

## Anti-corruption and bribery policy

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## 1. Policy Statement

### Definitions

- Bribery - the offering, promising, giving, accepting or soliciting of money, gifts or other advantage as an inducement to do something that is illegal or a breach of trust in the course of carrying out an organisation's activities.
- Corruption – the abuse of entrusted power for private gain.
- Extortion - the unlawful use of one's position or office to obtain money through coercion or threats. One example would be when customs officials request undue 'customs duties' from importers as a condition to clear their goods.
- Facilitation payments - These are bribes and are usually small unofficial payments made to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement.
- Kickbacks - a form of bribery in which payment is received for illegal services rendered.
- Gifts and hospitality – these can range from small gifts (such as diaries) to expensive hospitality (tickets for major events, holidays etc). Extravagant gifts and hospitality may be used to disguise bribes that are intended to induce improper behaviour.
- Whistleblowing – the sounding of an alarm by an employee, director or external person to express concerns about or to attempt to reveal neglect or abuses within the activities of a company.

1.1 There are strict guidelines for personnel on how to act in case of corruption, bribery or extortion. Integrity is a vital part in the Human Resource policy as well as the Code of Conduct of AidEnvironment. The personnel of AidEnvironment cannot accept any form of corruption. Therefore, neither employees nor members of the management team accept remuneration outside of the agreed quotation unless it is formally agreed upon. The organization only accepts assignments which are within the range of our expertise and experience and are compatible with our vision and mission. Should an assignment move in a direction that is inconsistent with our vision and mission, we discuss this with the client and, if necessary, withdraw from the assignment.

1.2 We will uphold all laws relevant to countering bribery and corruption, working under the laws of the Netherlands.

1.3 The purpose of this policy is to:

- a. set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
- b. provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

1.4 Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if we are found to have taken part in corruption we could face an unlimited fine and face damage to our reputation. We therefore take our legal responsibilities very seriously.

1.5 We have identified that certain of our activities create particular risks for our organisation, in particular:

- a. Overseas collaborations, joint ventures and partnerships (whether formal or informal);
- b. Receipt of gifts and donations;

- c. Public procurement, particularly where the activities relate to construction; and
- d. Grant funding

1.6 To address these risks we have taken the following steps:

- a. Implemented an anti-bribery and corruption policy;
- b. Undertaken a risk assessment exercise in our representative office in Indonesia, and planned a risk assessment for the Amsterdam based head offices in 2016;
- c. Have started the procedure to appoint a Compliance officer to ensure compliance with corruption and bribery issues;
- