE REPORT AND SUSTAINABLE DEVELOPMENT REPORT 07<sup>1</sup>

### ECONOMIC AND COMMERCIAL CHALLENGES

#### Consideration and transparency

Putting customer satisfaction surveys into generalised use – and calling in specialised market research organisations to ensure they are conducted to a professional standard and participants can express themselves freely – was a

priority in 2007. Progress was marked: 34% of all projects handed over were followed up by customer satisfaction surveys.

On matters of ethics, a vast employee awareness campaign was pursued throughout 2007, based largely on the Bouygues SA Code of Ethics, which

was distributed to all the personnel. Training modules were designed to inform employees of the rules of conduct in terms of fair competition, business ethics and the fight against corruption.

#### Group Code of ETHICS<sup>2</sup>

##### Commercial action – Relations with clients and suppliers

Group companies must treat all their clients and suppliers with honesty and equity, regardless of their size and condition.

The Group's commercial action, in France and abroad, will be conducted in compliance with the framework laid down in each country, which all employees shall strive to know. In particular, Group companies shall comply with the specific rules that govern public procurement contracts, regardless of the country in which they conduct their business activities.

Group companies can only draw benefit from fair and open competition. Group employees and companies shall carry out all commercial action and procurements by following the principle of fair competition, and by refraining from anti-competitive practices or behaviour that could constitute wrongful anti-competitive practices, in particular within the scope of public tenders or contracts concluded with States or local government. As competition law is complex and subject to change, and as administrative, criminal and civil penalties may be applied, employees shall consult with the legal departments in the event of a doubt or question.

Employees must undertake not to offer or grant favours or benefits, whether pecuniary or otherwise, to third parties. In particular, the promising or giving of gifts or free services are not permitted, unless as a matter of courtesy or customary hospitality, or unless the gifts are symbolic or minimal. In general, commercial dealings must comply with the legislation applicable to the activity concerned and remain within the limits of the most reasonable customary practices for the profession or country where they are implemented.

The support given by representatives, consultants or intermediaries in the area of commercial dealings may be required in the sectors where Group presence is reduced or due to their technical skills. Calling on these intermediaries is only justified within this scope and only if the services provided are genuine. Their remuneration must be in keeping with the services and the payment compliant with their contract, which must be concluded in compliance with internal procedures.

The managers of the companies concerned must ensure that they supervise this local support and the services effectively provided by these intermediaries, in strict compliance with local rules. Employees must not agree to receive, either directly or indirectly, any payment, gift, loan, entertainment or benefit from anyone who does business with the Group; only customary courtesy or hospitality, business meals and other events that correspond to the most reasonable customary practices in the country or profession are acceptable. Gifts, other than pecuniary gifts, are acceptable if their value is low and if such a practice complies with customary practices. Employees must each ask themselves whether such a gift or benefit is lawful, liable to

<sup>1</sup>Source: [http://www.publications-bouygues-construction.com/docs/\\_/BouyguesConstructionRapportDD2007En/catalogue.pdf](http://www.publications-bouygues-construction.com/docs/_/BouyguesConstructionRapportDD2007En/catalogue.pdf)

<sup>2</sup>Source: <http://www.bouygues.com/en/press-room/publications/code-of-ethics/code-of-ethics/>

affect how they act within the Group and whether the giver will think that employees have compromised themselves. Management must be informed of any canvassing or offer of specific benefits to which an employee is subject.

### **Corruption**

The negotiation and performance of contracts must not give rise to behaviour or actions that could constitute active or passive corruption, or complicity in influence peddling or favouritism. In particular, in accordance with the OECD Convention on Combating Bribery of 17 December 1997, the corruption of foreign public officials, in all forms, is prohibited.

### **Whistleblowing**

When confronted with an ethical problem, employees must inform their line manager or the manager of the company in which they perform their professional activity, allowing sufficient time for said managers to give relevant advice or to make an appropriate decision.

It is the responsibility of the line managers and officers of a company to assist employees in resolving the difficulties with which they may be confronted. When in doubt, the legal or human resources departments, as well as possibly outside advisors, should be consulted.

No action may be taken against an employee who in good faith reports a breach of the rules laid down in this Code.

Employees may also use the Group whistleblowing facility. In accordance with the general authorisation issued by CNIL (French Data Protection Agency) in decision no. 2005-305 of 8 December 2005, the Group whistleblowing facility is governed by the following rules:

#### **Scope of the Group whistleblowing facility**

The whistleblowing facility is restricted to the following areas:

- corruption,

- accounting irregularities,
- stock market irregularities.

#### **The persons concerned by the Group whistleblowing facility**

The employees who are liable to be the subject of whistleblowing are as follows:

- corruption: corporate officers, managers and employees from the procurement, projects, works, corporate services, IT, commercial and marketing departments.
- accounting irregularities: corporate officers, managers and employees from the consolidation, accounting, cash management and finance departments.
- stock market irregularities: corporate officers, managers and employees from the cash management and finance departments and, in general, all employees who may hold privileged information.

#### **Using the Group whistleblowing facility**

Use of the whistleblowing facility is optional. The facility should only be used in compliance with the applicable laws and regulations and in the exceptional cases where the line management channel, the whistleblowing facilities offered by the law or the control systems within the Group or the company concerned may not work. The fact that an employee refrains from using the whistleblowing facility may not lead to any consequences for the employee concerned.

Whistleblowers must identify themselves. Their identity will be treated in the strictest confidence.

Abuse of the whistleblowing facility will render the perpetrator liable to disciplinary action, as well as legal action. On the contrary, use of the facility in good faith, even if subsequently the facts are found to be inaccurate or are not proven, will not render the whistleblower liable to any disciplinary action.

### **The persons targeted by the Group whistleblowing facility**

Data and information must be provided by the whistleblower to the Group Ethics Officer alone. To this end, the Group Ethics Officer is subject to an increased confidentiality obligation.

While maintaining the confidentiality of the whistleblower's identity, the Group Ethics Officer shall ensure that, when the whistleblowing is logged and processed, only the data and information required for the verification and processing of the whistleblowing are disclosed.

In general, any person responsible for acknowledging and/or processing whistleblowing must undertake to comply with an increased confidentiality obligation, not to use the data and information for other purposes, to comply with the limited storage time for such data and information and to destroy and return said data and information in accordance with these rules.

### **Content of whistleblowing within the Group**

Only facts, data and information put forward in an objective manner, that are directly connected to the areas that fall within the scope of whistleblowing (corruption, accounting and stock market irregularities) and that are strictly needed for verification operations, will be taken into account.

In all communications, the Group Ethics Officer will show the alleged nature of the facts, information and data, and any classification required for the description.

### **The rights of persons targeted by Group whistleblowing**

All persons targeted by whistleblowing will be informed of the data held concerning them as soon as the whistleblowing has been logged, whether using IT or otherwise. The person will be able to access the data and request the correction or deletion thereof if the data is incorrect, equivocal or out of date.

Where protective measures are required, in particular to prevent the destruction of evidence concerning the whistleblowing, the person targeted by the whistleblowing will only be informed once these measures have been taken.

### **The following information, in particular, will be provided to all persons targeted by whistleblowing:**

- a copy of these rules, which govern Group whistleblowing procedure,
- the allegations made against them,
- the list of any departments that have been informed of the whistleblowing,
- the terms and conditions for exercising their access and amendment rights.

Persons targeted by whistleblowing may under no circumstances obtain disclosure of the identity of the whistleblower.

### **Consequences of use of the Group whistleblowing facility**

After the whistleblowing has been studied, the Group Ethics Officer will inform the managements concerned. They will then carry out the appropriate investigations and decide on the consequences of any breaches recorded, such as disciplinary action or referrals to the administrative or judicial authorities.

All data disclosed within the scope of implementation of the whistleblowing facility but that does not fall into one of the categories defined above will be destroyed by the Group Ethics Officer, unless the vital interest of the company concerned or the physical or moral integrity of its employees are at stake. In this case, the Group Ethics Officer may decide to alert the management and/or the authorities concerned.

### **Storage period for personal data**

All data that has been verified will be destroyed by the Group Ethics Officer within two months of the closure of the verification operations, except where a disciplinary procedure or legal action has been initiated against the person targeted or the perpetrator of abusive whistleblowing. In this case, the data will be stored until the end of the proceedings.

## 174. NEC

NEC CSR Digest 2008<sup>1</sup>

### Strengthen Risk Management and Compliance

#### Help Line

NEC believes in the importance of creating a positive working environment for all. We are raising employees' awareness so that they can freely discuss any issues with their superiors, colleagues, and people from related divisions. At the same time, the Corporate Auditing Bureau established an NEC Help Line in 1999 to provide a system that makes it easy for all employees to report or to seek advice in cases of known or suspected violations of the NEC Group Code of Conduct. Similar consultation and reporting systems have been established at various NEC Group companies.

Since November 2003, the service has been operated jointly with an independent third-party organization to boost convenience and to respond at an earlier stage to a wider range of compliance risks. Another goal was to make this consultation and reporting system available not only to employees and officers of NEC Corporation, but also to NEC Group companies in Japan and materials suppliers. In February 2008 we posted on the NEC intranet examples of cases where contact with the NEC Help Line triggered fact-finding inquiries that led to the correction of problems.

NEC Corporation does not encourage overseas NEC Group companies to use the NEC Help Line in addition to their own internal consultation and reporting systems, as it does in the case of Group companies in Japan. However, third-party consultation and reporting systems have been established in North America, Australia, and Europe and have been made available to officers and employees of overseas subsidiaries in these regions.

Corporate Social Responsibility – NEC Group Code of Conduct<sup>2</sup>

### General Provisions

#### Accountability for Adherence to this Code

- WE will act faithfully in compliance with this Code.
- The Officers and the Employees who are in a managerial position will provide guidance and supervision to ensure that all their subordinates observe the provisions of this Code.
- The divisions concerned in our company will undertake the activities necessary to ensure that the corporate activities are in compliance with this Code, including the formulation of in-house regulations and behavior manuals, promotion of thorough awareness of specific rules to observe, and provision of advice and guidance.
- WE recognize that a violation of this Code may result in disciplinary action under and in accordance with applicable laws, rules, regulations, and/or in-house regulations.

#### NEC Help Line

The Officers and Employees of the NEC Group companies who are aware of acts that are, or that may be, in violation of this Code are encouraged to contact the NEC Help Line or a similar contact point in each company. The contact points of the NEC Help Line are designated as a consulting company as well as NEC Corporation. Such Officers and Employees will not be subject to any form of detrimental treatment as a result of their contacting the NEC Help Line.

<sup>1</sup>Source: <http://www.nec.co.jp/csr/en/report/pdf/CSR-all2008.pdf>

<sup>2</sup>Source: <http://www.nec.co.jp/csr/en/management/code.html>

## **Relations with Customers, Business Partners, and Competitors**

### **Policies on Entertainment and Gifts**

- WE will conduct ourselves with sound business practices and social norms when WE provide or receive entertainment or exchange gifts with business partners or others.
- WE will not, under any circumstances, offer bribes to members of the national Diet, heads of regional public organizations, members of prefectural or municipal assemblies, or officials of government agencies or regional public organizations (including personnel of public corporations and other government-affiliated organizations who shall be deemed to be public officials under applicable laws, rules, and regulations). In addition, WE will not provide any benefits to gain unfair business advantage, entertain in a way that could be construed as offering benefits, or offer gifts or any other treatment that lacks justifiable grounds.
- WE will not conduct any acts involving foreign officers such as officials of foreign governments or regional public organizations that could be construed as bribery or the provision of benefits to gain an unfair business advantage under any circumstances under applicable laws, rules, and regulations.

## 175. Roche Group

### Behaviour in Business<sup>1</sup>

#### Bribery

##### Legislation to Eliminate Bribery

Bribery of domestic officials was established to be a criminal offense by most national laws a long time ago. In December 1997 the governments of 29 members of the Organization for Economic Cooperation and Development (OECD)<sup>1</sup> agreed on the text of the 'Convention on Combating Bribery of Foreign Public Officials in International Business Transactions' (hereinafter referred to as 'OECD Convention'). In this OECD Convention, the nations committed themselves to establish off-shore bribery as a criminal offense under their national laws. This convention came into force on 15 February 1999, and its provisions were thereafter transferred into national laws.

##### View and Undertaking of Roche

Roche rejects all forms of bribery (public, private, active and passive bribery as defined below). In addition to undermining the Group's reputation and business integrity, the solicitation, acceptance, offering or giving of a bribe establishes a criminal offense of the employee and the company involved under applicable national or international laws. In addition, such unacceptable behaviour may also give rise to civil lawsuits against the employee and the company involved.

##### Definitions

Bribery constitutes a form of corruption and can be executed towards public officers or decision makers in the private sector and can be committed actively or passively. Bribes may take many forms, such as payments, lavish gifts or any other type of advantages.

Active bribery is understood as the promise to give or the giving of any payment or any other advantage, whether directly or through intermediaries, to someone holding a public office (public bribery) or to someone in business (private bribery) with the

intention and expectation to obtain an unlawful benefit in return for the bribe.

Passive bribery is understood as acceptance of a payment or any other advantage, whether directly or through intermediaries, from someone in return for which the person who has accepted the bribe favors the giver in an unlawful way.

##### Payments to Public Officials

Subject to the principles as set forth under Section 3.2 below, no funds or assets of Roche shall be paid, given or otherwise transferred in the form of a gift or otherwise, directly or indirectly, to someone holding a public office or to a person having political influence or to any entity in which said person is known to have a material interest, unless approved by local Roche Management in accordance with applicable laws. This prohibition applies to the use of Roche property as well as to the use of personal funds or assets. It also applies to indirect contributions or payments made in any form, such as contributions or payments made through consultants, advisers, suppliers or other third parties.

##### Don'ts and Dos

- Don't:
- Do not offer a private bribe
  - Do not offer a public bribe
- Dos:
- You may offer a gift to an employee of a private company after finalization of a business transaction

##### Dealing with Third Parties

##### Principles

All transactions by Roche with third parties are made on the basis of quality, service, competitive price and suitability. Roche seeks to establish mutually beneficial, long-term relationships with its business partners based on these principles.

Roche deals fairly with all business partners based on the quality of products and services. Roche does not, and no employee may, directly or indirectly, offer or give any form of illegal rebate, illegal kickback or any other illegal 'under-the-table'

<sup>1</sup>Source: [http://www.roche.com/behaviour\\_in\\_business.pdf](http://www.roche.com/behaviour_in_business.pdf)

payment, or other similar improper payment, gift or favor to business partners or their representatives. Conversely, no employee shall, directly or indirectly, request any form of illegal rebate, illegal kickback or any other illegal 'under-the-table' payment, or other similar improper payment, gift or favor from any third parties.

### Dealing with Customers

Regarding relationships with customers, the following principles apply:

- Roche employees who regularly deal with customers must know and comply with all relevant laws and regulations governing relations with customers.
- Employees engaged in government contract work must also know and abide by the specific laws and provisions covering relations with government agencies.
- Roche employees will give no gifts to customers, except items that fit the legal, normal and customary patterns of Roche sales efforts for a particular market. Costs for such gifts are subject to approval by local Roche Management.
- Entertainment, not otherwise prohibited as set forth herein, of any customer must comply with regular business practices. The place and type of entertainment and the money spent must be reasonable, appropriate and adequately documented in conformance with Roche expense reimbursement requirements.

### Don'ts and Dos

- Don't:
- Do not give an illegal rebate.
  - Do not offer an illegal kickback payment.
  - Do not make any illegal 'under-the-table' payment.
  - Do not give an improper gift to a third party.
  - Do not offer an illegal or improper favour to a third party.
  - Do not accept any form of illegal rebate, illegal kickback or any other illegal 'under-the-table' payment.

- Do not request any form of illegal rebate, kickback or other 'under-the-table' payment.
  - Do not accept any improper payment, gift or favor.
  - Do not request any form of improper payment, gift or favor.
- Dos:
- You may give rebates according to the rebate policy of Roche.
  - You may give small and appropriate gifts to a customer or to another third party.
  - You may accept on behalf of Roche a correct rebate granted by a supplier.
  - You may accept a small and appropriate gift from a supplier if you maintain your personal and your company's independence.

### Receipt of Gifts and Entertainment

#### General

Even when gifts and entertainment are exchanged out of the purest motives of personal or professional friendship, they can be misunderstood. For example, a gift or entertainment can appear to be an attempt to influence an employee to direct Roche business to a particular third party. To avoid both the reality and the appearance of improper relations with third parties or potential third parties, as well as to maintain your personal and your company's independence, the following principles apply to the acceptance of gifts by Roche employees:

#### Gifts

Employees shall not solicit gifts, or any other personal advantage of any kind, from any current or potential third parties of Roche. Gifts include not only merchandise but all kinds of advantages.

Employees may only accept any unsolicited gift provided the following conditions are

met: Employees may accept unsolicited non-monetary gifts, provided they do not go beyond common courtesy and accepted local business practices. The value of any gift must not raise any question of an obligation on the part of the recipient. The acceptance of any gift that does not meet said conditions must be rejected. If in doubt as to the appropriateness of accepting an unsolicited gift, the employee concerned must solicit the view of his or her line manager and act according to the decision of that person.

#### **Entertainment**

Employees may not encourage or solicit entertainment from any current or potential third party of Roche.

Employees may accept unsolicited entertainment, provided all of the following requirements are met: the entertainment occurs infrequently and arises out of the ordinary course of business, it involves reasonable, not lavish, expenditures and it takes place in settings that are reasonable, appropriate and fitting to Roche employees, their hosts and the business at hand.

#### **Don'ts and Dos**

- Don't:
- Do not solicit gifts from any third party.
  - Do not solicit a personal advantage of any kind from any third party.
  - Do not encourage or solicit entertainment from any third party.
- Dos:
- You may accept unsolicited non-monetary gifts that do not go beyond common courtesy and accepted local business practices.
  - You may accept unsolicited gifts that do not raise any question of an obligation on your part.
  - You may accept unsolicited entertainment if it occurs infrequently and arises out of the ordinary course of business.

- You may accept unsolicited entertainment that involves reasonable, not lavish, expenditures

#### **Corporate Governance – Code of Conduct<sup>1</sup>**

##### **Group Compliance Officer**

The Group Compliance Officer is committed to ensuring that Roche corporate principles are consistently complied with throughout the Roche Group and also serves as a contact person for shareholders, employees, customers, suppliers and the general public on issues relating to the implementation of and compliance with these principles.

Employees and other parties who become aware of violations of Roche corporate principles can and should bring them to the attention of their managers or supervisors or report them to the Group Compliance Officer (Urs Jaisli, direct phone number: +41(0) 61 688 40 18).

Such disclosures will be treated as confidential. Employees who make such disclosures will not be penalised by the company for doing so, but are not immune from prosecution for legal violations.

<sup>1</sup>Source: [http://www.roche.com/about\\_roche/corporate\\_governance/code\\_of\\_conduct/compliance\\_officer.htm](http://www.roche.com/about_roche/corporate_governance/code_of_conduct/compliance_officer.htm)

## 176. Sprint Nextel

### Sprint Nextel Code of Conduct for Consultants, Contractors and Suppliers<sup>1</sup>

#### **GIFTS, ENTERTAINMENT AND TRAVEL**

Gifts, business entertainment and travel are often an integral part of building and maintaining business relationships and advancing the interests of Sprint Nextel. To avoid even the appearance of a conflict, Sprint Nextel requires its employees to only accept nominal gifts and reasonable business entertainment to further business relationships.

Consultants, contractors and suppliers should not offer a gift or business entertainment if it appears to influence or compromise judgment, could reasonably appear to influence or compromise judgment or if it appears to be an attempt to obligate or influence the recipient. As consultants, contractors or suppliers Sprint Nextel is asking for you to respect our commitment and respect Sprint Nextel's Gift, Entertainment and Travel policy which provides, in part:

- Sprint Nextel employees may accept gifts of nominal value (retail value of \$150 or less), given in the normal course of business, but not on a regular or multiple basis.
- Promotional items (t-shirts, mugs, baseball caps) given in the normal course of business may be accepted by Sprint Nextel employees but not on a regular or multiple basis.
- Consultants, contractors and suppliers should not offer gifts, business entertainment or travel to a Sprint Nextel employee who is a decision maker, or who plays a role in the decision during a Request for Proposal or Request for Information.
- Gifts, business entertainment and travel may not be extended by consultants, contractors and suppliers to Sprint Nextel employees during or in connection with contract negotiations.
- Sprint Nextel employees are required to obtain supervisor approval prior to

accepting any business entertainment (such as an occasional lunch or dinner, cultural or athletic event beyond a nominal value) from a consultant, contractor or supplier.

- Employee travel and accommodations should generally be at Sprint Nextel's expense. Consultants, contractors and suppliers should not pay for Sprint Nextel employee travel and accommodations related to business or entertainment events.
- Gifts of money or cash equivalents such as vouchers, gift certificates and gift cards are always unacceptable and may not be offered to any Sprint Nextel employee.
- Consultants, contractors and suppliers may not offer bribes, kickbacks, payoffs or other unusual or improper payments to Sprint Nextel employees in order to obtain or keep business.
- In the case of the government or foreign entities, special rules and laws such as the Foreign Corrupt Practices Act (FCPA) may apply to the offer or acceptance of a gift, business entertainment, or travel, regardless of actual or perceived value. Please contact the appropriate Sprint Nextel representative or the Ethics Helpline before engaging in any activity that may involve such parties.

For additional guidelines, contact your Sprint Nextel representative or the Ethics Helpline.

#### **FOREIGN CORRUPT PRACTICES ACT**

The Foreign Corrupt Practices Act (FCPA) prohibits Sprint Nextel and its consultants, contractors and suppliers from directly or indirectly offering anything of value (such as gifts, money or promises) to foreign government officials, political parties or candidates to influence or induce action or to secure an improper advantage. Simply stated, the FCPA prohibits bribery of foreign officials. The FCPA also has strict accounting requirements that govern international transactions and payments (even hospitalities). Consult with the appropriate Sprint Nextel representative or the Ethics

<sup>1</sup>Source: [http://www.sprint.com/governance/docs/supplier\\_code\\_of\\_conduct\\_20060421.pdf](http://www.sprint.com/governance/docs/supplier_code_of_conduct_20060421.pdf)

Helpline before making or authorizing any payment of this type.

**ETHICS HELPLINE**

The information in this booklet does not address every situation or circumstance. It is not a comprehensive, full, or complete explanation of all the policies, laws and regulations that may apply to consultants, contractors or suppliers. If you have questions or concerns about a potential ethical issue, you should discuss it with the appropriate Sprint Nextel representative or call the Ethics Helpline.

Ethics Helpline available 24 hours a day, 7 days a week:

By phone: 1-800-788-7844 or 913-794-1666 (if you are calling from outside the U.S.)

By fax: 913-523-9779

By mail: Ethics and Compliance Program

2001 Edmund Halley Drive

Mailstop: VARESP0513

Reston, VA 20191

By e-mail: [Ethicshelpline@sprint.com](mailto:Ethicshelpline@sprint.com)

## 177. Best Buy

### Code of Business Ethics<sup>1</sup>

#### INTRODUCTION

#### PARTNERING TO STOP MISCONDUCT

There is a tremendous amount of value – intangible worth – in a good reputation. Both your professional reputation and the reputation of Best Buy depend on ethical decision-making by our employees. You should immediately report illegal or unethical conduct to an appropriate Best Buy representative. If you do not do so, the unreported activity could harm you, Best Buy, and other employees. Failure to report suspected violations may also lead to discipline.

Managers who receive reports of possible illegal or unethical conduct must take immediate action. The type of action taken depends on the alleged misconduct. Managers should identify and consider the important key stakeholders – those who could be affected by the possible illegal or unethical conduct, including employees, customers, shareholders, or others important to the business. At any point managers may seek advice to decide on an appropriate course of action to stop any illegal or unethical conduct.

#### GET ANSWERS TO YOUR QUESTIONS OR REPORT YOUR CONCERNS

When you raise a concern, it helps Best Buy correct specific problems, and identifies areas that require improvement or the need for additional training. It also helps assess and improve our Company's level of ethical awareness, which is crucial to our goal of living our values. You can raise concerns about questionable ethical behavior at Best Buy in several ways. If you are uncomfortable with any of these resources, or if the resource is part of the problem, please consider another option, but DO raise the concern – don't ignore it.

- Discuss with your manager

Face-to-face discussions with your manager are the best way to solve most on-the-job issues.

- The Ethics Advisory Council (EAC)

Best Buy recently formalized its Ethics Advisory Council (EAC), which began with several employees drawn together with the intent of keeping Best Buy a principled place to work. At the time of this report the EAC is comprised of individual employees from across the enterprise who meet monthly to discuss current ethical issues or concerns visible within the Company, and to provide perspective to the Ethics Office. Additionally, EAC members act as links to the Ethics Office within their respective business groups. The EAC is open to employees who are interested in joining; see the resources page in the back of this Code.

- Contact your employee or associate relations representative

Your representative will investigate the issue, and may call the Ethics Office for assistance. The contact information is found on the resources page in the back of this Code.

- Contact the Ethics Office

You may always call the Ethics Office directly, or contact the office via the postal service, e-mail, web report or fax. The contact information is found on the resources page in the back of this Code.

- Open & Honest for anonymous report

A multi-lingual interview specialist, employed by an external vendor, will answer your call. All pertinent information is gathered and documented on an incident report, which is sent to the Ethics Office. Please note that although you may remain anonymous when voicing a concern, providing your name or other identifying information may help resolve the issue.

- Web Reporting

You have the option to submit your complaint via the web site of our third party vendor. Just like a phone call to Open and Honest, your report is received directly by the vendor and forwarded to the Best Buy Ethics Office. The only self identifying information in this report is that which you choose to include. The contact information is found on the resources page in the back of this Code.

<sup>1</sup>Source: [http://media.corporate-ir.net/media\\_files/irol/83/83192/bby\\_cobe\\_080121.pdf](http://media.corporate-ir.net/media_files/irol/83/83192/bby_cobe_080121.pdf)

### **CONFIDENTIALITY**

The Ethics Office and other investigators (Internal Audit, Human Resources, Employee Relations, Loss Prevention and the Legal Department) handle all issues and concerns with care. Specifically, information will be shared only with people who need to know, and in accordance with our business practices, policies and the law. Information pertaining to your concern will not be kept in your personnel file.

### **ZERO-TOLERANCE POLICY ON RETALIATION**

If you observe or suspect a violation of the law or Company policy, report it using any of the resources listed in the back of this Code.

Retaliation for reporting a concern or making a complaint is prohibited and is a violation of the Code. If you feel that you have been retaliated against, contact the Ethics Office, Employee or Associate Relations or the Open & Honest hotline.

### **RESPONSIBILITY TO OUR BUSINESS ASSOCIATES**

#### **ANTITRUST & COMPETITION**

Antitrust and competition laws protect the free enterprise system and encourage vigorous, but fair, competition. All enterprise employees are expected to comply with applicable domestic and international antitrust and competition laws.

For example, engaging in, conspiring to, or agreeing to do any of the following actions is prohibited:

- Agreeing or consulting with competitor(s) regarding prices, terms or conditions of sale, output, or production (Price Fixing).
- Agreeing with competitor(s) regarding bids to be submitted during auction (Bid Rigging).
- Agreeing with competitor(s) not to deal with vendors or distributors, other competitors, or customers (Group Boycott).

- Agreeing with competitor(s) to split territories or customers (Territory or Customer Allocation).
- Offering to pay bribes or kickbacks in an attempt to do any of the above.

“Agreeing” includes stated or implied, formal or informal, oral or written understandings, whether created directly with another party or indirectly through a third party.

### **GIFTS, GRATUITIES & VENDOR RELATIONS**

Gifts and entertainment can help build relationships, but they must never influence decisions, nor should they be considered part of “doing business.”

- Our role with customers is to be a trusted advisor. Even the appearance of having our decisions improperly influenced is unacceptable.
- Employees are expected to be mindful of the Company’s values and standards in their business dealings. It is never acceptable to solicit gifts, gratuities or business courtesies on behalf of Best Buy for the personal benefit of an employee, family member or friend.

We recognize that gift-giving customs vary around the world. As a global Company, we respect the cultures of all the countries where we do business. Employees must always refrain from paying or receiving a bribe intended to influence business operations or government conduct. In addition, no Company assets may be used to bribe or influence any decision, including a decision of an officer, director, employee or agent of another company, any government employee, political party or candidate for public office. Such conduct is illegal and unethical and the employee and the company could be held criminally liable.

### **ACCEPTING GIFTS**

To determine whether or not a gift from a vendor is acceptable, ask yourself the following questions:

- What does the policy say?
- Is there a law or regulation governing this situation?
- Is it customary in the trade or industry?
- Is the value in accordance with Company guidelines?
- Was it given and accepted with an expressed or implied understanding that the recipient is any way obligated?
- Does it give the appearance of creating an undue influence or impropriety?
- Does it place you or Best Buy in a compromising position? Some business units and country managers may choose to adopt more conservative rules and gift limits based on the environment and specific work involved. When in doubt about accepting a gift, please discuss with your manager before accepting the gift.

The FCPA applies to individuals as well as corporations and requires companies to keep and maintain books and records that accurately reflect the transactions of the corporation.

Refer to the Company's anti-bribery and anti-corruption policy for specific obligations regarding the FCPA. In a situation in which the local laws and the FCPA conflict, we will abide by the most conservative standard.

## **GIVING GIFTS**

It may be acceptable, with management approval, to entertain or provide small gifts to a customer or supplier of Best Buy, as long as they meet the criteria set forth in our policies.

## **RESPONSIBILITY TO OUR COMMUNITIES**

### **ANTI-BRIBERY / ANTI-CORRUPTION & FCPA**

As a global enterprise, we abide by each country's anti-bribery and anti-corruption laws. In addition, Best Buy and its employees in all countries must comply with the Foreign Corrupt Practices Act (FCPA). In general, the FCPA prohibits corrupt payments or bribes to all non-U.S. government officials, political parties or political candidates for the purpose of obtaining or keeping business or improperly influencing government action. Included in the anti-bribery prohibition is a corrupt payment through a third party.

## 178. Sanofi-Aventis

Sustainability Report – 2007 Edition<sup>1</sup>

### Converting the sustainability approach into actions

#### COMMUNICATING AND UNDERSTANDING OUR CODES

The Code of Ethics is posted on the sanofi-aventis corporate Internet site and was distributed to all Group employees. In addition, affiliates in some countries have developed additional codes and Charters:

- 5 versions were printed (French, English, German, Spanish and Portuguese) and made available to the affiliates;
- 18 countries translated the Code into their local language. All together, more than 90% of the affiliates, corresponding to over 95% of the total workforce, distributed versions of the Code in their local language;
- most affiliates require their employees to sign a receipt acknowledging they have received the Code of Ethics. In 2007 in most countries, a reminder of the rules contained in the Code of Ethics was sent out using various means: presentations during meetings, e-mails, a letter from the Human Resources department, Intranet, in-house newsletter articles, training sessions and, in some cases, as a part of the launch of e-learning;
- a process was put in place to ensure the Code is distributed to all new employees joining the Group. Training is provided for newcomers in almost all countries;
- a seminar assembling the chief compliance officers in the countries where the Group operates was held in late October 2007. During this session, various presentations focused on compliance training and monitoring initiatives conducted in countries such as Brazil, Spain, the United States, Japan, Pakistan and Russia. Representatives from other functions (Audit and Internal Control Assessment department, Quality department, Data Protection, Regulatory Affairs, Sustainability Department, etc.) also explained the link between compliance and their respective activities;

- specific training tools (presentations, case studies) about the topics identified by our affiliates as being the most sensitive were made available to them.

In late 2007, an in-house survey evaluated the training activities organized by affiliate compliance officers in order to determine the training topics that were in highest demand.

Training provided by the affiliate compliance officers consists of either a general compliance discussions, ethics and values, or it focuses on more specific topics such as personal data protection, Good Promotional Practices, competition law, the fight against corruption and pharmacovigilance.

Training and awareness-raising efforts will be reinforced during the coming months.

#### ALERT SYSTEM

Since 2006, an alert system has been in place at Group level to help resolve ethical issues. All Group employees may express, anonymously if necessary, their concern about potential illicit practices that they feel contradict the Code of Ethics.

In the United States, in accordance with local practices and regulations, an external “compliance helpline” is available to employees and may be used at any time.

Moreover, in application of the US Sarbanes-Oxley Act, alerts concerning internal control, finances and accounting are submitted to the Audit and Internal Control Assessment department for investigation and may be reported to the company’s Audit Committee.

Affiliates may sometimes manage reports directly. In these cases, the compliance manager handles them locally. The compliance manager investigates the reports to ensure that the allegations are founded and forwards the allegations and any disciplinary actions to the Corporate Compliance Department. A report is written and the Ethics Committee (as well as the Executive Committee for the most serious cases) is informed.

All reports are routinely investigated in accordance with procedures and, when

<sup>1</sup>Source: [http://en.sanofi-aventis.com/binaries/rdd\\_2007\\_en\\_tcm28-18111.pdf](http://en.sanofi-aventis.com/binaries/rdd_2007_en_tcm28-18111.pdf)

justified, disciplinary measures were taken.

### **THE FIGHT AGAINST CORRUPTION**

Anti-corruption organizations focus particular attention on the pharmaceutical industry, looking specifically at research (transparency of clinical trials), administrative authorization procedures (marketing authorization and reimbursements) and marketing practices (integrity in drug promotion). As is true of other sectors, the pharmaceutical industry must also address these same issues with regards to purchasing.

For several years, sanofi-aventis has been strengthening its approach to fighting corruption:

the Group adheres to the UN Global Compact external reference principles (10 Principles), as well as those of the OECD and the pharmaceutical sector codes included in our Code of Ethics. This Code explicitly bans direct and indirect corruption and limits corporate gifts to promotional items, samples and cultural gifts of a lesser value, in compliance with local regulations. Contributions to political parties are forbidden. The Group declares the amount of its major contributions to humanitarian causes and sponsorships (see page 40);

to ensure implementation, the Code of Ethics is distributed to Group personnel and is routinely disseminated to all new employees. The Group organizes training programs, especially for compliance officers. It has set up an alert system so that any failure to respect the Code of Ethics can be reported, and distributes a document about fraud prevention to all affiliate General Managers. General Managers and their chief financial officers complete and sign a form once every six months to report any cases of fraud that may have occurred during this time period. A minimum value is not included in the definition of fraud, therefore appropriate sanctions are levied in all cases.

Sanofi-aventis makes its anti-corruption management system public. Four times a year, the Ethics committee examines feedback from the alert system and examines ways to improve it. To ensure the systems integrity, any employee who, in good faith, makes his or her concerns known regarding possible illegal practices or ethical

violations shall not incur any sanctions. Additionally, a Code of Supplier Conduct is distributed to outside contractors and a Ethical Purchasing Charter is provided to sanofiaventis buyers.

## Code of Ethics<sup>1</sup>

### Illegal Payments and Curruption

Sanofi-aventis fully adheres to the international regulations banning corruption and illicit payments. It is impossible to overstate the enormous importance of the reputation and image of sanofi-aventis in terms of its integrity and its ethical business conduct.

The U.S. Foreign Corrupt Practices Act, the rules issued by the Organisation of Economic Co-operation and Development (OECD), and numerous other laws ban all acts of corruption of domestic or foreign public officials with a view to obtaining or retaining a market or to benefiting from an advantage of any other kind.

As a result, no payment may be offered to public officials, politicians, or political parties, either directly or indirectly, in an attempt to influence the behavior of any country's administration.

In its relations with its customers, suppliers, associates, and distributors, sanofi-aventis relies on the quality of the products and services it supplies and on the value of the goods and services that individuals and entities may supply to it. As a result, it is strictly prohibited to make illegal payments or provide other objects of value, gifts, loans, discounts, incur excessive hospitality expenses, or use the company's funds or goods in an attempt to influence a decision of whatever nature.

The Group, its employees, and its representatives may be subject to civil or criminal sanctions in the event of violation of the laws on corruption in business or any similar laws. As a result, in the event of any doubt about whether or not a gift or payment is legal, it is necessary to be extremely prudent by informing and consulting those people within sanofi-aventis who can assess in full the situation (Legal Department, Department of Audit and Internal Control Assessment, Finance Department, Communications Department etc.) (*Direction Juridique, Direction de l'Audit et Évaluation du Contrôle Interne, Direction Financière, Direction de la Communication...*).

### Commitment of the Group and ist Employees

The sanofi-aventis Group and its entire workforce shall comply with the rules and principles set forth in this Code of Ethics.

If an employee believes in good faith that a rule or one of the principles laid down in this Code of Ethics has been or is about to be violated, he or she may inform his or her line manager of his or her concerns regarding possible illegal practices or ethical violations, while respecting the rules applicable in the country in which he or she lives or carries out his or her work.

In a broader context, if an employee seeks clarification about one point or another in the present document or if, particularly in the areas of finance, accounting or internal control, it should prove difficult to alert his or her supervisor or appropriate action does not appear to be taken, the employee may directly contact the "Global Compliance / Conformité" department of the Group's Legal Department based at the Group's headquarters in France, the contact information of which is given below:

<sup>1</sup>Source: [http://en.sanofi-aventis.com/binaries/Code\\_of\\_Ethics\\_en\\_tcm28-302.pdf](http://en.sanofi-aventis.com/binaries/Code_of_Ethics_en_tcm28-302.pdf)

**Phone: +33 1 53 77 41 04**

**Fax: +33 1 53 77 49 76**

**E-mail: [GLOBAL-COMPLIANCE@sanofi-aventis.com](mailto:GLOBAL-COMPLIANCE@sanofi-aventis.com)**

In the United States, an external Compliance Helpline has been set up for the company's employees in compliance with local regulations and practices and may be called at any time.

**Phone: +1 800 648 1297**

*An employee who, in good faith, makes his or her concerns known regarding possible illegal practices or ethical violations shall not incur sanctions of any kind.*

All reports shall be investigated by the "Global Compliance / Conformité" department, which will bring in the necessary competences on a case-by-case basis, in particular those of the Audit and Internal Control Assessment Department.

In addition, an Ethics Committee has been established at sanofi-aventis.

This Committee meets regularly to monitor Group-wide application of the regulations and principles defined in this Code of Ethics, and receives reports from the "Global Compliance / Conformité" department on its work.

## 181. Novartis

2007 GRI report<sup>1</sup>

### Society - CORRUPTION

#### **SO2 (Core): Percentage and total number of business units analyzed for risks related to corruption**

100%, all reporting units (250 units) undergo a financial risk assessment to ensure compliance with internal and external financial standards and regulations. This is complemented by a self-assessment of processes related to integrity and compliance.

#### **SO3 (Core): Percentage of employees trained in organization's anti-corruption policies and procedures**

Several courses related to anti-corruption policies and procedures were conducted and partly rolled-out to target groups with special training needs. Topics include the Code of Conduct, Corporate Citizenship, Pharmaceutical Sales, Conflicts of Interest, etc.

Until the end of 2007, 84 % of invited associates have completed these courses, resulting in 247'286 hours of training. In 2007 alone, 86 % of invited associates have completed them, resulting in 54'437 hours of training.

#### **SO4 (Core): Actions taken in response to incidents of corruption**

- Cases of misconduct reported: 906
- Cases of misconduct substantiated: 290
- Dismissals/resignations (related to misconduct): 168
- Appropriate internal Business Practices Office investigation undertaken and action taken on findings.

Ensuring that our standards of ethical business conduct are put into practice is achieved through an integrated approach to decision-making, the establishment of a

system for handling complaints and through our ongoing monitoring and reporting procedures. We support an open culture in which employees are required to report violations and are protected from retaliation or penalties. We believe this is key to deterring and preventing misconduct, and provides associates with the confidence that action is taken. Violation of Novartis standards may result in disciplinary action, including dismissal.

In 2005, we established the Business Practices Office to provide the company with a formalized system for dealing with complaints of actual or suspected cases of misconduct. The Business Practices Office offers employees and external stakeholders a channel through which grievances and allegations can be submitted, without fear of reprisal or penalty. All complaints are investigated and substantiated cases are brought up to management so that appropriate action can be taken.

The Business Practices Officer (BPO) provides a rich source of information in order to identify trends, document lessons learned and propose process changes or new training courses to prevent misconduct in the future.

As part of our commitment to foster an open culture, processes guaranteeing confidentiality and non-retaliation have been implemented to help employees report allegations of misconduct. Integrity telephone lines have been introduced in 70 countries granting employees the option of reporting allegations in 51 languages. Confidential messages can be left for the BPO, who endeavors to respond within 72 hours. The BPO generally aims to turn around each case within 8 weeks.

Please refer to the Novartis Corporate Citizenship Website for further details: <http://www.corporatecitizenship.novartis.com/business-conduct/business-practice/integrity-compliance/enforcing.shtml>

### Product Responsibility - MARKETING COMMUNICATIONS

#### **PR6 (Core): Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship**

Novartis has implemented the IFPMA (International Federation of Pharmaceutical Manufacturers and Associations) Code of Pharmaceutical Marketing Practices.

<sup>1</sup>Source: [http://www.corporatecitizenship.novartis.com/downloads/managing-cc/novartis\\_2007\\_gri\\_report.pdf](http://www.corporatecitizenship.novartis.com/downloads/managing-cc/novartis_2007_gri_report.pdf)

In addition, we have developed a worldwide corporate marketing and sales practices for our Pharmaceuticals products, i.e. the Novartis Pharma Marketing Code (NP4), complemented by the Novartis Corporate Citizenship Guideline Nr 3 on Anti Bribery which contains relevant sections on grants, donations, etc. Similar policies are in place for the other Novartis divisions.

Training on marketing practices is provided online and face-to-face. A Divisional Compliance Committee, consisting of senior managers from various functions within the business, is responsible for providing guidance on application of NP 4 and there is a dedicated Compliance function within Novartis Pharma, responsible for NP4 standard. The business or marketing function is responsible for compliance with marketing standards

Please refer to the Novartis Corporate Citizenship Website for further details: <http://www.novartis.com/about-novartis/corporate-citizenship/business-conduct/business-practice.shtml>

## Novartis Code of Conduct<sup>1</sup>

### **Bribes, Business Entertainment, Gifts**

No employee shall make any payment, or kickback, or offer improper financial advantage to an official of a government or a government-controlled entity for the purpose of obtaining business or other services, as set out in the OECD Convention on Combating Bribery of Foreign Public Officials.

Legislation translating this Convention into national law has to be strictly observed. Business entertainment and business gifts to government officials, if permitted, must be in compliance with Novartis' general business expense policy and with the rules and regulations of the government agency or legislative body concerned.

Third parties must not be used to circumvent any of the policies mentioned above.

Employees having inside information about Novartis or any other company with which

Novartis is considering, for itself or for one of its affiliated companies, a strategic alliance or an acquisition, disinvestment or merger, may not sell, purchase or otherwise trade in stock, derivatives or other securities of Novartis or that other company, or disclose such information to another person.

Inside information is defined as information which an investor would consider important in deciding whether to buy or sell stock or securities. It includes, for example, confidential information about plans to acquire another company, strategic alliances, financial results, product discoveries or changes in capital structure or important agreements, e.g. with a start-up company. Public information or public data is not inside information.

Employees must refrain from disclosing inside information to anyone, including friends and family.

The restrictions with respect to inside information remain in effect until the plans, events or transactions concerned are made public and information about the event has been sufficiently disseminated in public to enable investors to evaluate it. Insider trading may lead to civil and criminal penalties.

### **Control**

Each employee shall receive a copy of this Code of Conduct. It is the duty of management to include the Code of Conduct in employee training programs. Management shall monitor compliance with the Code and, if need be, implement special monitoring programs.

Non-compliance with the Code of Conduct by employees may result in disciplinary action, including dismissals.

Novartis shall appoint a Group Compliance Officer. Sectors and Group Companies will consult with the Group Compliance Officer regarding the need to appoint compliance officers of their own.

Employees are expected to report violations of the Code of Conduct to their supervisors or to the Compliance Officer, as may be appropriate. There will be no retaliation or penalty for such reporting. This however does not result in immunity for violations.

<sup>1</sup>Source: [http://www.corporatecitizenship.novartis.com/downloads/business-conduct/code\\_of\\_conduct.pdf](http://www.corporatecitizenship.novartis.com/downloads/business-conduct/code_of_conduct.pdf)

## 182. Mizuho Financial Group

### About Mizuho – Internal Control Systems<sup>1</sup>

#### Compliance Structure

#### Compliance Activities

We have established the "Mizuho Code of Conduct," which sets forth clear and concrete standards of ethical behavior, and distributed it to all directors, senior management and employees of the group so that they are well aware of its content and act accordingly.

Each of our group companies has also prepared a compliance manual, which serves as a practical guidebook for rigorous compliance enforcement and clarifies the laws and regulations that the group companies must observe in pursuing their business activities and the compliance activities they are required to follow.

We conduct compliance training for directors, senior management and employees so that they are fully acquainted with the contents of the manual. We monitor the status of compliance levels through self assessments conducted by individual organizational units and monitoring conducted by the compliance division of each company.

Every fiscal year, each of our group companies establishes a compliance program, which contains concrete measures for compliance enforcement such as measures related to the management of the compliance framework, training and assessments. Progress regarding the implementation of the compliance program is monitored every six months.

#### "Internal Controls and Audit Hotline"

- A system designed for obtaining concerns regarding questionable accounting or auditing matters -

- Reporting Items:

MHFG has established a hotline to receive reports from in and outside the company in connection with problems concerning internal controls and audits of accounts and financial reports.

- Contact Point:

This hotline has been established within an external law office. Please use conventional mail or e-mail for reporting.

Conventional mail:

6F Round-Cross Ichibancho Bldg., Ichibancho 13-banchi, Chiyoda-ku, Tokyo 102-0082

Mizuho Accounting Hotline, c/o Ohta Ishii Law Office

E-mail : mizuho-kaikei@ohta-ishii.com

- When reported matters are within the scope of the reporting items, MHFG will do reasonable efforts to investigate the facts behind the information received and report back on the results.
- Anonymous tips are also acceptable, but there are cases where it will not be possible to fully satisfy the intentions behind such tips owing to constraints on investigations and the inability to report back.
- Information on persons making such reports is not disclosed to third parties other than the group companies except in cases where the assent of the person in question has been obtained or such disclosure is required under laws and ordinances, etc.

<sup>1</sup>Source: <http://www.mizuho-fg.co.jp/english/company/internal/compliance.html>

## 183. BHP Billiton

Sustainability Report 2008<sup>1</sup>

### Hierarchy of Systems and Documents

#### Monitoring and Follow-up

Our HSEC Management Standards guide our approach to monitoring and follow-up on sustainability issues. Specifically, Management Standard 13 (Incident Reporting and Investigation) requires that HSEC incidents, including near misses, are reported, investigated and analysed. Corrective and preventative actions are taken, and learnings are shared.

The Company's Code of Business Conduct also provides additional guidance on monitoring, reporting and follow-up on such issues as business conduct, bribery and corruption, which affect the sustainability of our business.

Read more:

- Business Conduct
- Incident Reporting and Investigation

### Key Management Process

#### Code of Business Conduct

The BHP Billiton Code of Business Conduct is founded on our Charter, which states that the Company cares as much about how results are obtained as it does about delivering good results.

The Code of Business Conduct applies to our entire workforce regardless of the specific job or location. It provides employees and contractors with direction and advice on conducting business and interacting with governments, communities and business partners. This includes clear guidelines on general workplace behaviour, as

well as policies, standards and guidelines on a wide range of ethical issues, such as conflict of interest, financial inducements and bribery, insider trading and political contributions.

The Code and its principles are embedded throughout the organisation, with managers and supervisors held accountable for not only their actions but also the actions of their staff. This starts at the most senior level of the Company, with the CEO requesting annual written confirmation from his direct reports that they and their direct reports have read the Code and have discussed its contents. Starting in fiscal year 2008, this process will be formalised via the US Securities and Exchange Commission Form 20-F Certification Process.

Internal performance requirements regarding business conduct are included in our HSEC Management Standards (PDF 148KB). Distribution of the Code to employees and contractors, as well as presentation and discussion of its principles, is monitored and reported through the Company's HSEC audit program.

#### Regional Helplines

Resolution of business conduct issues is encouraged at the local level. If this is not possible, the issue can be raised with regional points of contact or the telephone-based Business Conduct Helplines based in southern Africa (Johannesburg), Europe (London), Australasia (Melbourne), North America (Houston) and South America (Santiago). Confidentiality is respected by helpline advisors to the highest degree possible. Employees who raise genuine concerns will not be subject to retribution or disciplinary action.

#### Risk Management

[...] Our risk management approach also considers corruption. This includes such practices as bribery, fraud, extortion, collusion and conflict of interest, which in this context include an offer or receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something that is dishonest, illegal or a breach of trust in the conducting of our business. We recognise and actively work to address the risk that corrupt activities may be undertaken by management, employees or third parties, such as suppliers and customers. [...]

<sup>1</sup>Source: <http://www.bhpbilliton.com/bbContentRepository/docs/fullSustainabilityReport2008.pdf>

## Our Stakeholders

### Stakeholder Grievances and Concerns

Mechanisms to address grievances and concerns have also been established. Operating sites are required to maintain a register of concerns, complaints and relevant external communications. Concerns and complaints are to be investigated as official incidents, using our standard investigation processes, and outcomes and actions are reported back to relevant stakeholders. The confidential Business Conduct Helpline and email address provide a further means for raising issues of actual or potential concern, such as harassment, conflict of interest, fraud or bribery.

### Business Conduct

In FY2008, we advanced our project to review of the manner in which we promote acceptable business conduct at BHP Billiton. The project has three objectives:

To revise the Guide to Business Conduct to reflect changes in our business operating environment and to incorporate recommendations from the internal review into matters associated with the Commission of Inquiry into the UN Oil-For-Food Program.

To develop training and communication tools and processes to embed appropriate business conduct within BHP Billiton; and To devise an appropriate compliance and reporting system.

In July 2008 the Group Management Committee approved the revised Guide now called the Code of Business Conduct: Working with Integrity (the Code). The revisions followed extensive consultation with internal and external stakeholders. The Code is supported by mandatory Group-level policies, standards and procedures. These include several new standards, including those covering conflict of interest, gifts and hospitality and anti-bribery, which directly relate to business conduct risks identified by the project. A procedure setting out the mandatory requirements for how business conduct issues are managed across the Group will also be introduced.

A communications plan to embed the Code has been developed that will encourage a more systematic approach to ensuring that employees have an opportunity to learn

about the behaviours expected of them. This plan is designed to drive a simple, strong and effective “top-down” message, where the leaders across the Group tell the story, and “bottom-up ownership”, through face-to-face conversations and on-line engagement designed to deliver clear communication and effective training.

A new compliance requirement has been introduced that requires senior leaders to attest to the manner in which business conduct has been addressed. Leaders will be asked to confirm that they have:

1. Undertaken activities to promote and embed the contents and behaviours described in the Code such that all employees and contractors understand the importance and relevance of the Code to their role, the workplace, and the Company's success
2. Undertaken activities to promote understanding of everyone's responsibilities to report violations of the Code through existing systems (including Human Resources and Business Conduct) and the obligation to support a workplace where genuine concerns can be raised without fear of retribution
3. Demonstrated the importance of taking action where transgressions occur and of sharing the learnings from the experience.

In addition to this activity, a broad compliance system, including auditing of the Business Conduct-related standards by Group Audit Services is under development. Management Level Controls continue to be audited across the Group in relation to our obligations under Sarbanes Oxley legislation in the United States.

### Analysis of Business Conduct Enquiries

The helpline service received 133 enquiries in FY2008, compared to 90 in FY2007. Helpline enquiries are analysed according to the subject areas articulated in the Code. This analysis indicates:

- Eighteen enquiries (or 14 per cent of total) related to equality in employment issues.
- Sixteen enquiries (or 12 per cent of total) related to conflicts of interest issues.

Conflicts of interest-related queries have represented an average of 12 per cent of all queries over the two years to FY2008, suggesting that this is an area where employees find it helpful to seek independent advice in resolving uncertainties or concerns that they have about appropriate actions.

- Ten per cent of enquiries related to gifts and entertainment.

Analysis by region reveals 80 enquiries, or 60 per cent, were raised from our sites and offices in Australia and Asia, with a further 16 per cent from South America, 13 per cent from North America and 8 per cent from Africa. The predominance of Australian-based enquiries has existed since the helpline system was established. We believe that this reflects a higher degree of confidence and awareness of the helpline by Australian-based employees rather than systemic business conduct issues in that region. The communications and training strategy developed as part of the Business Conduct Review Project aims to improve awareness of and confidence in the helpline system in all regions.

All sites maintain risk registers as part of our Enterprise-wide Risk Management system; these registers include such business conduct risks as corruption, conflict of interest and gifts and hospitality. In addition, acts of corruption are tracked by our fraud and misappropriations reporting process, which is managed by Group Audit Services, and reported to the Risk and Audit Committee of the Board.

In FY2008, there were 32 issues raised with Group Audit Services, largely through the Fraud hotline, and related to allegations of theft, fraud, conflict of interest or other irregularities. No material incidents of corruption occurred during the year. Several investigations were investigated and not substantiated. A number of breaches of the Company's Code of Business Conduct were investigated and, where necessary, disciplinary actions were taken.

During the year there were also no reported case of anticompetitive behaviour, antitrust or monopoly practices.

In FY2009, the Business Conduct Helpline and the Fraud Hotline will be combined as one system, to be called the Business Conduct Advisory Service.

### **Enquiry Management Assurance and the Global Ethics Panel**

At each of its meetings, the Global Ethics Panel reviews the issues and actions arising from enquiries requiring followup analysis or investigation, with appropriate regard for confidential information.

Membership of the Global Ethics Panel was augmented in FY2008, with the appointment of three CSG Presidents. Panel membership continues to include two independent members who have particular knowledge and experience of contemporary aspects of ethics and culture, as well as representatives from legal, risk assessment and audit, public affairs and human resources. The Chairman of BHP Billiton's business in South Africa is also a member. The Panel is chaired by the Chief People Officer (formerly the Chief Governance Officer).

The Global Ethics Panel held three meetings in FY2008 and activities included monitoring the Business Conduct Review Project (including the development of new mandatory Group level documents for anti-bribery, gifts and hospitality, and conflict of interest) and considering ways to enhance the overall effectiveness of the system. The CEO participates from time to time and contributes to discussion on the role of values in the organisation. This topic was given priority at a Company leadership conference held in July 2008 for the organisation's leaders.

An on-line system for reporting of disciplinary actions was also developed in FY2008, which allows reporting and analysis on what disciplinary actions were undertaken for business conduct-related reasons, as well as other issues such as poor performance. It is expected that the database will also become a useful analytical tool to help improve the management of our people.

## Code of Business Conduct<sup>1</sup>

### **Working with integrity... understanding and using the Code of Business Conduct**

#### **Raising a business conduct concern**

Raising a business conduct concern ultimately protects the BHP Billiton Group, our colleagues and our stakeholders. If you think a decision or action is out of step with our Charter values or you have a concern about complying with the Code, a BHP Billiton policy, standard or procedure, any other Company requirement or the law, you have a right and a responsibility to raise that concern.

#### **Within your business**

If you are unsure about the meaning of any part of the Code or have concerns about how it is being applied, you should immediately raise this with your supervisor or manager. Where this is not possible or it is inappropriate to do so, contact your Human Resources; Health, Safety, Environment and Community (HSEC) or Legal representative or other member of senior management.

If the matter is not possible to resolve or if it relates to a potential or an actual instance of fraud, contact the Business Conduct Advisory Service.

You do not need to be directly affected by an issue in order to raise it – you can report a concern that you have become aware of through your work.

While everyone is encouraged to raise a business conduct query or concern, BHP Billiton considers such action done with mischievous or malicious intent to be against our Charter values – all issues raised should be genuine.

#### **BHP Billiton Business Conduct Advisory Service**

The BHP Billiton Business Conduct Advisory Service is a worldwide service that is designed to facilitate the resolution of business conduct queries and issues.

You can contact the Business Conduct Advisory Service by telephone (including international free call), email, facsimile or mail. See the back cover of the Code for further details.

#### **Safeguarding against retaliation**

BHP Billiton prohibits any form of punishment, disciplinary or retaliatory action being taken against anyone for raising or helping to address a genuine business conduct concern. Retaliation is grounds for discipline, including dismissal.

#### **What happens when a business conduct concern is raised?**

All queries on the meaning of the Code of Business Conduct and concerns about complying with it are treated seriously and will be assessed in a timely manner. Confidentiality will be respected.

When raising a concern, you will be asked what business you work for; the nature of the issue; who is involved; and what steps you have taken so far to address the issue.

The course of action required to address a concern will depend on the nature and severity of the issue.

Often, advice and guidance will enable you to resolve the issue yourself. If you cannot resolve the concern or a concern requires referral, assessment or investigation, you will be advised on the next steps to be taken, the likely timeframe, and the process for receiving feedback.

#### **Confidentiality is respected**

When you raise a concern, your identity and the information you provide will be shared only on a 'need-to-know' basis in order to address the concern, as required by law or otherwise with your consent.

You may choose to remain anonymous when raising a concern with the Business Conduct Advisory Service, and suitable arrangements can be made to enable follow-up communication. However, you are encouraged to provide your name and contact details, especially if the issue requires further assessment or investigation.

<sup>1</sup>Source: <http://www.bhpbilliton.com/bbContentRepository/docs/workingWithIntegrity.pdf>

### **Obligations of those responding to concerns**

Employees, including Business Conduct Advisors, responding to a business conduct concern are obliged to:

- Treat all concerns seriously and, as far as possible, in confidence
- Respond to issues raised in a prompt and professional way, taking into account Company policies, standards and procedures
- Provide accurate information and advice consistent with this Code, or seek the advice of experts with the right knowledge and objectivity.

### **Breaches of the Code**

Failing to comply with required BHP Billiton behaviours (as outlined in our policies, standards and procedures) is viewed by the Company as a serious matter that must be addressed by management and may lead to disciplinary action, up to and including termination of employment.

Supervisors and managers will be held accountable not only for their own business conduct, but also for that of their staff.

Where, following an inquiry, BHP Billiton is satisfied that a breach has occurred, the nature of any disciplinary or other action will be determined by relevant management, in consultation with other appropriate sources of advice (for example, Human Resources and Group Legal).

The nature of any action will depend on the seriousness of the breach and other relevant circumstances. Examples of disciplinary action that may be taken include a discussion with a manager about desired behaviour, a verbal or written warning, counselling on misconduct, transfer to a position with a lower level of responsibility, suspension and dismissal.

If the situation involves a violation of law, the matter may also be referred to the appropriate law enforcement authorities for consideration.

In addition to failing to comply with required BHP Billiton behaviours, misconduct that

may result in discipline includes:

- Requesting others to breach BHP Billiton-mandated behaviour
- Failing to raise promptly, known or suspected breaches of BHP Billiton policies, standards or procedures
- Failing to cooperate in investigations of possible breaches regarding your own behaviour
- Retaliation against another person for reporting a business conduct concern
- Failing to demonstrate leadership and diligence to ensure compliance with BHP Billiton behaviour and the law.

### **Working with integrity... with our communities and our governments**

#### **Working with governments**

BHP Billiton respects the authority of governments wherever we conduct business. We will maintain honest relationships with governments and their agencies, officials and personnel.

BHP Billiton's ability to conduct business is directly affected by government decisionmaking, and it seeks to have open and constructive relationships with governments. BHP Billiton regularly shares information and opinions with governments on issues that affect its operation. Such exchange of information and opinions is essential to informed decision-making by both governments and BHP Billiton.

Employees and others who provide information to governments on behalf of BHP Billiton must ensure that all information is accurate and appropriate for the purpose. Errors or omissions may damage BHP Billiton's reputation and credibility and could be illegal.

Employees and others who make representation on behalf of BHP Billiton on government matters must comply with all applicable laws and regulations relating to

corporate participation in public affairs.

**Always...**

- Be truthful, accurate, cooperative and courteous when dealing with government or regulatory agency officials
- Notify and seek advice from your business's most senior manager and your Group Legal representative if you receive a non-routine request from a government or regulatory agency official
- Stand firm against possible corruption and be aware that it may be more complex and take longer to do business in countries where government officials or others may not be paid as well or as promptly as their counterparts in wealthier nations.

**Never...**

- Offer anything of value to a government official to obtain an actual or perceived improper advantage
- Fail to meet proper and legal government contract requirements, such as failing to perform required tests and inspections, without the written approval of the authorised government official
- Attempt to obstruct the lawful collection of information, data, testimony or records by appropriately authorised government or regulatory officials or hinder the lawful and proper provision of such information by another employee
- Take action against anyone who lawfully and properly cooperates with government or regulatory agencies.

**Be cautious of...**

- Accepting information about a government's competitive selection of a supplier or a competitor's bid or proposal (unless the government has specifically and lawfully authorised the release of the information)

- Offering or accepting gifts or hospitality or requests to reimburse costs when dealing with government officials, so as to protect the reputation of BHP Billiton against allegations of improper behaviour
- Negotiating for the employment of a government official or government official's family members while the official has the ability to influence decision-making about BHP Billiton
- Employing government security forces to manage a BHP Billiton site or asset-based security as there can be potential for negative interactions between government security forces and host communities.

**Working with integrity... with our business partners**

**Bribery and corruption**

BHP Billiton prohibits bribery and corruption in all its business dealings in every country. Bribery involves making a payment of any value to any person deliberately to distort a proper decision-making process, to influence a person's decision, to encourage them to secure an improper commercial advantage, or to enter into a dishonest arrangement.

Most countries have laws prohibiting bribery and corruption. Many countries have laws that prohibit this even when it is committed outside the country.

A breach of these laws is a serious offence, which can result in fines on the Company and employees and the imprisonment of employees. Even the appearance of a breach of these laws can have a serious reputational impact on the Company.

The health and safety of those working for BHP Billiton is paramount. If you have good reason to believe that you cannot escape serious harm unless you meet a demand for payment, it would be permissible to make such a payment. You must report such incidents to your supervisor or manager without delay. The incident must then be reported to Group Legal and your Customer Sector Group President or Group Function Head.

### Facilitation payments

BHP Billiton discourages the making of facilitation payments, which are payments involving small sums to low-level government officials to obtain routine services to which BHP Billiton is otherwise legally entitled.

In some countries, the law contains an exception to allow the making of such payments.

This exception exists in the US and Australia, but not in the UK. If facilitation payments are made anywhere in the world, both BHP Billiton and any individual concerned may be held criminally liable under UK law. However, UK Trade & Investment has said that: 'Blanket exceptions are always liable to misuse and we do not think it is appropriate to make an exception to facilitation payments. However, we do not envisage any circumstances in which the making of a small facilitation payment, extorted by a foreign official in countries where this is normal practice, would of itself give rise to a prosecution in the UK.'

In countries where we are likely to experience requests for facilitation payments, clear guidance will be issued by the relevant Customer Sector Group President or Group Function Head as to whether a facilitation payment may be made and in what circumstances.

If you are asked to make a facilitation payment you must:

- Act in accordance with the relevant country guidance. If the circumstances fall outside the endorsed guidance, then you must notify your manager immediately to enable them to assess whether the payment is permitted and to obtain any legal advice
- Promptly report the request to your supervisor or manager.

Reports on facilitation payments must state:

- why the payment was unavoidable
- the amount
- date
- purpose
- recipient of the payment.

### Always...

- Conduct appropriate due diligence in selecting and engaging third parties
- Communicate our anti-bribery requirement to third parties via a formal contract and ensure that third party activities are monitored and audited over the life of their contract
- Make sure you fully understand applicable legal requirements, the recipient's own rules and our approach to offering or accepting gifts and hospitality
- Ensure that all expenditure is accurately recorded
- Anticipate and plan in advance for new or potential circumstances where bribery or corruption may occur
- Acknowledge the necessity of compliance with anti-bribery laws when setting key performance indicators (KPIs) and do not penalise individuals and teams for failing to meet KPIs as a result of such compliance
- Immediately report any indication of improper payments or a concern you may have regarding the legitimacy of a payment in cash or in-kind that BHP Billiton is intending to make. If you are dissatisfied with the outcome of the discussion, raise the matter with a more senior manager, your relevant Group Legal representative or contact the Business Conduct Advisory Service.

### Never...

- offer anything of value to a government official or other person to obtain an actual or perceived improper advantage
- Allow secret commissions, 'kick-backs' or similar corrupt payments to be made. This includes arrangements made with politically influential individuals, companies or organisations where the fees are disproportionate to the legitimate services offered
- Make a payment to any person (in cash or in-kind) for a service for which BHP Billiton is not normally entitled. Examples include paying a public official to work overtime, to work during local holidays or to undertake duties beyond the scope of their normal job description
- Do anything to encourage or facilitate someone else, including an agent or representative of BHP Billiton to make an improper payment
- Establish an unrecorded 'slush' fund.

### Be cautious of...

- Agreeing to demands for facilitation payments to expedite a routine administrative action
- A commission that is disproportionate to the services provided
- Any request to make a payment that appears suspicious or to a name not related to the transaction, including but not limited to a charity or foundation
- Background information about existing or potential third-party representatives that suggest they may be undertaking activities that could be considered improper.

### Conflict of interest

BHP Billiton respects the privacy of its employees. However, on the job or in your personal time, nothing you do should conflict with your responsibility to BHP Billiton or compromise, or appear to compromise, the quality of your work performance, your commitment to your work and your ability to make impartial business decisions.

A conflict of interest arises when an employee is in a decision-making position and participates in an activity or acquires another interest or loyalty that jeopardises, or could jeopardise, his or her judgement, objectivity or independence.

Conflicts of interest can arise in many ways, but common examples involve:

- Holding outside jobs and affiliations
- Jobs and affiliations of close relatives
- Investments
- Offering or accepting gifts and hospitality
- Pursuing BHP Billiton business opportunities for personal gain.

Business dealings and personal relationships that cause or may cause conflicts of interest or create the appearance of a conflict or potential conflict with an individual's obligations to BHP Billiton must be avoided.

You must excuse yourself from any decisionmaking process where you have an interest that influences, or may be perceived as influencing, your ability to make an objective decision and to fulfil your responsibilities to BHP Billiton.

You must promptly advise your supervisor or manager in writing of any outside activities, financial interests or relationships that may involve you either in an actual conflict of interest or the appearance of one.

Your supervisor or manager will ensure that the matter is properly reviewed. This will include considering whether it is appropriate for you to resume any discussions or activities that involve the conflict.

### **Always...**

- Conduct all business relationships in a professional, impartial and competitive manner
- Avoid business dealings and personal relationships that cause or may cause conflicts of interest (actual or potential) or create the appearance of a conflict with your obligations to BHP Billiton
- Advise your supervisor or manager in writing of any outside activities, financial interests or relationships that may either involve you in a conflict of interest or the appearance of one
- Obtain appropriate approval before accepting an officer or director position with another company or organisation
- Exercise good judgement when deciding to offer or accept gifts and hospitality
- Excuse yourself from any decision-making process where you have an interest that influences, or is perceived as influencing, your ability to make an objective decision and to fulfil your responsibilities to BHP Billiton.

### **Never...**

- Hold positions in organisations that have business dealings with BHP Billiton (including competitors, customers or suppliers, or your own or family business) if you are in a position to influence transactions or if the relationship itself creates an actual, potential or perceived conflict of interest
- Hire, promote or directly supervise a close relative, unless this has been specifically authorised
- Offer or accept gifts or hospitality from an organisation involved in a bid or tender with BHP Billiton
- Request a personal gift or hospitality of a supplier, customer or partner. This includes both direct requests and giving the impression that the offering of a gift

or hospitality would be appropriate or desirable

- Misuse BHP Billiton resources or your position or influence at BHP Billiton to promote or assist an external activity
- Personally pursue or undertake any opportunities BHP Billiton could have an interest in and that are identified through your position at BHP Billiton or use of BHP Billiton information or property.

### **Be cautious of...**

- The offer of personal discounts or other benefits from suppliers, service providers or customers that the general public or your peers do not receive, unless this has been organised by your operation's approved social club
- Investing in a competitor, customer, partner or supplier of BHP Billiton. While such activity would not automatically create a conflict of interest, a conflict could arise, for example, if an employee has a material financial interest in a BHP Billiton supplier, as well as the authority to influence BHP Billiton contracts with that supplier.

### **Gifts and hospitality**

Offering or accepting gifts and hospitality is a legitimate contribution to building good business relationships. It is important, however, that gifts and hospitality never unduly influence business decision making or cause others to perceive an undue influence.

BHP Billiton employees must exercise the utmost care when offering or accepting gifts and hospitality in order to protect their reputation and BHP Billiton's reputation against allegations of improper behaviour and to ensure that bribery laws are not breached.

Offering or accepting gifts and hospitality must always be done in accordance with the law and local business practice – for example, where the exchange of gifts is customary and the gifts are appropriate for the occasion – and be disclosed to your

supervisor or manager.)

In principle, gifts and hospitality should only be offered or accepted if they are occasional and of modest value. Determining what is occasional and modest value is a matter of judgement. As a guide, the higher the monetary value of the gift or hospitality, the greater the level of transparency that is required. Gifts and hospitality should be disclosed to your supervisor or manager.

Tips (or gratuities) should be paid according to local customs and practices, and not be excessive or more than local standards.

Gifts or hospitality of any kind must not be solicited from a supplier, customer or other party with whom BHP Billiton conducts business.

As a general rule, offers to employees of sponsored travel are to be rejected (frequent flyer redemption travel is not considered an offer). If there is a valid business purpose to attend an event or function, BHP Billiton will pay for any travel and/or accommodation costs. Where practical alternative means of travel or attendance at BHP Billiton expense are not available, you should refer the matter to a senior executive for consideration. Sponsored travel is not made acceptable by being undertaken during a period of leave.

In some limited circumstances, as part of an approved BHP Billiton-hosted event or sponsorship program, the cost of travel and accommodation associated with hosting BHP Billiton business partners may be met by BHP Billiton where there is a clear business case to do so.

It is prohibited to offer or accept:

- Loans, cash or personal cheques
- Product or service discounts that are not available to all employees, unless arranged by a BHP Billiton-approved social club
- Gifts, favours or any form of hospitality or entertainment in return for, or in exchange for, business services or information. (Such action may create an actual or perceived conflict of interest or may give the impression of anti-

competitive behaviour.)

- Gifts or hospitality of an inappropriate nature (for example, sexually oriented) or at inappropriate venues
- Gifts and hospitality not designed to further a valid business purpose or relationship.

#### **Always...**

- Ensure gifts and hospitality are modest and comply with applicable laws, regulations, and local customs. Use good judgement in deciding what is 'modest', bearing in mind that the local value of what is 'modest' is relative and is a function of the average local income and standard of living
- Ask what the recipient's employer's policy is and take that into consideration in offering gifts or hospitality, especially to government officials
- Clearly articulate BHP Billiton practices on the offering and accepting of gifts and hospitality at the beginning of new business relationships, especially where cultural norms may be different to those outlined in the Code
- Assess the potential for a conflict of interest when offering or accepting gifts or hospitality
- Be prepared to decline politely any offer not in line with our practices
- Regard gifts or hospitality received through an intermediary as the same as those given directly.

#### **Never...**

- Accept or offer prohibited gifts and hospitality
- Accept or offer gifts, favours or hospitality from any organisation involved in a bid or tender with BHP Billiton. (This does not include working meals provided by advisors or consultants acting for the Company)

- Request a gift or hospitality of any kind from a supplier, customer, partner or other party with whom BHP Billiton does business (this includes both direct requests and giving the impression that the offer of a gift or hospitality would be appropriate or desirable)
- Personally pay for a gift or hospitality in order to avoid complying with BHP Billiton standards.

**Be cautious of...**

- Exchanging gifts or entertainment with representatives of BHP Billiton's competitors, as such action may create an actual or perceived conflict of interest or may give the impression of anti-competitive behaviour.

## 184. PepsiCo

PepsiCo Corporate Sustainability Report 2006 ~ 2007<sup>1</sup>

### Code of Conduct

PepsiCo has had a Code of Conduct since 1976. It is regularly updated and it applies to all employees and to all divisions and subsidiaries. It is communicated to all our employees annually. PepsiCo's Code of Conduct is made available on-line and in 30 languages.

Our Code of Conduct includes sections on:

- PepsiCo's Mission
- Respect for Our Employees/Diversity
- Customers, Suppliers and Competitors
- Global Relations
- Business Gifts and Payments
- Health and Safety Environment
- Political and Community Activities and Contributions
- Conflicts of Interest
- Insider Trading and Proprietary Information
- Accounts and Record Keeping
- Protection and Use of Company Assets
- Reporting Code of Conduct and Other Ethics Issues
- Responsibility for Compliance

In addition to our Code of Conduct, we have specific policies regarding key topics such as the International Anti-Bribery Compliance Policy, Anti-Harassment/Discrimination Policy, Customer Trade Agreement Policy, Disclosure

Policy, Equal Employment Opportunity Policy, Environmental Policy, Human Rights Workplace Policy, Information Security Policies and Travel and Entertainment Policy. These policies apply to all of our associates worldwide.

Specific employees, including management and any individual with access to sensitive information or in a position to acquire goods and services, are required to complete mandatory web-based training on our Code of Conduct and to certify their compliance with the Code. Each year, we distribute and communicate the Code to employees. In addition, we regularly communicate and reinforce our Code of Conduct and our Values through a variety of means, including in-person training, Town Hall meetings, articles in our daily in-house e-newsletters, information on our intranet, management presentations and awards for ethical behavior.

In 2005, PepsiCo established a compliance and ethics leadership structure, appointing a Vice President, Deputy General Counsel, Business Practice and Compliance, who is focused on business practices, ethics and compliance.

In the event of a breach of the Code of Conduct, appropriate disciplinary action is taken, ranging from counseling to termination, depending on the type and seriousness of the matter. PepsiCo's outside auditor receives reports regarding potentially significant violations that relate to fraud, accounting, auditing and internal control matters. The Audit Committee also receives regular reports regarding compliance with the Code of Conduct. In order to maintain the confidentiality and anonymity of PepsiCo's hotline, PepsiCo does not publicly report on breaches of its Code of Conduct or other policies.

Any reports of potential corruption are investigated immediately under the direction of the Law Department. If employees are found to have engaged in questionable behavior they will be disciplined accordingly. When appropriate law enforcement authorities are notified, PepsiCo cooperates with law enforcement activity to the fullest extent possible.

Anti-corruption policies and procedures are included in our Code of Conduct. In addition, PepsiCo's International Anti-Bribery Policy was communicated to all Corporate and PepsiCo International employees in 2006 and web-based training was provided to approximately 15,000 employees on this Policy in 2007.

<sup>1</sup>Source: <http://www.pepsico.com/Downloads/Sustainability-2007.pdf>

### **Speak Up**

To promote high ethical standards and open communication across a global organization, we ensure that employees have clear lines of communication to report potential issues. We have a telephone hotline called “Speak Up” for this purpose. It is accessible from around the world at no charge to employees. To further ensure an environment that fosters open communications, employees may remain anonymous. The availability of the Speak Up line is communicated across PepsiCo. Types of incidents that may be reported through the Speak Up line include, but are not limited to:

- Employee mistreatment
- Discrimination, including sexual harassment
- Product tampering
- Substance abuse
- Falsifying Company records
- Accounting irregularities
- Questionable business practices
- Fraud or theft
- Criminal conduct
- Impermissible gifts
- Safety hazards

### **WORLDWIDE CODE OF CONDUCT<sup>1</sup>**

#### **BUSINESS GIFTS AND ENTERTAINMENT**

Our business decisions are made on merit. Therefore, we will never give or offer, directly or indirectly, anything of value to a third party, including a government official, political party or candidate, to corruptly influence that person’s business decision or gain an unfair advantage. We will observe PepsiCo’s International Anti-Bribery Policy at all times.

Giving gifts or entertainment to governmental officials is highly regulated and often prohibited. Such gifts and entertainment should not be provided unless you have received Law Department approval. Gifts or entertainment given to or received from customers or suppliers must never influence, or appear to influence, business decisions. There must be a legitimate business purpose for any business gift or entertainment, it must be in good taste and it must be consistent with the law, with the giver’s and receiver’s policies, PepsiCo’s policies and your function/division policies (including the Travel and Entertainment Policy). If business gifts are permitted under your function/division policies, they must be nominal in value and frequency. Customer and supplier meals and entertainment must be reasonable in cost and frequency and consistent with guidelines established by PepsiCo or your function/division.

#### **REPORTING POTENTIAL VIOLATIONS OF THE CODE OF CONDUCT**

PepsiCo expects its employees, contractors, agents, customers and suppliers to promptly report any conduct or situation that she/he believes conflicts with this Code or violates a local, state or federal law to their immediate supervisor, Human Resources or through the PepsiCo Speak Up line at:

- 1-866-729-4888 (from the U.S., Canada, Puerto Rico and U.S. Virgin Islands)

For a list of phone numbers for all other countries, go to:

- [http://www.pepsico.com/PEP\\_Citizenship/CodeofConduct/SpeakUp/index.cfm](http://www.pepsico.com/PEP_Citizenship/CodeofConduct/SpeakUp/index.cfm)

<sup>1</sup>Source: [http://www.pepsico.com/Downloads/Worldwide-Code-Of-Conduct/ENGLISH\\_08.pdf](http://www.pepsico.com/Downloads/Worldwide-Code-Of-Conduct/ENGLISH_08.pdf)

Reports can be made anonymously, and the Speak Up line is available toll-free 24 hours a day. PepsiCo is committed to reviewing any report made in good faith in a prompt manner and taking remedial action when appropriate. Every affected employee is required to fully cooperate with any inquiry that results from any reported conduct or situation.

PepsiCo is also committed to protecting the rights of those individuals who report these issues to PepsiCo. Any PepsiCo employee who is found to have engaged in retaliation against any employee who has exercised his/her rights under this Code or under applicable laws will be subject to appropriate remedial action. In addition, those individuals who violate applicable law may also be subject to civil and criminal penalties.

## 185. Landesbank Baden-Württemberg

Sustainability Report 2006/2007.<sup>1</sup>

**With updated 2007 Environmental Statement.**

### **Corporate Governance**

#### **Corruption**

Risk is generally the focus of system and functional audits at LBBW. These audits also regularly include random testing to ensure proper settlement of business transactions. The regularity audit also includes corruption issues.

During the period under review, we did not discover any incidents of corruption among our employees. For this reason, no personnel measures were implemented in this regard.

### **USA Patriot Act – Anti Money Laundering<sup>2</sup>**

#### **Money laundering Deterrence and Know your Customer Corporate Policy/Correspondent Accounts for foreign Banks**

The information contained in this Certification is sought pursuant to Sections 5318(j) and 5318(k) of Title 31 of the United States Code, as added by sections 313 and 319(b) of the USA PATRIOT ACT of 2001 (Public Law 107-56) Landesbank Baden-Württemberg a public sector bank is fully answerable to the German supervisory authorities.

In Germany the legislative body as well as the supervisory authorities have set high standards to prevent money laundering, terrorism and organized criminal activities. LBBW has carefully incorporated these standards and developed extensive anti-money-laundering and anti-terrorist-financing-policies and -procedures. The relevant procedure manuals define at high level the policies and principles for managing the

risks of involvement of such illegal activities. They provide the bases to further develop specific policies and operational procedures within each business line, and support their implementation. Furthermore, they support the foreign offices to meet group wide standards.

All international branches and subsidiaries are required to meet LBBW's stringent standards and must also comply with all applicable local laws and regulations of each jurisdiction. LBBW is supervised by the banks money-laundering officer who is responsible for ensuring LBBW is in compliance with money laundering deterrence and detection procedures. These procedures include the review of customer transactions for consistency with their normal legitimate business and personal activities. Unusual transactions are reported to the criminal investigation department.

All staff are regularly required to read and acknowledge the general instructions on money laundering. The guidelines require that staff be alert to and report any illegal, suspicious or unusual activities.

All staff are required to complete a group-wide technology-based Anti-Money-Laundering training programme customized which is tailored to job-specific tasks according to job-responsibilities, line of business and legal jurisdiction.

The Federal Republic of Germany also is a member of the Financial Action Task Force on Money Laundering.

For further confirmations, please contact the Bundesanstalt für Finanzdienstleistungsaufsicht » (www.BAFIN.de » ), Graueindorfer Straße 108, 53117 Bonn.

<sup>1</sup>Source: [http://www.lbbw.de/imperia/md/content/lbbwde/engagement/nachhaltigkeit/sustainability\\_report\\_2007.pdf](http://www.lbbw.de/imperia/md/content/lbbwde/engagement/nachhaltigkeit/sustainability_report_2007.pdf)

<sup>2</sup>Source: <http://www.lbbw.de/lbbwde/1000008166-en.html>

## 188. Intel

Intel 2007 Corporate Responsibility Report<sup>1</sup>

### Governance and Ethics

For many years, the Intel Code of Conduct has guided the behavior of employees, officers, and non-employee directors. Our Code of Conduct includes business principles and guidelines that promote honest and ethical conduct and deter wrongdoing, as well as support compliance with applicable laws and regulations. The principles embodied in our Code of Conduct also express our policies regarding protecting the environment, health and safety, nondiscrimination, bribery and anti-corruption, conflicts of interest, privacy, and protecting our company assets and reputation. Our Code of Conduct is the cornerstone of Intel culture, our compass for consistently acting with uncompromising integrity as we build trusted relationships around the world.

In 2007, we refreshed the Intel Code of Conduct, including localizing, translating, and enhancing it with new learning aids. The refreshed Code of Conduct and its accompanying enrichment tools and intranet site provide greater accessibility, understanding, and support for employees facing ethical challenges in their day-to-day jobs. During 2007, more than 95% of our employees received formal training on our refreshed code.

The full text of our Code of Conduct, as well as our Principles for Responsible Business, Corporate Governance Guidelines, Board of Director membership, Board committee charters, and executive compensation data are available on our [Corporate Responsibility](#) web site.

### How We Manage Our Supply Chain

#### Case Study: Upholding Our Standards

We have a thorough screening process for our suppliers, and we work closely with them to maintain high levels of quality, productivity, and ethical behavior. The process involves clearly communicating intentions and expectations, defining measures of success, obtaining regular feedback, and implementing corrective action plans to improve performance. Even with all of these steps, sometimes issues involving unethical behavior arise.

One example is a situation that occurred at our operations in Malaysia in which we received anonymous tips alleging unethical behavior such as kickbacks by Intel employees and contractors. We launched an internal investigation with staff from Security, Human Resources, Legal, and Internal Audit. The team conducted hundreds of interviews with Intel employees and suppliers, and reviewed thousands of documents, including encrypted files on computers and e-mail messages.

Eventually, the investigation identified a complex web of multiple suppliers and Intel employees involved in unethical behavior such as corruption, improper payments, stealing and reselling assets, selling confidential information, and improperly using our computer assets. As a result of these findings, we took disciplinary actions against almost 40 Intel employees and 15 suppliers, all in accordance with Malaysian Labor Law and the Domestic Inquiry process. We terminated relationships with six suppliers and put nine on corrective action plans subject to follow-up review.

<sup>1</sup>Source: [http://download.intel.com/intel/cr/gcr/pdf/07CR\\_report.pdf](http://download.intel.com/intel/cr/gcr/pdf/07CR_report.pdf)

Additionally, a cross-organizational management team identified all performance gaps and prepared detailed improvement plans for some 13 dimensions of the Intel/supplier relationship to prevent this type of incident from occurring again.

Although this was a very disappointing incident to discover in our own operations, we believe that our internal systems are stronger and more robust as a result of it. "We understand that illegal activity goes on in this world," said Craig Brown, vice president of Intel's Technology and Manufacturing Group and director of Materials, "but we want it known to the supply community that we have zero tolerance for such activity. We will find you."

#### Case Study: Early Engagement in Emerging Markets

Although production at Intel Products Vietnam (IPV) is not scheduled to start until December 2009, conducting business with uncompromising integrity is already a key priority at the planned 500,000-square-foot factory.

Vietnam is ranked high on Transparency International's list of the world's most corrupt countries. As part of a commitment to fight corruption and improper business conduct, Intel signed a Memorandum of Understanding in August 2007 with the government-owned Saigon Hi-Tech Park (SHTP). Both parties committed to conduct business ethically and within the bounds of applicable law; to act against corruption, bribes, kickbacks, and any form of abuse of power for personal interests; and to inform their relevant agencies, subsidiaries, agents, or contractors of any violations. The signing represents the first time that Intel has entered into such an agreement with a government agency.

As part of IPV's start-up preparations, Intel held its first Supplier Day in Vietnam in the fourth quarter of 2006. During the event, we met with suppliers to set Intel Code of Conduct expectations, provide ethics training, and describe our business objectives. Materials were translated into Vietnamese, and we used case studies to illustrate key points. We allowed time for dialogue, to ensure that our expectations were understood. Since then, we have continued the dialogue with the suppliers via quarterly briefings.

We are also conducting monthly training for new suppliers in Vietnam, including setting ethics expectations. In addition, we are helping SHTP implement its own supplier training and development programs—an effort that we expect will help develop the local supply base for other companies.

Intel Code of Conduct<sup>1</sup>

### **Intel Follows the Letter and Spirit of the Law**

#### **Bribery and Anti-Corruption**

Many countries have bribery and other anti-corruption laws that are intended to prevent companies and individuals from gaining an unfair advantage and from undermining the rule of law. We must never offer or accept bribes or kickbacks, and must not participate in or facilitate corrupt activities of any kind.

This prohibition on offering or paying bribes also applies to third parties acting on Intel's behalf, such as contractors or consultants. We must never engage a third party who we believe may attempt to offer a bribe to conduct Intel's business.

When doing business with governments, consult with Intel Legal to be certain you are aware of any special rules that apply, and obtain approval from Intel Legal before providing anything of value to a government official.

### **Intel Employees Act in the Best Interests of Intel and Avoid Conflicts of Interest**

#### **Conflict of Interest Examples**

Conflicts of interest typically arise in the following situations:

- Conducting any non-Intel business that interferes with the proper performance of our roles at Intel, such as conducting non-Intel business during working hours; utilizing Intel confidential information, specialized skills or knowledge gained as an Intel employee; or using Intel property or equipment for non-Intel uses
- Offering or accepting a gift, entertainment, or other payment that could be viewed as a bribe
- Accepting any personal benefit that is or could be interpreted as being given to us because of our role or seniority at Intel or because the donors believe we might be in a position to assist them in the future

- Participating in or influencing an Intel decision that may result in a personal gain, gain for an immediate family member, or gain for someone with whom we have a close personal relationship
- Making use of business opportunities discovered or learned through the use of Intel property, information, or our positions at Intel that may result in a personal gain, gain for an immediate family member, or gain for someone with whom we have a close personal relationship
- Owning a significant interest in any business that does or is seeking to do business with Intel or is in competition with Intel, when the ownership might dilute our loyalty to Intel
- Supervising an immediate family member or someone with whom we have a close personal relationship

#### **Gifts and Entertainment**

Intel recognizes that exchanging business courtesies such as meals, entertainment, routine promotional gifts, and other items can be a part of building strong business relationships. At other times, such business courtesies are not appropriate.

Intel provides guidelines to help determine when accepting or offering such courtesies may be appropriate and when to seek advice. As customs vary throughout the world, these guidelines may differ by country.

However, there are some principles that are fixed and apply worldwide:

- We do not offer or accept a bribe, that is, anything designed to obligate a person to act improperly with regard to Intel's business
- We do not offer or accept cash or cash equivalents without approval
- We never participate in any business entertainment activity that would violate the law or embarrass Intel by its public disclosure
- We consult our Intel Legal representative before offering anything of value to

<sup>1</sup>Source: <http://www.intel.com/intel/finance/docs/code-of-conduct.pdf>

government or political party officials, as such gifts and entertainment are strictly regulated and often forbidden entirely

- We do not seek favors directly or indirectly, such as gifts, entertainment, sponsorships, or contributions from organizations doing business or seeking to do business with Intel

If you have questions, consult Intel Legal.

### **Asking Questions and Reporting Concerns**

Each employee is responsible for reading, understanding, and following the Code. Anyone who violates the code is subject to discipline, up to and including termination of employment. Anyone who violates the law may also be subject to civil and criminal penalties.

To help Intel conduct business with uncompromising integrity and professionalism, every employee has the duty to report possible violations of the law, the Code, and other company guidelines.

### **Ways to Seek Guidance and Report Concerns**

Because the Code cannot address every situation, you will need to seek guidance whenever unsure of the correct course of action. Intel offers many ways to get information and ask questions about the Code.

Consistent with Intel's Open Door process, address the issue with your manager or with any other person in the management chain, including the Executive Office or any officer of the corporation.

Address ethics and legal questions and concerns with the internal groups who specialize in handling such issues at Intel, including Internal Audit, Intel Security, Intel Legal, and Human Resources Legal.

Report concerns using the Ethics Reporting Form at [EthicsandCompliance.intel.com](https://ethicsandcompliance.intel.com), which allows for anonymous reporting. You have an obligation to report any potential

or actual violations of the law, the Code, or other Intel guidelines, so they may be investigated. Intel takes all reports seriously, looks into the matter, and takes appropriate action.

### **Non-Retaliation Policy**

Intel does not tolerate any retaliation against anyone who in good faith reports possible violations of law, the Code, or other company guidelines, or who asks questions about on-going or proposed conduct. Employees who attempt to retaliate will be disciplined.

Employees who believe they have experienced retaliation for reporting possible violations should contact a local representative in Human Resources or Intel Legal.

## 189. Canon

Canon Sustainability Report 2008<sup>1</sup>

### **Management Systems - Compliance**

#### **Promoting Employee Awareness**

Canon Inc. and its Group companies in Japan hold a Compliance Week twice annually—once in each half of the fiscal calendar—providing employees the opportunity to contemplate the meaning of compliance and corporate ethics and reflect on how it affects them personally. Every year during Compliance Week, over 40,000 employees take part in workplace meetings to discuss issues related to corporate ethics.

In 2007, employees confirmed that their actions were appropriate for their workplaces and areas of responsibility, examining product quality and compliance with rules and standardized practices. Opinions received from different divisions are analyzed and provided to employees as feedback, leading to further improvements.

#### **Canon's Compliance Hotline and Monitoring**

Canon Inc. maintains a Compliance Hotline and works to prevent illegal behavior. The Compliance Hotline guarantees strict confidentiality and ensures that a caller's career is not jeopardized in any way. Employees may also contact any director or corporate auditor by e-mail, not just the departments in charge of compliance. The company has set up hotlines at all Group companies in Japan and at major Group companies outside Japan.

Canon Inc. regularly monitors the correspondence and disclosures made through the hotlines. Issues that have the potential to have a material impact on management are reported to the Corporate Ethics and Compliance Committee.

<sup>1</sup>Source: <http://www.canon.com/environment/report/pdf/report2008e.pdf>

## 190. Altria Group

Altria Code of Conduct for Compliance and Integrity<sup>1</sup>

### Conducting Business

#### Money Laundering And Contraband

Products traded in violation of excise tax, customs or other fiscal laws have different names—“contraband,” or “smuggled goods” are among them. Law enforcement officials are appropriately concerned about contraband trade and its connection with another criminal activity—“money laundering.” The policy for all Altria Group companies is clear: We will not condone, facilitate or support contraband or money laundering; and we will help law enforcement agencies and federal and state governments prevent illegal trade involving our companies’ products.

What Is Contraband? Contraband — sometimes called “smuggled goods” — are goods traded in violation of tax or customs laws.

What Is Money Laundering? Money laundering is the process by which individuals or entities try to conceal illicit funds, or otherwise make the source of their illicit funds look legitimate.

Monetary Receipts. Each Altria company should take appropriate measures to avoid receiving cash or cash equivalents that are the proceeds of crime.

You should consult your company’s policies or Finance support for guidance on topics such as:

- Acceptable forms of payment.
- Requirements that all payments be in the currency of the invoice.
- Prohibitions against third-party payments except in limited circumstances.
- Compliance with all reporting and recording rules, such as reporting cash transactions over \$10,000 to U.S. authorities.
- Requirements that payments for each invoice or group of invoices be made by a single instrument.

- Careful scrutiny of any request for an overpayment.

“Know Your Customer” Guidelines. We strive to do business with firms or individuals that share our standards for compliance and integrity. You should consult your company’s policies for standards for selecting and approving customers and other business partners.

At a minimum employees must:

- Assess potential customers and vendors and, to the extent possible, confirm that they maintain a physical business presence and are engaged in legitimate trade.
- Be alert to customers’ business practices.
- Report any violation of your company’s compliance policies to your supervisor, compliance officer or Law support.

Promptly report suspicious transactions or activities by any customer to your company’s compliance officer, the Altria Chief Compliance Officer, Compliance & Integrity or Law support.

#### Conducting Business With The Government

Each year, Altria Group operating companies do business with governments.

While integrity is the foundation for all dealings with customers and suppliers, special rules apply when conducting business with the government — rules that are in some cases very different from those that apply in dealing with a commercial customer. Acceptable business practices in the commercial business environment, such as providing transportation, meals, entertainment or other things of value, may be entirely unacceptable and may even violate applicable law when we are dealing with government employees or officials, or those who act on the government’s behalf.

<sup>1</sup>Source: [http://www.altria.com/download/pdf/responsibility\\_Altria\\_Code\\_of\\_Conduct.pdf](http://www.altria.com/download/pdf/responsibility_Altria_Code_of_Conduct.pdf)

Violations can result in criminal and civil penalties. Those involved in bidding on or providing service under a government contract need to know these rules.

Basic Rules Include:

- Never seek or accept confidential bid information.
- Never offer or provide gifts, gratuities or entertainment to an official or an employee of a government entity without prior written approval of your company's compliance officer, Law support, or the designated individual under your company's governing policy.
- Know and follow anti-kickback rules, including restrictions on gifts by those seeking business from the Government and from government contractors.
- Understand "most favored customer" pricing requirements and verify compliance.
- Conform strictly to the contract's quality, quantity and testing requirements.
- Billings must always be accurate, complete, and in full compliance with all rules and regulations, including time and cost allocations.
- Be truthful, accurate and complete in all representations and certifications.
- Know your customer's rules and regulations.
- Don't initiate any employment discussions with any current or former government employee until first consulting with your Law support.
- Many governments impose special restrictions on a company's attempts to influence any procurement-related determination. Recognize circumstances under which your communications with government officials or employees may raise issues under lobbying disclosure laws and seek advice from your Law support to determine whether registration or reporting may be required.

### **International Bribery And Corruption**

The laws of virtually all countries, as well as important extra-territorial laws such as the

U.S. Foreign Corrupt Practices Act and similar laws, prohibit bribes to government officials (such as political candidates, political parties and their officials, employees of government-owned businesses, United Nations officials, etc.). A violation is a serious criminal offense for both companies and individuals, which can result in fines, loss of business privileges and imprisonment. If you have any questions about the propriety of any payment to or financial arrangement with any government official or agent, please consult your Law support.

Bribery and Corruption Laws apply to all Altria Group companies, employees, agents and representatives worldwide.

Forbid:

- Offering or giving anything of value to a government official for the purpose of obtaining or retaining business, or for any improper purpose. This includes payments to reduce taxes or customs duties.
- Making improper payments through third parties — so companies must be diligent in selecting agents and partners. Additional care is needed if the prospective agent is — or is in association with — a government official.

Require that companies keep accurate books and records so that payments are honestly described and not used for unlawful purposes.

Altria companies require more of employees — bribes are prohibited to anyone, anywhere in the world, for any reason. Remember that it is your responsibility to avoid these prohibited actions.

NEVER:

- Make an unauthorized payment, or authorize an improper payment or gift (cash or otherwise) — directly or through an agent — to a government official.
- Induce a government official or anyone else to do something illegal.

- Ignore or fail to report any indication of improper payments, gifts or entertainment.
- Establish an unrecorded fund for any purpose.
- Make a false or misleading entry in company books.
- Do anything to induce someone else to violate these rules, or look the other way when there might be a violation.

Facilitating Payments. U.S. law permits certain “facilitating payments” to non-U.S. government employees. Altria discourages these, and a payment may be made only if all the following conditions are met:

- You obtain approval from your Law support or as required by your company’s governing policy.
- It is legal in the country in question.
- It is necessary to obtain or expedite the performance of routine, nondiscretionary, legitimate, customary duties, such as mail delivery, scheduling inspections or customs clearance.
- It is requested by the government official.
- The payment is small (below \$250) and is fully and accurately recorded on the company’s books.
- It does not relate to a decision to award business to, or to continue doing business with, the company.

In some countries all such payments are considered illegal and therefore should never be made. Payments may never be made to any U.S. government employee.

If you are involved in international business, contact Law support to make sure you understand the standards that apply to your business activities, including the laws on international bribery.

## **Conflicts Of Interest, Gifts And Entertainment**

### **Receiving Gifts And Entertainment**

Altria companies have many suppliers, and suppliers are vital to our companies’ success. That is why relationships with suppliers and other third parties with which we do business must be based entirely on sound business decisions and fair dealing. Business gifts and entertainment can build goodwill, but they can also make it harder to be objective about the person providing them. In short, gifts and entertainment can create their own conflicts of interest.

“Gifts and Entertainment” includes anything of value, such as discounts, loans, cash, favorable terms on any product or service, services, prizes, transportation, use of vehicles or vacation facilities, stocks or other securities, participation in stock offerings, home improvements, tickets, and gift certificates. The potential list is endless — these are just examples.

NOTE: In some Altria companies or functions, more restrictive standards on gifts and entertainment may apply. Employees of those companies or functions must not accept any gift or entertainment that violates those standards.

Gifts and entertainment offered to Altria company employees and their close relatives fall into three categories:

#### **a) USUALLY OK**

Some gifts and entertainment are small enough that they do not require approval. Gifts or entertainment with a combined market value of \$250 or less from any one source in a calendar year are in this category (as long as they do not fall into the “Always Wrong” category, below). This means that as long as the following do not total more than \$250 from a single source in a calendar year, they do not require approval:

- Occasional meals with a business associate.
- Ordinary sports, theater and other cultural events.
- Other reasonable and customary gifts and entertainment.

Similarly, accepting promotional items of nominal value, such as pens, calendars, and coffee mugs that are given to customers in general, does not require approval.

#### **b) ALWAYS WRONG**

Other types of gifts and entertainment are simply wrong, either in fact or in appearance, so that they are never permissible, and no one can approve these. Employees may never:

- Accept any gift or entertainment that would be illegal or result in any violation of law.
- Accept any gift of cash or cash equivalent (such as gift certificates that are transferable or convertible into cash), bank check, money order, investment securities, negotiable instrument, loans, stock or stock options.
- Accept or request anything as a “quid pro quo,” or as part of an agreement to do anything in return for the gift or entertainment.
- Participate in any entertainment that is unsavory, sexually oriented, or otherwise violates our commitment to integrity, trust and respect.
- Participate in any activity that you know would cause the person giving the gift or entertainment to violate his or her own employer’s standards.

#### **c) ALWAYS ASK**

For anything that does not fit into the other categories, it may or may not be permissible to proceed; you will need to get written approval from your supervisor and your company’s compliance officer or obtain permission according to other established procedures at your company. Examples in this category include the following, when paid by a current or potential supplier or customer:

- Gifts and entertainment from a single source with a total fair market value over \$250 in any one calendar year.
- Special events — such as a World Series or Super Bowl game (these usually have a value of more than \$250).

- Travel or entertainment lasting more than a day.

In determining whether to approve something in the “Always Ask” category, supervisors and company compliance officers will use reasonable judgment and consider such issues as:

- Whether the gift or entertainment would be likely to influence your objectivity.
- Whether there is a business purpose (for example, business will be discussed as part of the event in question).
- What kind of precedent it would set for other employees.
- How it would appear to other employees or people outside the company.

#### Other Considerations on Gifts and Entertainment:

**Notifying Suppliers and Customers.** You should inform all persons with whom you are doing or seeking to do business of this policy.

**What to Do if You Receive an Impermissible Gift.** You must immediately return any gift of cash or cash equivalent such as gift certificates that are transferable or convertible into cash, bank check, money order, investment securities, negotiable instrument, loans, stock or stock options. For other types of gifts over the “Usually OK” amount, if your company’s compliance officer determines that returning the gifts is impractical or undesirable, you should turn the gifts over to the compliance officer for company use, sale or donation. Gifts such as a picture, desk set or the like may be used in your company office with the written permission of your compliance officer or according to established procedures at your company, but will remain company property. If appropriate, a letter should be sent to the donor explaining your company’s policy with respect to gifts.

### **Gifts to Non-Governmental Business Contacts**

Just as we have strict rules for receiving gifts and entertainment (see the "Receiving Gifts And Entertainment" on pp. 13-15 in this Code), we must also be careful of how we offer them. Offering social amenities or business courtesies of a nominal value such as modest gifts, meals and entertainment is common in the commercial world and is meant to create goodwill and enhance business relationships.

Using good judgment and moderation, occasionally exchanging entertainment or gifts of nominal value with a non-governmental business contact is appropriate unless the recipient's employer forbids the practice. Any courtesy should always comply with the policies of the recipient's organization.

**Offering Gifts Over \$250.** To offer a gift over \$250 to a non-governmental business contact, you must obtain specific, prior written permission from your company's compliance officer, the senior officer in your company designated by the compliance officer, or another appropriate individual consistent with your company's approval policy. Note, however, that some Altria companies may set the amount required for approval at a lower value (for example, \$100).

Some conduct is always off-limits — no exceptions. Never offer or provide a gift, entertainment or anything of value if it is:

- Illegal.
- Known to be in violation of the rules of the recipient's organization.
- Cash or other monetary instruments (such as bank checks, traveler's checks, money orders, investment securities or negotiable instruments).
- Unsavory, sexually oriented, or otherwise violates our commitment to integrity, trust and respect.
- A "quid pro quo" (offered for something in return).
- A gift over \$1,000 — unless presented in a public presentation making it clear that the recipient is being given the gift, for example, pursuant to a sales incentive program that is known and acceptable to the recipient's employer.

- Not recorded properly on company books.

### **Gifts to Government Officials or Employees**

Gifts and entertainment offered or provided to government officials and government employees directly or indirectly raise special risks. Never offer or provide any gift, entertainment, or anything of value to a government official or employee that is illegal or that would cause the official or employee to violate established ethics or other rules governing his or her conduct. If your company has policies that cover providing gifts or other things of value to government officials and employees, make sure you know and strictly follow your company's policies and procedures. If your company does not have specific policies and procedures covering such gifts, never offer, provide or approve such gifts, entertainment, or anything of value to a government official or employee without prior written approval of your Government Affairs Law support.

### **Where To Go For Help**

#### **Integrity HelpLine**

Most issues can be resolved by direct communications between the affected parties. However, if you are ever unsure about where to go, uncomfortable about using one of the other resources identified in the Code, or wish to raise a suspected or potential non-compliance issue anonymously, call the Integrity HelpLine. The Integrity HelpLine is operated by an independent company that reports the call to your company to enable it to respond to your concerns about compliance and integrity. The line operates 24 hours a day/seven days a week.

Please refer to the end of this Code for a listing of the Integrity HelpLine\*\* numbers for the companies covered by this Code.

If you call the Integrity HelpLine, a call specialist will listen and make a detailed summary of your call. The information will then be forwarded to the appropriate person (for example, your company's compliance officer) to look into the matter. Compliance & Integrity works with the appropriate functions, such as Human Resources or Law, to investigate and resolve issues. In addition, the Altria Chief

Compliance Officer reviews reports and actions taken on a regular basis and, when appropriate, reports to Altria Group senior management and the Audit Committee of the Altria Board of Directors.

Every effort will be made to give your call a quick response, especially when circumstances make that important. If an investigation is undertaken, we will look into the issue promptly and, whenever called for, see that corrective action is taken.

Any employee who, in good faith, seeks advice, raises a concern relating to a potential compliance issue or reports suspected misconduct is following this Code — and doing the right thing. Altria Group companies will not allow retaliation against that person. Individuals engaging in retaliatory conduct will be subject to disciplinary action, which may include termination. If you suspect that you or someone you know has been retaliated against for raising a compliance or integrity issue, immediately contact the Integrity HelpLine, your company's compliance officer, the Altria Chief Compliance Officer, or Compliance & Integrity.

We take claims of retaliation seriously. Allegations of retaliation will be investigated and appropriate action taken.

The Integrity HelpLine allows you to raise concerns anonymously.

It assigns tracking numbers so that employees who do not want to give their name can still check back to receive a response or provide more information. Of course, giving your name can often help us look into the matter, and as explained above, Altria and its companies have a firm policy against retaliation for raising a good faith concern under this Code.

### **What You Should Know About The Altria Code Of Conduct**

#### **Your Personal Commitment To Do The Right Thing**

This Code represents a commitment to doing what is right. By working for an Altria Group company, you are agreeing to uphold this commitment.

Understand the standards of the Code and the company policies that apply to your job

— and always follow them. Those who fail to follow these standards put themselves, their co-workers, their company and Altria at risk. They are also subject to disciplinary action up to and including termination.

## 191. Bunge

### Corporate Governance – Conduct<sup>1</sup>

#### Conflicts of Interest

##### Business Gifts

Acceptance by a director, officer or employee (or a member of his or her immediate family) of gifts of a value that may appear to or tend to influence business decisions or compromise independent judgement is prohibited. In certain environments, the exchange of limited non-cash business courtesies may be acceptable. Bunge does not seek, however, to improperly influence the decisions of its business constituents by offering business courtesies, just as Bunge requires that the decisions of its directors, officers and employees not be affected by having received a business courtesy. Any business gift given by a Bunge employee must have the prior approval of the employee's supervisor. Sales or marketing representatives may make business gifts of their regular Bunge products or promotional items per established local policies for the purpose of generating business goodwill. Following are some general guidelines for applying this policy:

- Do not accept a gift related to a Bunge business of more than token value. Even if the gift is less than token value, you should only accept it if it is consistent with common business practice. Any offer to a director, officer or employee of a gift or other business courtesy that exceeds \$50 in value, or that seems inconsistent with common business practices, should be immediately reported to the employee's or officer's supervisor and, in the case of a director, the Legal Department. Directors, officers and employees must also immediately report any offers of cash, a fee or kickback to the Legal Department.
- Regarding meals and entertainment, a director, officer or employee may offer or receive meals or simple entertainment provided that business is discussed and that the activity has a clear business purpose. The guideline for the receipt of meals or entertainment shall be normal industry practice in your locality consistent with local legal or fiscal requirements. Any activity that might be considered lavish or extravagant is not permitted. While the gift value limitations

described above do not strictly apply in the case of meals and entertainment, those limitations are an indication of the reasonableness of the meals or entertainment. Any offer to a director, officer or employee of meals or entertainment that seems inconsistent with normal industry practice in your locality, inconsistent with local legal or fiscal requirements or which shall involve travel or overnight lodging is subject to prior approval by the employee's or officer's supervisor and, in the case of a director, the Legal Department.

- A director, officer or employee also should not accept any money or cash equivalents, or allow any member of their immediate family to accept anything from any person with whom Bunge has a business relationship.
- Common sense and good judgment must be exercised when accepting business-related meals or anything of token value to avoid any perception of impropriety or conflict of interest.

#### Protection and Proper Use of Bunge Assets

All directors, officers and employees of Bunge are required to adhere to this Code. Directors, officers or employees who violate this Code will be subject to disciplinary action and possible dismissal.

### Corporate Governance<sup>2</sup>

#### Reporting Concerns

Bunge encourages employees and third parties who have knowledge of its activities and business practices to promptly report any instances of improper or questionable accounting, internal accounting controls or auditing matters.

Concerns may be submitted on an anonymous and confidential basis by regular mail to:

<sup>1</sup>Source: <http://phx.corporate-ir.net/phoenix.zhtml?c=130024&p=irol-govConduct>

<sup>2</sup>Source: <http://phx.corporate-ir.net/phoenix.zhtml?c=130024&p=irol-rprtviolations>

- Global Head of Internal Audit,  
Bunge Limited 50 Main Street  
White Plains, New York 10606 USA

or

- Through a dedicated Internet-based system.

## 192. Tyco International

The Tyco Guide to Ethical Conduct<sup>1</sup>

### Your Responsibilities

Your role begins but doesn't end with understanding Tyco's values and this guide. If any ethical or legal compliance issue arises that raises a question in your mind, you have a responsibility to bring it forward. Speak with your supervisor, your Human Resources representative, or your legal or audit department representative.

If you would feel more comfortable speaking with someone else, you can call Tyco's confidential, toll-free ConcernLINE at 800-714-1994. International phone numbers for ConcernLINE can be found at the back of this book. ConcernLINE is available seven days a week, 24 hours a day and is staffed by trained professionals. Translators also are available.

In addition to the ConcernLINE, we have established an Ombudsman— a Tyco employee who is an independent, impartial, and totally confidential resource for our employees, suppliers, investors or customers to raise and address compliance concerns. The primary function of this office is to ensure that all compliance issues, raised through any of the channels offered to you in this guide, are resolved quickly, fairly, and at the proper level in the organization. The direct line to the Office of the Ombudsman is 877-232-4121.

### GETTING started

#### Duty to Report/Failing to Call

You have a duty to report any violations of this guide and, while you may initially be reluctant to “get involved,” it's important to note that failure to report violations can have substantial consequences. In addition to the possibility of being held personally liable for the legal or ethical violation (which may result in fines or even jail time), you may be subject to disciplinary proceedings, including termination. So, when in doubt, speak up.

Violations may result in disciplinary action, up to and including termination and legal prosecution.

As with all disciplinary matters, principles of fairness and equity always apply.

### Gifts - Appropriate Giving and Receiving

It is inadvisable to accept or give any gifts or offers from anyone Tyco does business with. If the gift or offer is of significant value, accepting it can create the appearance of a conflict of interest. It could be suggested or inferred that the gift-giver might receive favorable or preferential treatment — such as purchase orders or better prices, terms, or conditions of sale.

This policy extends to vendors, suppliers, and customers, as well as entities or individuals currently doing or seeking to do business with any Tyco entity.

Generally, acceptable gifts are:

- Infrequent and not excessive in value; and
- Small enough so that you or the company are not embarrassed to discuss them.

Gifts, entertainment, and meals provided to government officials and employees must always be legal, reasonable, and never for the purpose of improperly influencing an official decision.

Employees must be familiar with and must comply with all policies and limitations established by Tyco and the employee's business unit regarding government officials and employees.

Tyco requires employees to disclose on a gift-reporting form, any business gift, favor or entertainment (other than business meals), given or received, that has a value of more than US \$50. This form is available from your Human Resources Department.

### Beware of Bribes

While Tyco is careful about the companies it does business with, there's always a risk that a business associate may try to “buy your favor” — a nice way of saying bribery.

<sup>1</sup>Source: [http://www.tyco.com/TycoWeb/WWW/Documents/pdf/tyco\\_guide\\_to\\_ethical\\_conduct.pdf](http://www.tyco.com/TycoWeb/WWW/Documents/pdf/tyco_guide_to_ethical_conduct.pdf)

Any bribe or improper payment is prohibited. In addition to cash payments, bribes include:

- Kickbacks or kickback schemes;
- Unexplained rebates; and
- Payments for advertising or other disguised allowances or expenses.

### **Business Relationships**

It's important that all relationships with suppliers, customers, and other parties be based on lawful, efficient, and fair business practices. Reasonable business entertainment that is in the best interests of the company is allowed. Such entertainment must always be conducted in an appropriate and lawful manner.

### **Doing Business with Government Organizations**

The sale of goods and services to U.S. governments is heavily regulated. Tyco employees involved in sales to governmental customers must take the necessary steps to ensure that all government-related transactions and relationships comply with applicable laws and regulations.

### **Foreign Corrupt Practices Act**

Tyco complies with the U.S. Foreign Corrupt Practices Act. Among other things, this act prohibits employees from bribing any public official, government, or other individual — regardless of nationality or local custom — to secure any concession, contract, or favorable treatment for Tyco or the employee. Bribes include any kickbacks or other unlawful payments.

## 194. Royal Bank of Canada

2007 Corporate Responsibility Report and Public Accountability Statement<sup>1</sup>

### Governance and ethics

#### Anti-money laundering policy

RBC is strongly committed to preventing the use of our financial services for money laundering or terrorist financing purposes. In 2007, every RBC employee worldwide, regardless of their role in the organization, took an anti-money laundering/anti-terrorism financing course and exam. The course was tailored for each business, function and geography with material specific to the laws of 38 countries and jurisdictions in which we operate. Our Global Anti-Money Laundering Compliance Group develops and maintains policies, guidelines, training and risk assessment tools and models and other controls to help our employees protect RBC and our clients, and to ensure we are managing ever-evolving money laundering and terrorism financing risks. Our controls in this area incorporate Know Your Client rules established by various regulators to ensure we properly identify our clients and protect against the illegal use of our products and services.

#### Reporting suspected irregularities

RBC has long-established processes that enable employees around the world to report suspected breaches of our Code of Conduct, other irregularities and dishonesty directly to our Ombudsman. Employees can report anonymously, confidentially and without fear of retaliation.

Specific to financial reporting practices, the RBC Reporting Hotline was established so employees and third parties around the world can anonymously, confidentially and without fear of retaliation, report suspected irregularities or wrongdoing relating to accounting, auditing or internal accounting controls directly to the RBC Ombudsman.

### Product responsibility

#### Responsible lending

RBC provides credit and banking services to companies in many industries.

Our policies cover areas of concern, including environmental issues. For instance, RBC will not support or finance transactions that are directly related to trade in, or manufacturing of, material for nuclear, chemical and biological warfare, or landmines.

RBC has a number of anti-corruption policies which require us to apply appropriate scrutiny and monitoring measures to high-risk clients whose business activities are known to be susceptible to criminal activity or have been designated as high-risk for money-laundering.

### Code of Conduct<sup>2</sup>

#### Introduction

Based on the eight Guiding Principles established by RBC, Our Code of Conduct is for all RBC companies and applies equally to all employees.

As every employee contributes to the process of compliance, it is your responsibility to familiarize yourself with the contents of this Code and with any of the more detailed policies that may directly affect you or your work.

If, at any time, you are uncertain about the proper course of action, we urge you to discuss your concerns with your manager. Should you feel that this is not appropriate for some reason, you may also contact any of the key contacts listed in the Appendix.

The importance of Our Code of Conduct cannot be overemphasized. Your understanding of it and your cooperation in adhering to it is critical to the integrity of our industry and to maintaining the trust that our clients have placed in RBC.

<sup>1</sup>Source: <http://www.rbc.com/responsibility/pdf/RBC-2007report-e.pdf>

<sup>2</sup>Source: <http://www.rbc.com/governance/pdf/RBCCodeOfConduct.pdf>

Accordingly, any employee who fails to meet the standards set out in this Code will be subject to corrective or disciplinary action, including immediate or eventual dismissal.

The term "RBC" has been used throughout this document to refer collectively to all RBC companies. In some instances, it may refer to individual employers.

### **Upholding the Law**

Every RBC company and employee will, at all times, abide by the law and respect its intent in the best interests of our clients, employees and shareholders.

### **Laws, Rules and Regulations**

Numerous laws, rules and regulations have been established to govern the operations of financial institutions. RBC companies and employees are subject to, and are expected to comply with, the laws, rules and regulations of all countries in which they operate, as well as the expectations and requirements of our various regulators. These laws include, but are not limited to, banking laws, securities laws and regulations, laws prohibiting the corruption of foreign officials, laws designed to combat money laundering and terrorist financing, as well as lobbying and employment legislation.

We have designed all of our policies and procedures to ensure compliance with these laws, regulations, rules, requirements and expectations. As an employee, your adherence to these policies and procedures is essential to ensuring we fulfill our obligations. In some cases, you will be required to review and understand policies, procedures and other guidance around compliance issues that relate to your job responsibilities and your obligations as an RBC employee. If in doubt, discuss with your manager.

### **Objectivity**

#### **Payments, Gifts, Entertainment**

Employees are encouraged to consider the motive behind business gifts and entertainment. Employees are to ensure that the practice is done only in the spirit of business courtesy and relationship management and in no way creates an

environment where one party feels a sense of obligation to the other party or creates a real, potential or perceived conflict of interest. A modest value of approximately 100 local currency should be applied in assessing what is acceptable to give or to accept. Gifts in the form of cash, bonds or negotiable securities, in any amount, may not be accepted or given.

The value of business entertainment can sometimes exceed the guideline above, since some commonly accepted business invitations include, for example, event tickets (i.e. sports, arts, etc.). Therefore, in the case of business entertainment only, if the value is likely to exceed the value of 100 local currency, the entertainment must still be considered moderate, must in no way create a sense of obligation or real or perceived conflict of interest, and is to be of a style or value commonly accepted for business occasions. If in doubt, as to what is considered acceptable, seek guidance from your manager prior to accepting or extending an invitation.

The same considerations apply for payments, gifts or entertainment provided to employees as well as to those personally associated with employees, including friends or relatives, where the motive could be perceived as attempting to influence the employee.

#### **As an employee:**

- You are to familiarize yourself with RBC's enterprise-wide Policy on Gifts and Entertainment.
- You are not to be involved in any act that could be interpreted as seeking, receiving or dispensing a bribe, kickback or questionable payment. It is unethical and generally illegal.
- You may supply or accept modest gifts, favours, entertainment or services provided they:
  - do not consist of cash, bonds, or negotiable securities
  - are unlikely to be interpreted as a bribe or other improper payment
- conform with generally accepted ethical and legal standards as well as public disclosure requirements

- are reasonably considered customary and usual business practice
- will not embarrass RBC or the recipient
- meet the requirements of RBC's Enterprise-Wide Policy on Gifts and Entertainment

#### **Individual Responsibility**

##### **Retaliation**

RBC prohibits retaliation of any kind against an individual for making a complaint in good faith, providing information in connection with an investigation, or as a result of the resolution of the complaint. Likewise, retaliation against individuals who have exercised their legal rights is prohibited.

#### **Appendix – Key Contacts**

##### **Informal Resources:**

In addition to the Key Contacts listed above, the Employee Ombudsman is also available as a confidential and informal resource for employees. Contacting the Employee Ombudsman does not eliminate an employee's responsibility to formally report violations of the Code of Conduct; rather it provides a forum for confidential and off-the-record initial discussion of Code of Conduct or other work-related concerns. The Employee Ombudsman is not obligated to report details of any discussions to RBC, nor does contacting the Employee Ombudsman constitute formal notice to RBC.

#### **Corporate Responsibility – Governance and Ethics<sup>1</sup>**

##### **Anti-Corruption Policies**

RBC's Code of Conduct is a comprehensive document, covering topics including corruption and bribery. In addition, RBC has policies, programs and procedures in place to combat corruption, including:

- Anti-Money Laundering
- Know Your Client (Client Due Diligence)
- Anti-Terrorism
- Economic Sanctions
- Tax havens
- Political Contributions and Lobbying

These policies were reviewed in 2006 to reflect changes in RBC's standards as well as the regulatory and industry environments. The policies are reviewed annually to ensure continued compliance.

RBC companies and employees are subject to the laws, rules and regulations of all countries in which they operate. These laws include, but are not limited to, banking laws, securities laws and regulations, laws prohibiting the dealing with corrupt foreign officials, as well as employment legislation. RBC complies with all regulations in the jurisdictions in which it conducts business.

Internally, we have formal committees on process and technology solutions to address risks. In addition, the Office of the Superintendent of Financial Institutions (OSFI), Canada's primary banking regulator, audits our compliance with Canada's Proceeds of Crime (Money Laundering) and Terrorist Financing Act, which demonstrates the government's commitment to fight money laundering and contributes to international efforts to detect, deter and prevent money laundering and seize criminal and terrorist funds.

<sup>1</sup>Source: <http://www.rbc.com/responsibility/governance/anti-corruption.html>

RBC provides ongoing training for employees with respect to money laundering and terrorism financing through web based training, presentations, employee communications vehicles (newsletters, websites, meetings etc.) and conferences.

#### **Anti-Money Laundering Policy**

RBC Financial Group companies are required to apply appropriate scrutiny and monitoring measures to high-risk clients whose business activities are known to be susceptible to criminal activity or have been designated as high risk for money laundering. Our Global Anti-Money Laundering Compliance Group is dedicated to the continuous development and maintenance of policies, guidelines, training and risk assessment tools and models to help our employees deal with ever-evolving money laundering and terrorism financing risks.

RBC actively participates in global industry groups dealing with Anti-Money Laundering and Anti-Terrorist Financing. We consult with Canada's national financial intelligence unit, the Financial Transactions and Reports Analysis Centre of Canada (FinTRAC) to ensure that we are effective in our reporting of prescribed transactions. To enhance our anti-money laundering capabilities, we implemented an enhanced software system to detect, track and analyze transactions for suspicious activities.

In 2007, every RBC employee worldwide, regardless of their role in the organization, took an anti-money laundering/anti-terrorism financing course and exam. The course was tailored for each business, function and geography with material specific to the laws of 38 countries and jurisdictions in which we operate. Our Global Anti-Money Laundering Compliance Group develops and maintains policies, guidelines, training and risk assessment tools and models and other controls to help our employees protect RBC and our clients, and to ensure we are managing ever-evolving money laundering and terrorism financing risks. Our controls in this area incorporate Know Your Client rules established by various regulators to ensure we properly identify our clients and protect against the illegal use of our products and services.

#### **Anti-Terrorism Policy**

As part of the global fight against Terrorist Financing Activities, countries around the world have enacted regulations aimed at combating terrorism that typically prohibit dealings with certain entities and individuals, and require financial institutions to file reports with regulators and other authorities as required.

RBC units and their directors, officers, and employees will not knowingly enter into transactions with, or provide or assist in providing, directly or indirectly, financial services to, or for the benefit of, states, entities, organizations and individuals targeted by applicable anti-terrorism measures. Failure to comply with applicable anti-terrorism measures can result in fines against RBC and/or its directors, officers and employees, possible imprisonment for individuals and severe reputational consequences for RBC.

In order to effectively meet these requirements, RBC has implemented automated systems for scanning client names against various terrorist and control lists daily, including scanning of payments against OFAC and other control lists, as per Terrorist Financing regulations.

In 2007, every RBC employee worldwide, regardless of their role in the organization, took an anti-money laundering/anti-terrorism financing course and exam. The course was tailored for each business, function and geography with material specific to the laws of 38 countries and jurisdictions in which we operate.

## 195. Kraft Foods

Kraft Foods Code of Conduct for Compliance and Integrity<sup>1</sup>

### Where To Go For Help

#### Integrity HelpLine

If after you have raised a concern with the contacts suggested above and have not been satisfied or are unsure about where to go, uncomfortable about using one of the other resources identified in the Code, or wish to raise an issue anonymously, call the Integrity HelpLine number listed.

The Integrity HelpLine is operated by an independent company that reports the call to your company to enable it to respond to your concerns about compliance and integrity. It operates 24 hours a day/seven days a week to report your concerns in any language.

#### What Happens When I Call?

If you call our Integrity HelpLine, a call specialist will listen and make a detailed summary of your call. The information will then be forwarded to the appropriate individual in your company (for example, the Law Department, Human Resources Department or your Compliance Officer) to look into the matter.

Every effort will be made to give your call a quick response, especially when circumstances make that important. If an investigation is undertaken, we will look into the issue promptly and, whenever called for, see that corrective action is taken.

#### We Will Not Tolerate Retaliation

Any employee who, in good faith, lawfully and truthfully, seeks advice, raises a concern or reports misconduct is following this Code — and doing the right thing. Kraft Foods will not allow retaliation against that person. Individuals engaging in retaliatory conduct will be subject to disciplinary action, which may include termination. If you suspect that you or someone you know has been retaliated against for raising a compliance or integrity issue, immediately contact the Integrity HelpLine, your local Law or Human Resources Department, or your Compliance Officer.

We take claims of retaliation seriously. Allegations of retaliation will be investigated and appropriate action taken.

#### Can I Call Anonymously?

The Integrity HelpLine allows you to raise concerns anonymously. It assigns tracking numbers so that employees who do not want to give their name can still check back to receive a response or provide more information. Of course, giving your name can often help us look into the matter, and as explained above, Kraft Foods has a firm policy against retaliation for raising a good faith concern under this Code.

### Conflicts Of Interest, Gifts And Entertainment

#### Receiving Gifts And Entertainment

Kraft Foods has many suppliers, and suppliers are vital to our company's success. That is why relationships with suppliers must be based entirely on sound business decisions and fair dealing. Business gifts and entertainment can build goodwill, but they can also make it harder to be objective about the person providing them. In short, gifts and entertainment can create their own conflicts of interest.

“Gifts and Entertainment” means anything of value, including discounts, loans, cash, favorable terms on any product or service, services, prizes, transportation, use of another company's vehicles or vacation facilities, stocks or other securities, participation in stock offerings, home improvements, tickets, and gift certificates. The potential list is endless — these are just examples.

NOTE: In some functions or business units, more restrictive standards on gifts and entertainment may apply. Employees must not accept any gift or entertainment that violates those standards.

Gifts and entertainment offered to Kraft Foods employees and their close relatives fall into three categories:

<sup>1</sup>Source: [http://www.kraft.com/assets/pdf/KraftFoods\\_CodeofConduct.pdf](http://www.kraft.com/assets/pdf/KraftFoods_CodeofConduct.pdf)  
:

**a) USUALLY OK**

Some gifts and entertainment are small enough that they do not require approval. Gifts or entertainment with a combined market value of \$250 or less from any one source in a calendar year are in this category (as long as they do not fall into the “Always Wrong” category, below). This means that as long as the following do not total more than \$250 from a single source in a calendar year they do not require approval:

- Occasional meals with a business associate.
- Ordinary sports, theatre and other cultural events.
- Other reasonable and customary gifts and entertainment.
- Similarly, accepting promotional items of nominal value, such as pens, calendars, and coffee mugs which are given to customers in general, does not require approval.

**b) ALWAYS WRONG**

Other types of gifts and entertainment are simply wrong, either in fact or in appearance, so that they are never permissible, and no one can approve these. Employees may never:

- Accept any gift or entertainment that would be illegal or result in any violation of law.
- Accept any gift of cash or cash equivalent (such as gift certificates, loans, stock, stock options).
- Accept or request anything as a “quid pro quo,” or as part of an agreement to do anything in return for the gift or entertainment.
- Participate in any entertainment that is unsavory, sexually oriented, or otherwise violates our commitment to mutual respect.
- Participate in any activity that you know would cause the person giving the gift or entertainment to violate his or her own employer’s standards.

**c) ALWAYS ASK**

For anything that does not fit into the other categories, it may or may not be permissible to proceed; but you will need to get written approval from your supervisor and your local Human Resources and Finance Departments, or your Compliance Officer. Examples in this category include the following, when paid by a current or potential supplier or customer:

- Gifts and entertainment from a single source with an annual fair market value over \$250.
- Special events — such as tickets to a World Cup match or Super Bowl game (these usually have a value of more than \$250).
- Travel or entertainment lasting more than a day.

In determining whether to approve something in the “Always Ask” category, supervisors and company Compliance Officers will use reasonable judgment and consider such issues as:

- Whether the gift or entertainment would be likely to influence your objectivity.
- Whether there is a business purpose (for example, business will be discussed as part of the event in question).
- What kind of precedent it would set for other employees.
- How it would appear to other employees or people outside the company.

**Other Considerations on Gifts and Entertainment**

**Notifying Suppliers and Customers.** You should inform all persons with whom you are doing or seeking to do business of this policy.

**What to Do if You Receive an Impermissible Gift.** You must immediately return any gift of cash or cash equivalent such as a bank check, money order, investment securities or negotiable instrument. For other types of gifts over the “Usually OK” amount, if your

management and Compliance Officer determines that returning the gifts is impractical or undesirable, you should turn the gifts over to the Compliance Officer for company use, sale or donation. Gifts such as a picture, desk set or the like may be used in your company office with the written permission of your management and Compliance Officer but will remain company property. If appropriate, a letter should be sent to the donor explaining company policy with respect to gifts.

### **Offering Gifts And Entertainment**

Just as we have strict rules for receiving gifts and entertainment (see “Receiving Gifts And Entertainment” on pp. 13–15 in this Code), we must also be careful how we offer them. Offering social amenities or business courtesies of a nominal value such as modest gifts, meals and entertainment is common in the commercial world and is meant to create goodwill and enhance business relationships.

Using good judgment and moderation, occasionally exchanging entertainment or gifts of nominal value with a non-Governmental individual or entity is appropriate unless the recipient’s employer forbids the practice. Any courtesy should always comply with the policies of the recipient’s organization.

### **Offering Gifts**

You must always follow local, regional, functional or company policy on gift giving.

Some conduct is always off-limits — no exceptions. Never offer or provide a gift, entertainment or anything of value if it is:

- Illegal.
  - Known to be in violation of the rules of the recipient’s organization.
  - Cash or other monetary instruments (such as bank checks, traveler’s checks, money orders, investment securities or negotiable instruments).
  - Unsavory, sexually oriented, or otherwise violates our commitment to mutual respect.
  - A “quid pro quo” (offered for something in return).
- A gift over \$1,000 — unless presented in a public presentation making it clear that the recipient is being given the gift, for example, pursuant to a sales incentive program that is known and acceptable to the recipient’s employer.
  - Not recorded properly on company books.

Gifts and entertainment to Government officials raise special risks. Never offer, provide or approve such gifts, gratuities or entertainment without prior written approval of your Law Department, company management, and the Compliance Officer.

### **Conducting Business**

#### **Money Laundering And Contraband**

Trading in products in violation of customs or fiscal laws has different names — “contraband,” “smuggling” or “tax evasion” are among them. Law enforcement officials around the world are increasingly concerned about contraband and its connection with another criminal activity — “money laundering.” The policy for Kraft Foods is clear: We will not condone, facilitate, or support contraband or money laundering; and we will help Governments prevent illegal trade involving our companies’ products.

What Is Contraband? Contraband — sometimes called “smuggling” — is the illegal trading of goods in violation of customs or tax laws.

What Is Money Laundering? Money laundering is the process by which individuals or entities try to conceal illicit funds, or otherwise make the source of their funds look legitimate.

Kraft Foods has developed a Policy Statement on Compliance with Fiscal, Trade and Anti-Money Laundering Laws (“Fiscal Policy”), which should be reviewed for more information. Two important topics in the Fiscal Policy are receipt of payments and “know your customer” guidelines.

- Receipt of Payments. Kraft Foods supports anti-money laundering policies by using certain procedures to avoid receiving cash or cash equivalents that are the proceeds of crime.

The Fiscal Policy:

- Specifies acceptable forms of payment. In most cases, cash is not acceptable.
- Requires that all payments be in the currency of the invoice.
- Prohibits third-party payments except in limited circumstances.
- Requires compliance with all reporting and recording rules, such as reporting cash transactions over \$10,000 in the U.S.
- Requires that payments for each invoice or group of invoices be made by a single instrument.
- Mandates careful scrutiny of any request for an overpayment.

“Know Your Customer” Guidelines. To help make sure that we only do business with firms or individuals that share our standards for compliance and integrity, the Fiscal Policy sets standards for selecting and approving customers and other business partners.

The Guidelines require employees to:

- Assess the integrity of potential customers.
- Communicate with customers about our compliance expectations.
- Continue to be aware of and monitor customers’ business practices.
- Refuse to do business with and provide no assistance to those suspected of wrongdoing related to our products in particular.
- Report any violation of the Fiscal Policy to your Finance and Law Departments,

who will consult with the Compliance Officer.

**The Government As Our Customer**

Each year, Kraft Foods does substantial business with the U.S. and other Governments. While integrity is the foundation for all dealings with customers, special rules apply when a Government is our customer — rules that are in some cases very different from those that apply in dealing with a commercial customer. Violations can result in criminal and civil penalties.

Those involved in bidding on or providing service under a Government contract need to know these rules.

Basic Rules Include:

- Never seek or accept confidential bid information.
- Never offer or provide gifts, gratuities or entertainment without prior written approval of the Compliance Officer and the Law Department.
- Know and follow anti-kickback rules, including restrictions on gifts by those seeking business from the Government and from Government contractors.
- Understand “most favored customer” pricing and verify compliance.
- Conform strictly to the contract’s quality, quantity and testing requirements.
- Billings must always be accurate, complete, and in full compliance with all rules and regulations, including time and cost allocations.
- Be truthful, accurate, and complete in all representations and certifications.
- Know your customer’s rules and regulations.
- Don’t initiate any employment discussions with any current or former Government employee until first consulting with your Law Department.

### **International Bribery And Corruption**

The laws of virtually all countries in which Kraft Foods operates, as well as important extra-territorial laws, such as the U.S. Foreign Corrupt Practices Act and similar laws, prohibit bribes to foreign Governments and other officials (such as political candidates, political parties and their officials, employees of Government-owned businesses, United Nations officials, etc.). A violation is a serious criminal offense for both companies and individuals, which can result in fines, loss of export privileges and imprisonment for individuals.

#### **Bribery and Corruption Laws:**

Apply to all Kraft Foods employees, agents and representatives worldwide.

Forbid:

- Offering or giving anything of value to a foreign official for the purpose of obtaining or retaining business, or for any improper purpose. This includes payments to reduce taxes or customs duties.
- Making improper payments through third parties — so companies must be diligent in selecting agents and partners. Additional care is needed if the prospective agent is — or is in association with — a Government official.

Require that companies keep accurate books and records so that payments are honestly described and not used for unlawful purposes.

Kraft Foods requires more of employees — bribes are prohibited to anyone, anywhere in the world, for any reason. Remember that it is your responsibility to avoid these prohibited actions.

NEVER:

- Make an unauthorized payment, or authorize an improper payment or gift (cash or otherwise) — directly or through an agent — to a government official.
- Induce a foreign official to do something illegal.

- Ignore or fail to report any indication of improper payments, gifts or entertainment.
- Establish an unrecorded fund for any purpose.
- Make a false or misleading entry in company books.
- Do anything to induce someone else to violate these rules, or look the other way when there might be a violation.

Facilitating Payments. U.S. law permits certain “facilitating payments” to foreign Government employees. Kraft Foods discourages these payments, and a payment may be made only in these limited circumstances:

- You obtain approval from your Law Department.
- It is legal in the country in question.
- It is necessary to obtain or expedite the performance of routine, non-discretionary, legitimate, customary duties, such as mail delivery, scheduling inspections or customs clearance.
- It is requested by the Government employee.
- The payment is small (below \$250 on an annual basis) and is fully and accurately recorded on the company’s books.
- It does not involve a decision to award business to, or to continue doing business with, the company.

In some countries all such payments are considered illegal and therefore should never be made. Payments may never be made to any U.S. Government employee.

## **What You Should Know About The Kraft Foods Code Of Conduct**

### **Your Personal Commitment To Do The Right Thing**

This Code represents a commitment to doing what is right. By working for a Kraft Foods company, you are agreeing to uphold this commitment. Understand the standards of the Code and the policies that apply to your job — and always follow them. Those who fail to follow these standards put themselves, their co-workers and Kraft Foods at risk. They are also subject to disciplinary action up to and including termination.

## 196. Commerzbank

Corporate Responsibility Report 2007<sup>1</sup>

### COMPLIANCE

#### Prevention of money laundering

International provisions and recommendations such as the Wolfsberg Group of Banks and the Financial Action Task Force on Money Laundering are taken into account in formulating anti-money laundering measures.

Commerzbank has already responded to the Third EU Money Laundering Directive, for which no German implementation law has yet been submitted. The global implementation of centrally defined processes to combat money laundering has been set in motion; within this context, clear risk management principles for money laundering are also being introduced. The process is to be completed some time in 2008.

#### Fighting corruption and fraud

To prevent fraud and corruption, various decentralized controls and measures are set up within the Commerzbank Group. These processes and systems are regularly reviewed and updated as required. To fulfil Paragraph 25a of the German Banking Act – which lays out appropriate security measures against fraudulent activities at the expense of the Bank – Commerzbank created a specific group in Compliance. This group analyzes Commerzbank's risk situation, along with the appropriate measures for preventing fraud from a central point in order to decide where exactly there is further need for action in terms of risk. As a result, concrete measures are continuously defined and implemented.

#### Rules for everyone – the Business Conduct Guidelines of Commerzbank AG

In February 2007, Commerzbank AG instituted new conduct guidelines for its employees. With these guidelines – along with other measures – we hope to guarantee that Commerzbank AG and its employees adhere to all applicable laws.

Group Compliance worked on the guidelines, which are partially based on regulations

in German capital market law, labour law, criminal law and civil law.

The content addresses basic conduct in the workplace, issues such as discretion, insider trading and conflicts of interest and bribery, corruption, tax fraud and prevention of money laundering. It also addresses sanctions based on labour and criminal law for violations of laws and regulations and the appropriate responsibilities of members of management. In addition, it contains support for conduct in the event of any breach being discovered.

The guidelines apply without exception to all Commerzbank AG employees. Each employee is given a copy of the guidelines to familiarize him/herself with them. The guidelines are also available at any time on the intranet. Ongoing training serves to raise awareness of the rules in daily work.

/ business conduct guidelines /<sup>2</sup>

#### / bribery, corruption and tax fraud /

Business life today is no longer conceivable without gifts, invitations to dinner or events or other such courtesies. However, Bank employees should always remember that these courtesies have to exist in an appropriate framework and must not be motivated by dishonest interests. Gifts, perks or services may well inspire expectations of gifts or official courtesies at a later date. For the sake of maintaining objectivity, Bank employees are prohibited from accepting or providing gifts and courtesies (either directly or indirectly) in a work context, if there is any risk of losing their impartiality. The business relationships of the Bank are based solely on objectively conceivable criteria such as efficiency, competence, integrity, experience or reliability.

The risk to employees inherent in the instances described above is not merely the loss of objectivity. Under certain circumstances, government sanctions can be just as likely. Corruption and bribery are very serious criminal activities, whose pre-requisites can already be met in the form of seemingly harmless gifts.

<sup>1</sup>Source: [https://www.commerzbank.com/media/konzern/engagement/strategie/2007\\_CR-Bericht\\_e.pdf](https://www.commerzbank.com/media/konzern/engagement/strategie/2007_CR-Bericht_e.pdf)

<sup>2</sup>Source: [https://www.commerzbank.com/media/en/konzern/konzerninfo/verhaltensrichtlinie/code\\_conduct\\_employee\\_en.pdf](https://www.commerzbank.com/media/en/konzern/konzerninfo/verhaltensrichtlinie/code_conduct_employee_en.pdf)

It is particularly necessary that public officials confront this issue appropriately and responsibly. Any potential, future or existing personal interest should play no part in the rendering of courtesies. Misconduct by others is no justification for one's own conduct, since equal rights do not apply to illegal activities. Employees are responsible for their own actions, irrespective of the conduct of others. The Bank places very strong emphasis on this matter and demands heightened vigilance from its employees.

The acceptance of gifts also presents the potential for engaging in criminal conduct. In this case too, responsible behaviour is essential. Tax issues also play a key role and should be kept in mind at all times. The Bank places strong emphasis on the fact that gifts by third banks must be reported and duties paid.

Protecting its employees is not the only reason behind the Bank's strict and uncompromising approach to this issue. Employees have to be aware that their conduct is attributed to the Bank and therefore affects its reputation both internally and externally. In cases of misconduct, it is impossible to estimate (and often compensate for) the ensuing damage to reputation and trust. For this reason, the Bank undertakes in relation to its clients as well as its employees to combat bribery and corruption with all available means. It is supported by national and international efforts aimed at preventing and reducing this problem. These include the complete transparency of relevant procedures, the careful selection of clients, partners and new employees as well as a vigilant approach to working with them. In the event that the Bank is notified of violations by clients or partners, it shall pursue them diligently and take the appropriate measures - which may extend to terminating business relations. The acquiescence of employees shall also not be tolerated.

The Bank actively aims for high levels of transparency in its business processes, so as not to provide a breeding ground for bribery and corruption. Processes and systems are regularly examined for topicality and are adjusted as required.

The aforementioned does not apply to the acceptance and rendering of standard gifts or advertences of obviously minimal value. In cases of uncertainty, dialogue should be sought with the responsible Compliance department (ZGC).

#### **/ anti-money laundering /**

As a global financial services institution, there is always a danger of being abused as an instrument of money laundering. The interest in operating as diverse and comprehensive business activities as possible does not blur the fact that such risks do exist. The Bank takes appropriate countermeasures to prevent and combat money laundering, always observing international standards. The relevant department has produced specific measures designed to be implemented in all domestic and foreign units of Commerzbank. To achieve this, the Bank works with a large number of institutions and domestic and foreign authorities.

In practice, all suspected instances of money laundering are pursued. Employees report any suspicious circumstances directly to their superiors and the responsible Compliance staff (ZGC).

The Bank has also established awareness across the company regarding the issue of money laundering. By implementing a differentiated and comprehensive training programme - obligatory for staff in Germany - the Bank ensures that its employees confront this issue responsibly.

#### **/ infringements of laws and regulations /**

We do not tolerate any infringements of legislation as well as external and internal rules. These types of infringement are examined by Commerzbank on a case-by-case basis and sanctioned according to binding rules and procedures.

The Bank reserves the right to take disciplinary measures in the event of infringements that represent violations of contractual obligations. It reports all cases of criminal acts perpetrated by employees in connection with their working activities to the authorities.

#### **/ employee training /**

Adherence to the law should be a matter of course. However, this does not mean that every employee needs to know every facet of every statutory provision and regulation. This is simply human nature. The Bank supports its employees in adhering to the law, in order to actively strengthen and develop proper conduct among them. Preventative

training sessions are held to foster the proper understanding of legislation, particularly in the case of challenging legal issues.

Employees are also able to consult written handbooks and guidelines containing legal advice. These aids enable employees to conduct themselves appropriately in potential conflict situations. In the event that issues remain unresolved, all employees are able to consult their superiors or the relevant department for advice.

## 197. Royal Philips Electronics

Sustainability Report 2007<sup>1</sup>

### Our employees

#### Philips General Business Principles

The Philips General Business Principles (GBP) govern Philips' business decisions and actions throughout the world, applying equally to corporate actions and the behavior of individual employees. They incorporate the fundamental principles within Philips for doing business. The intention of the GBP is to ensure compliance with laws and regulations, as well as with Philips' norms and values.

The GBP are available in most of the local languages and are an integral part of the labor contracts in virtually all countries where Philips has business activities. Responsibility for compliance with the principles rests principally with the management of each business.

Every country organization and each main production site has a compliance officer. Confirmation of compliance with the GBP is an integral part of the annual Statement on Business Controls that has to be issued by the management of each business unit. The GBP incorporate a whistleblower policy, standardized complaint reporting and a formal escalation procedure.

The global implementation of the One Philips Ethics Line ensures that alleged violations are registered and dealt with consistently within one company-wide system. In 2007 the French privacy authorities granted approval for the roll-out of the hotline in that country (completed in November). In Germany the workers' representation bodies also approved the introduction of a hotline. These approvals now ensure comprehensive company-wide implementation.

To drive the practical deployment of the GBP, a set of directives has been published, including a Supply Management Code of Ethics and a Financial Code of Ethics ([www.philips.com/about/investor](http://www.philips.com/about/investor)). In 2007, the updated version of the GBP Directives was approved and adopted, reflecting ongoing developments in codes of conduct and business integrity legislation. The main updates related to Philips' endorsement of the

UN Global Compact, policy on HIV/AIDS, health and safety policy, integrity and ethics in advertising, and in particular directives on the giving of gifts. To ensure compliance with the highest standards of transparency and accountability by all employees performing important financial functions, the Financial Code of Ethics contains, amongst other things, standards to promote honest and ethical conduct, and full, accurate and timely disclosure procedures to avoid conflicts of interest. The Company did not grant any waivers of the Financial Code of Ethics in 2007.

In order to publicize the updated GBP Directives, a global internal communications program was rolled out in the first half of 2007, with participation of the Board of Management and Group Management Committee and the respective Area and Country Management.

A company-wide toolkit has been developed and rolled out in 2007 for the compulsory registration of gifts to third parties to ensure full transparency in monitoring compliance with company standards.

To reinforce awareness of the need for compliance with the GBP, a web-based GBP training tool has been rolled out throughout the company in 22 different languages, covering more than 95% of the employees with online access.

The e-training program for (new) compliance officers (including complaint-handling procedures and dilemma training) was updated in 2007. Furthermore, 2007 saw the development and worldwide roll-out of a train-the-trainer program for compliance awareness. Two-day training sessions were held in Latin America, Asia Pacific and Europe, with the remaining sessions scheduled for the first quarter of 2008. This program provides for an annual refresher course.

#### General Business Principles: reported complaints

In 2007 a total of 389 concerns were raised, compared with 392 in 2006 and 318 in 2005. As many of the alleged violations are currently still being investigated, it is impossible to determine exactly which – if any – General Business Principles have been infringed and to what extent. However, on the basis of the preceding analysis, it is possible to draw some conclusions about those GBP that are most frequently called into question.

<sup>1</sup>Source: <http://www.philips.com/shared/assets/Downloadablefile/sustainabilitydownloads/report2007.pdf>

The trend we have seen over recent years towards a sharp increase in the number of reported (alleged) violations relating to working conditions – GBP 4 – (29.0% of the total in 2004, 48.1% in 2005 and 58.8% in 2006) fell somewhat in 2007 to 55.8%. It would seem that in terms of the reporting of HRM issues the maximum effect of the extended scope of the GBP (effective 2005) has been achieved, especially in the employee domain and given the completion of the roll-out of the One Philips Ethics hotline (in 2006).

In contrast to the HRM issues, where the rising trend fell slightly, in the case of the archetypal Business Integrity issues the opposite was the case. The strong relative decrease in alleged violations of GBP 7 (bribery; records of transaction; third party interests; political payments) came to an end in 2007. The fall from 31% of the total in 2004 to 13.7% in 2005 and 10.9% in 2006 was reversed in 2007 when the figure rose again to 17.2%. This is not attributable to a more relaxed internal control environment or reduced awareness within the Philips organization, but completely due to the effect mentioned earlier of a more critical and detailed evaluation of the alleged violations, which has led to a shift from the Others to the Fraud category.

In 2007 there was a clear decline in the number of complaints relating to supply management. Only nine complaints were logged in the GBP Complaints database as alleged violations of GBP 5 (Commitment to Suppliers and Business Partners) compared with 23 in 2006. The sharp fall compared with 2006 is due to a large degree to the high number of supplier assessments held in the risk countries China, Brazil, India, Philippines, Mexico, Indonesia, Thailand, Korea, Malaysia and the focus on the resolution of the major non-compliances (i.e. the zero-tolerance and limited-tolerance violations) that came to light during these assessments.

In 2007 again the GBP most associated with alleged violations was GBP 4.3 (Equal and fair treatment), although in both relative and absolute terms there has been a slight fall (44.3% as opposed to 47.1% in 2006). The other GBP most likely to have been infringed were GBP 6.1 (Use and protection of assets), which came second with 15.5%, and GBP 7.1 (Bribery; records of transactions), which came a close third with 14.5%. This means that the top three have remained unchanged over the years.

## General Business Principles<sup>1</sup>

### Introduction

Underpinning Philips' commitment to responsible corporate citizenship and the pursuit of a sustainable future – economic, social and environmental – the General Business Principles set out guiding principles on integrity and ethics in business conduct. They govern Philips' business decisions and actions throughout the world and apply equally to corporate actions and to the behavior of individual employees in conducting Philips' business. They are subject to applicable laws.

The General Business Principles are not all-encompassing, but formulate minimum requirements of behavior. They leave product divisions and country management free to specify further local rules of business conduct. To drive the practical deployment of the General Business Principles, a set of GBP Directives have been published, which are applicable to all employees. There are also separate Directives, which apply to specific categories of employees, such as the Financial Code of Ethics and the Purchasing Code of Ethics. The GBP Directives and the category-specific Directives form an integral part of the General Business Principles (jointly referred to as 'GBP'). The General Business Principles, which have been adopted by the Board of Management and approved by the Supervisory Board, are reviewed on a regular basis and revised if necessary.

In order to ensure that business ethics are a living issue throughout the company, a worldwide training program is in place to heighten awareness of the absolute need for strict compliance with the General Business Principles.

### Business integrity

#### Bribery; records of transactions

Philips insists on honesty, integrity and fairness in all aspects of its business. Bribes in any form are unacceptable; commission payments and personal gifts or favors may only be made or accepted in strict accordance with the GBP Directives. Philips strives to comply with the highest levels of transparency and accountability throughout the

<sup>1</sup>Source: [http://www.philips.com/shared/assets/Investor\\_relations/pdf/businessprinciples/GeneralBusinessPrinciples.pdf](http://www.philips.com/shared/assets/Investor_relations/pdf/businessprinciples/GeneralBusinessPrinciples.pdf)

company. Records of transactions should be maintained in an accurate, complete and timely manner in accordance with Philips accounting principles. No unrecorded funds or assets should be established or maintained.

### **Observance of the General Business Principles**

#### **Sanctions**

All Philips employees must comply with the General Business Principles. Violation may lead to disciplinary action, including dismissal, notwithstanding any further civil or criminal action that may be taken.

#### **Whistleblower policy**

In order to promote the reporting of violations of the General Business Principles, a whistleblower policy is in place, enabling employees to submit complaints on an anonymous basis without fear of the complaints leading to disciplinary action.

### **GBP Directives<sup>1</sup>**

#### **Gifts**

##### **General**

Business decisions should be based solely on benefits to Philips and not on considerations of past or future personal gain. Philips may provide and accept business amenities to strengthen and build legitimate business relationships. However, as personal favors and gifts may influence business relationships negatively, they should not be requested or given in circumstances that may compromise the integrity of business decisions or create the appearance of an impropriety. The acceptance or offer of gifts and favors is only allowed if in accordance with the GBP Directives. Any questions with respect to gifts or favors

should be discussed with the GBP Compliance Officer.

#### **Gifts to external parties**

Gifts to external parties (including invitations to sports or other hospitality events as a guest of Philips) may only be given as a business courtesy, provided such practice is accepted, locally and in the industry, and is in compliance with applicable laws. Gifts may not be given in the form of cash. Furthermore, the gift should not have a value that may influence a business decision and/or may lead to a relationship of dependency or create the appearance of an impropriety. Records of gifts given with a value of more than EUR 200 in the case of Philips products or EUR 100 in the case of non-Philips products must be registered in the Philips Gift Registration Tool in an accurate and complete manner by the person/Philips unit who authorized the gift(s).

Additional guidelines with regard to giving gifts:

- It is prohibited to provide personal financial assistance of any kind to a customer or other business contact.
- Notification of payments with a value of more than EUR 200 for cross-border travel and/or overnight accommodation must be registered in the Philips Gift Registration Tool by the person/Philips unit who authorized the respective payment
- All customer incentive programs directed at the customer's sales force and directly related to sales of Philips products must be reviewed by the Country Compliance Officer/Legal Counsel prior to their agreement with the customer.

#### **Gifts from external parties**

The acceptance of gifts or personal favors of commercial value is not permissible. In general, a non-cash gift (the value of which does not exceed EUR 50) may be accepted if given voluntarily and if there is no reasonable likelihood that it will influence the judgment or actions of a Philips employee in performing his/her duties for Philips. When refusing a gift would be discourteous, the gift must be promptly turned

<sup>1</sup>Source: [http://www.philips.com/shared/assets/Investor\\_relations/pdf/businessprinciples/GBP\\_Directives\\_08.pdf](http://www.philips.com/shared/assets/Investor_relations/pdf/businessprinciples/GBP_Directives_08.pdf)

over to the GBP Compliance Officer. Philips usually donates such gifts to charitable institutions.

Additional guidelines with regard to receiving gifts:

- Personal financial assistance of any kind provided by a supplier or other business contact, other than a financial institution acting in the ordinary course of business, is prohibited.
- Attendance at sports and other hospitality events as the guest of a business contact is permissible only up to two times a year per business contact.
- Travel and overnight accommodation paid for by third parties such as (potential) suppliers is not allowed.

### **Facilitating payments**

Facilitating payments are small payments made in money or in kind (for instance company products) which have to be made, in accordance with publicly known and widely followed local custom and practice, in connection with the performance, by officials in documentation, customs clearance and other matters, of their normal duties. A characteristic of facilitating payments is that the service obtained as the result of such payment represents the legitimate function of the official concerned and does not render undue advantage to the payer in comparison with other companies. Facilitating payments do not fall within the scope of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. In some countries, however, the legislation to implement the Convention also covers facilitating payments, as a consequence whereof an officer (or, under certain circumstances, the company) who has made such payments abroad, could be prosecuted in his home country.

In general, Philips is opposed to the making of facilitating payments. The Company will promote measures to eliminate such practices; at all events applicable laws and regulations should be complied with.

### **Money laundering**

Philips will not participate in “money laundering” by entering any arrangement which is known or there is reason to suspect that it will be used to facilitate any acquisition, retention, use or control of any property or money intended to disguise the proceeds of crime. An employee who suspects a situation of money laundering shall inform the GBP Compliance Officer.

## 198. Allstate

Allstate Code of Ethics<sup>1</sup>

### ABOUT THE CODE OF ETHICS

Read the Code carefully and consider how it applies to you and your Allstate responsibilities.

Allstate's Code of Ethics summarizes core values and principles that guide our business conduct. The Code establishes standards for behavior, provides questions and answers for situations that you might encounter on the job, and lists resources where you can go for help or further information.

Every effort has been made to include important topics in this Code. However, the Code cannot address every possible workplace situation or list all of Allstate's Corporate Policies and Procedures.

Based on your job accountabilities, you may be required to comply with additional professional conduct requirements or codes of conduct for your business unit, in addition to the guidelines in this Code of Ethics.

Violations of this Code of Ethics may result in discipline up to and including termination of employment or referral for criminal prosecution.

The Code of Ethics was adopted by the Board of Directors of the Allstate Corporation. The Audit Committee of the Board of Directors is responsible for the periodic review and assessment of the Code, as well as the approval of any changes to the Code of Ethics. The Code of Ethics applies to every Allstate employee including the Chairman, Chief Executive Officer, Chief Financial Officer, Controller, other senior financial and executive officers and to Allstate's outside directors. References in this Code to "you," "we," and "employees" are intended to include Allstate employees and/or other individuals covered by this Code.

### WHERE TO REPORT YOUR CONCERNS

Allstate offers several resources where you can seek advice if you have questions or concerns about a situation involving this Code of Ethics.

- Bring your concern to the attention of your manager or another manager.
- Send an e-mail to HRComply.
- Use the Resolution Process, which is Allstate's commitment to a fair, prompt, safe and confidential resolution of workplace issues. When using the Resolution Process, you may give your name or remain anonymous. You can access The Resolution Process through the Allstate intranet on MyDesktop under Enterprise Resources or by calling 1-800-706-9855.
- The Allstate Alert Us Line is a 24x7 toll-free number that all nonemployees can use to alert the company about issues with company employees. The Alert Us Line is intended for reporting issues that require anonymity and confidentiality. The Alert Us Line can be accessed by calling 1-800-427-9389.

Reports that concern a possible violation of the law or any complaints or concerns about disclosure, accounting, auditing, or other financial or reporting practices will be referred to the General Counsel for investigation. The General Counsel may refer these matters to the Audit Committee.

Allstate policy prohibits anyone, co-workers or managers, from retaliating against an employee for bringing forward, in a constructive manner, workplace, compliance or reporting issues. Retaliation may result in discipline up to and including termination of employment. The Company will maintain the anonymity and confidentiality of the employee to the extent possible. However, in order to conduct an effective investigation, it may not always be possible to do so.

### INTEGRITY AND COMPLIANCE

#### Illegal Payments

You may not give any money, gift, unusual hospitality or other item of monetary value, bribe, kickback or other illegal or improper payment of any kind to any person with whom Allstate does business or seeks to do business, or to any person with whom

<sup>1</sup>Source: [http://media.corporate-ir.net/media\\_files/IROL/93/93125/Code\\_of\\_Ethics.pdf](http://media.corporate-ir.net/media_files/IROL/93/93125/Code_of_Ethics.pdf)

you come in contact with in the course of carrying out your Allstate responsibilities. For more information, please see the Anti-Bribery Compliance Policy.

The Foreign Corrupt Practices Act (FCPA) prohibits U.S. companies and their employees from providing foreign government officials with anything of value in order to obtain or maintain business. Illegal or improper payments may include money, gifts, unusual hospitality, or other items of monetary value.

The FCPA, and our Company policy, also requires that we provide supporting documentation for any compensation paid to individuals or organizations.

Any employee or agent of our Company involved with foreign transactions or activities must comply with the FCPA. When setting up transactions with foreign agents, conduct due diligence to assess their reputation for honesty, integrity and quality. Unless you are certain that a transaction is acceptable, seek advice from Allstate Law and Regulation Counsel.

## **CONFLICTS OF INTEREST**

### **Business Courtesies**

A business courtesy is any benefit for which the recipient does not pay fair market value. This can include entertainment, meals, beverages, invitations to social or recreational events, and gifts. Although business courtesies are often exchanged in the normal course of business relationships, they can also cause conflicts of interest.

An invitation to an event or trade show may be acceptable if the primary result of your participation is discussion of business or development of valuable business relationships. Obtain your manager's approval before participating in any event. Whenever possible, Allstate should pay all associated expenses for your attendance or participation.

The receipt of gifts of minimal value, such as pens, caps, paperweights, or t-shirts must be brought to the attention of your manager for approval. The manager will assess the appropriateness of retaining or returning the gift. It is never appropriate for employees involved in the procurement or claim handling processes to accept gifts,

even of minimal value, from current or potential suppliers. Conflicts of interest may also arise from receipt of improper personal benefits. Do not accept money, property, gifts, benefits, services, loans, credit, special discounts, favors, entertainment, or other items of value from any person with whom Allstate does business, with whom Allstate is seeking to do business, or from any person seeking to do business with Allstate. Likewise, do not request, suggest, or require a gift, payment, or other benefit as a condition of doing business with Allstate. You may exchange reciprocal courtesies with friends who are also business associates.

## 199. KfW Bankengruppe

Sustainability Report 2006<sup>1</sup>

### **ORGANISING RESPONSIBILITY – MANAGING PROCESSES AND ENCOURAGING EMPLOYEES**

#### **COMPLIANCE ALSO MEANS SECURITY**

Compliance is the term generally used to refer to the voluntary, regulatory and legally prescribed requirements and measures needed to avoid conflicts of interest between a bank, its employees and its customers. Compliance procedures ensure that a bank adheres to all applicable laws, rulings and customary practices. The Federal Ministry of Finance supervises KfW in consultation with the Federal Ministry for Economics and Technology (BMWi) and is responsible for ensuring that KfW's operations are in line with the laws, statute and other legal provisions. The Internal Auditing Division at KfW, which functions as an instrument of the Board, appraises the effectiveness and appropriateness of the risk management and the internal controlling system. In addition, an independent audit is carried out by a firm of external auditors. The Federal Audit Office can then conduct an extensive review of how KfW manages its resources.

Compliance is structured to include, in particular, systems to prevent money laundering, the financing of terrorism, corruption and fraud as well as violations of data protection laws, insider trading regulations and embargo provisions. We update those systems regularly to keep them in line with the underlying legislation and market requirements. Compliance training courses are arranged for all new members of staff.

At KfW there is a Compliance Division which deals with these matters and is the contact point for all staff members. Other interested parties can e-mail the division at [Compliance@kfw.de](mailto:Compliance@kfw.de).

Our Actions<sup>2</sup>

#### **Corruption Prevention**

KfW Bankengruppe handles the topic of corruption prevention with special attention and diligence. It already introduced its first anti-corruption measures years ago. KfW's business policy does not tolerate the use or acceptance of bribes or other forms of corruption, and this policy is binding for all of its employees. KfW decidedly opposes corruption in any and all forms. Accordingly, the KfW Compass, which describes KfW's corporate model, explicitly addresses the issue of corruption prevention.

In 1998 a task force - "Corruption prevention" - reviewed all internal processes for possible gateways to corruption and defined binding "Rules of conduct governing the acceptance and offer of gifts and other benefits." Above all, these rules ensure transparency and encourage employees to deal with possible conflicts of interest openly. The conduct of KfW's employees may not at any time jeopardise the interests of KfW, nor may it lead to any dependencies or obligations. The bank's employees are familiarised with and regularly informed about these rules. The task force working on corruption prevention comprises employees from all of KfW's departments and continues to meet in order to exchange experiences gathered in the individual departments and add to organisational regulations and procedures already in place.

To further underscore the importance of preventing corruption for KfW, an employee code of conduct against corruption has been added to the rules of conduct. This code of conduct calls employees' attention to precarious situations that may get them drawn into corruption against their will. Corruption attempts must be fended off immediately, and superiors and the compliance officer are to be informed without delay.

<sup>1</sup>Source: [http://www.kfw.de/DE\\_Home/Service/Download\\_Center/Allgemeine\\_Publikationen/PDF-Dokumente\\_Umweltschutz\\_-\\_Karriere/NB\\_2006\\_E.pdf](http://www.kfw.de/DE_Home/Service/Download_Center/Allgemeine_Publikationen/PDF-Dokumente_Umweltschutz_-_Karriere/NB_2006_E.pdf)

<sup>2</sup>Source: [http://www.kfw.de/EN\\_Home/KfW\\_Bankengruppe/Our\\_Actions/Corruption.jsp](http://www.kfw.de/EN_Home/KfW_Bankengruppe/Our_Actions/Corruption.jsp)

### Money Laundering Prevention – General Statement on Observance of Anti-Money Laundering Requirements<sup>1</sup>

KfW, as a public-law institution based in Germany, is a promotional bank that supports the economy, society and ecology in Germany, Europe and worldwide. KfW is owned by the federal government (80%) and the federal Länder (20%). KfW does not affect competition among banks. The official promotional mission is anchored in the KfW Law. KfW's tasks are the promotion of small and medium enterprises, of housing finance and modernisation, and of education and advanced training, the financing of municipal infrastructure projects, the promotion of export and project finance and of the developing and transition countries and the protection of the environment and the climate. KfW raises the majority of the promotional funds on the capital market.

KfW is firmly committed to participating in international efforts to combat money laundering and the funding of terrorist and criminal activities.

The Federal Republic of Germany is a member country of the Financial Action Task Force (FATF) and the European Union (EU) and has enacted laws and rules designed to implement the anti-money laundering policies of both FATF and the EU. In 1992, section 261 of the German Penal Code, which makes money laundering a criminal offence, took effect in Germany. The Money Laundering Act (Geldwäschegesetz), which entered into force in 1993, establishes statutory duties for credit institutions and other businesses. In 2002, the Money Laundering Act was amended by several regulations which also serve as prevention against terrorist financing. Subsequently, the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht or "BaFin") released several regulations, which specify the requirements of the Money Laundering Act. The most important requirements, which serve as minimum standards for KfW, are the following:

- Assignment of an Anti-Money-Laundering Officer
- Ascertainment of customer identity
- Establishment of the ultimate beneficiary
- Record keeping

- Reporting of suspicious circumstances / transactions to the authorities
- Review of the reliability of the employees
- Regular Training of the employees on Anti-Money Laundering.

KfW observes the national legislation against money laundering and is supervised by the Federal Ministry of Finance.

KfW has made the organisational and procedural arrangements that are necessary for it to comply with the respective legal requirements. This includes written policies and procedures, the assignment of an Anti-Money-Laundering Officer, regular review of the reliability of the employees and regular training for the competent staff. According to the relevant EU-directives and to prevent business operations from being used for terrorist financing KfW established a regular computer-based comparison of all business partners with the actual EU sanction lists.

Essential part of the Anti-Money-Laundering Policy of KfW is the identification of its customers by official documents and other relevant information. Whenever KfW is required to identify a customer, the ultimate beneficiary (of the account / the cash transaction) must also be established. If doubts remain about whether the person to be identified acts on own account, or in cases, where it is obvious, the person does not act on own account, KfW will take reasonable and appropriate steps to obtain information about the real identity of the person for whom the customer acts.

If reasonable doubts remain about whether a transaction offends Anti-Money-Laundering Rules after the background of the customer, the source of the money and the type of transaction have been considered, KfW decides about the termination of the business relationship in general. Suspicious transactions immediately have to be reported to the competent law enforcement authorities including the Financial Intelligence Unit (FIU) in Germany which has been created at the Federal Investigation Office (Bundeskriminalamt).

Both the internal audit division and the external auditors perform annual audits to establish whether the measures to combat money laundering are reasonable and

<sup>1</sup>Source: [http://www.kfw.de/EN\\_Home/KfW\\_Bankengruppe/Our\\_Actions/MoneyLaund.jsp](http://www.kfw.de/EN_Home/KfW_Bankengruppe/Our_Actions/MoneyLaund.jsp)

appropriate and whether the KfW Anti-Money-Laundering Officer has acted in accordance with the responsibilities assigned to him.

Finally, KfW hereby certifies that the bank cannot be deemed a shell bank within the meaning of the US Patriot Act. Pursuant to the regulations of the U.S. Patriot Act KfW has prepared a Global Certification for use by any financial institution and offers its business partners the possibility to download its Global Certification Form.

## 200. Motorola

Corporate Responsibility Report 2007<sup>1</sup>

### Business Conduct

#### The issue

Unethical business behavior undermines the rule of law, distorts trade and slows economic development. Unethical behavior by employees or executives represents a risk to the organization through termination of contracts, loss of business, damage to reputation and liability to prosecution.

#### Our approach

Motorola is committed to conducting its business with integrity and earning the trust of its stakeholders.

We emphasize our strong values and requirements for ethical behavior to all employees. Our code of business conduct describes the ethical standards that we require from our employees. Failure to comply with the code can lead to disciplinary action, up to and including dismissal from the company. Our code also identifies policies and resources to help employees live up to these standards.

The code of business conduct requires all employees to:

- Earn customer loyalty by delivering on our promises
- Build quality relationships with other companies that share our values
- Treat the investment of our shareholders as if it were our own
- Compete aggressively but with integrity
- Provide products and services that benefit people
- Obey the law
- Make business decisions based on the best interests of Motorola
- Communicate business conduct concerns

- Obtain business legally and ethically, without ever accepting or giving bribes or kickbacks

#### Employee training

We use ethics training and awareness activities to ensure our employees understand our values. Every three years, all salaried employees must complete an online introduction to the ethics program and reaffirm their compliance with the code. We also require training for employees whose jobs we consider high risk. Managers, especially those in newly acquired businesses and at high-risk locations, attend classroom ethics training.

Our ethics course is available in English, Portuguese and Spanish, and in 2008, we also will offer the course in French, Hebrew, Mandarin and Russian.

#### Monitoring

People both inside and outside of Motorola can voice concerns relating to ethical practices. Employees, customers, suppliers and other stakeholders can report any suspected violations anonymously by phone, email or fax using our global Ethics Line. Employees also can use our online Ethics Line Interactive, which allows anonymous engagement with the office of ethics and compliance and enables investigators to ask for clarification and give feedback.

#### Report issues anonymously

Global Ethics Line\*  
Email: [ethicsline@motorola.com](mailto:ethicsline@motorola.com)  
800 538 4427  
United States and Canada  
+1 602 808 4427  
Outside United States and Canada  
China Ethics Line  
800 810 9798  
+8610 656 684 42

<sup>1</sup>Source: [http://www.motorola.com/mot/doc/7/7130\\_MotDoc.pdf](http://www.motorola.com/mot/doc/7/7130_MotDoc.pdf)

Visit [www.motorola.com/code](http://www.motorola.com/code) for worldwide toll-free numbers. We also accept collect calls.

### **Awareness and training**

During 2007, we updated our online and classroom ethics training to reflect internal changes and external trends such as business intelligence and anti-corruption. Employees completed approximately 50,000 hours of training, with manager- and director-level employees targeted. We also introduced modules on anticorruption and government relations.

We achieved our 2007 goal to define and execute a process for introducing ethics and compliance standards to employees joining Motorola through mergers and acquisitions. When Motorola acquired Symbol in 2007, all employees received the code of business conduct and were asked to agree to abide by it. Training also was available to employees during the year.

We have introduced an automated process to manage our third-party sales representatives (TPSRs). The system allows managers to target training to ensure TPSRs understand our legal, ethical and contractual requirements.

TPSRs also are asked to report their activities using the system, which improves monitoring.

In 2007, we held 14 ethics events in China, India, Malaysia, Singapore, South Korea and Taiwan. Activities highlighted Motorola's ethics standards and raised awareness of our business conduct champions and other channels for reporting ethical concerns. Participants included some 700 in Malaysia, 3,350 in China and 1,200 in Singapore.

## **CODE OF BUSINESS CONDUCT<sup>1</sup>**

### **Ensuring the best Customer Experience**

#### **Sales and marketing**

We build long-term relationships with our customers by demonstrating honesty and integrity. Our marketing and advertising must be accurate and truthful. Deliberately misleading messages, omissions of important facts or false claims about our competitors' offerings are unacceptable.

We obtain business legally and ethically. Bribes or kickbacks are unacceptable and illegal in most countries. Since customer gifts, travel and entertainment can be construed as bribes and could constitute a potential conflict of interest, they are covered in more detail in the Gifts and Entertainment section of this Code.

#### **Government customers**

We must take special care to comply with all legal and contractual obligations in dealing with governments. National and local governments around the world have specific and varied procurement laws and regulations that have been established to protect the public interest. These laws generally prohibit or put strict limits on gifts, entertainment and travel offered to government officials. They also often apply to the hiring of current or recently retired officials and their families and to any conduct that may be viewed as improperly influencing objective decision making. Many other laws strictly govern accounting and billing practices for fulfilling government contracts and subcontracts.

These laws apply to employees and business partners worldwide. When Motorola uses suppliers or subcontractors to fulfill our commitments, we may also be responsible for communicating these unique governmental requirements to those third parties. When dealing with government officials and contracts, we are responsible for knowing and complying with applicable laws and regulations.

<sup>1</sup>Source: [http://www.motorola.com/mot/doc/7/7175\\_MotDoc.pdf](http://www.motorola.com/mot/doc/7/7175_MotDoc.pdf)

### **Dealing with our business partners**

#### **Doing business with others**

We do not do business with those who are likely to harm Motorola's reputation. We avoid doing business with others who intentionally and continually violate the law, for example, local environmental, employment, safety and anticorruption statutes.

All arrangements with third parties must comply with Motorola policy and the law. We will not use a third party to perform any act prohibited by law or by the Motorola Code of Business Conduct.

#### **Agents, consultants, service providers and other suppliers**

Commission rates or fees paid to dealers, distributors, agents, finders, service providers or consultants must be reasonable in relation to the value of the product or work that is actually being done, and must be consistent with law, policy and local practice. We will not pay commissions or fees that we have reason to believe will become bribes.

Purchasing decisions must be based solely on Motorola's best interests. Suppliers win Motorola business based on product or service suitability, price, delivery and quality. Purchasing agreements should be in place before any commitment is made to a supplier. The agreement should be documented and clearly identify the services or products to be provided, the basis for earning payment and the applicable rate or fee. The amount of payment must be commensurate with the services or products provided.

### **Dealing with Governments**

#### **Anticorruption laws**

We comply with the anticorruption treaties and laws of the countries in which we do business, including the U.S. Foreign Corrupt Practices Act (FCPA). We will not directly or indirectly offer or make a corrupt or improper payment to government officials, including employees of government-owned or government-controlled enterprises.

These requirements apply both to Motorola employees and agents such as third-party sales representatives (TPSRs) and our service providers, no matter where they are doing business. When we are authorized to engage agents, we make sure that they are reputable and require them to agree in writing to Motorola's standards in this area.

#### **Facilitating payments**

Motorola prohibits making "facilitating payments" or "grease payments" to expedite a routine administrative action either directly or indirectly through a third party. Exceptions will be made by the Law Department and the Office of Ethics and Compliance in very limited, extraordinary circumstances, and must be recorded properly.

#### **Anti-money laundering and anti-terrorism**

Money laundering is a process designed to conceal an illegal source of money to make it appear legitimate. Motorola will not directly or indirectly participate in such practices. For example, the purchase of our products or services could be used to disguise illegally gained funds or support terrorism. To avoid becoming involved in such situations, Motorola businesses are required to perform and document due diligence of parties involved in financial transactions.

### **Handling GIFTS; ENTERTAINMENT and TRAVEL**

#### **Gifts**

Gifts are not always physical objects. They may also be services, favors, loans or other items of value.

- Gifts to Motorolans

We can accept items of nominal value, such as small promotional items bearing another company's name. We do not accept kickbacks, lavish gifts or gratuities. We will not accept anything that might make it appear that our judgment for Motorola would be compromised as a result. We may not accept special or reduced-rate personal loans as a result of our positions with Motorola.

In rare situations, it would be impractical or harmful to the business relationship to refuse or return a gift. If this happens, discuss the situation with the Office of Ethics and Compliance or the Law Department.

- Gifts given by Motorola

Some business situations call for giving gifts. Motorola's gifts must be legal, reasonable and approved by management. We never pay bribes.

Gift-giving practices vary among cultures. Our local gift policies and guidelines address this.

We will not provide any gift if it is prohibited by law or the policy of the recipient's organization. For example, the employees of many government entities around the world are prohibited from accepting gifts. If in doubt, check first with the Office of Ethics and Compliance or the Law Department.

### Entertainment

Unlike a gift, entertainment is defined as an event where both parties are present.

- Entertainment of Motorolans

We may accept entertainment that is reasonable in the context of the business and that advances the company's interests. For example, accompanying a business associate to a local cultural or sporting event or to a business meal would be acceptable in most cases.

Entertainment that is lavish or frequent may appear to influence our independent judgment on behalf of Motorola. If an invitation seems inappropriate, we must turn down the offer or personally pay the true value of the entertainment ourselves. Accepting entertainment that may appear inappropriate should be discussed with management in advance.

- Entertainment by Motorola

We may provide entertainment that is reasonable and appropriate in the context of the business. If we have a concern about providing entertainment or whether the type of entertainment being provided is appropriate, we will discuss it with management in advance

Entertainment of government officials may be prohibited by law. Get approval from management in each instance. Management, in turn, should consult with the Office of Ethics and Compliance or the Law Department.

### Travel

- Acceptance of travel expenses

Motorolans may accept transportation and lodging provided by a Motorola supplier or other third party if the trip is for business and is approved in advance by the manager.

- Providing travel

Unless prohibited by law or the policy of the recipient's organization, Motorola may pay the transportation and lodging expenses incurred by customers, agents or suppliers, if for a legitimate business purpose and approved by management.

All travel and accommodation expenses for government officials who are sponsored or paid for by Motorola must be approved in advance in accordance with policy.

# Section 4

## Appendix

# Section 4.1

## Summary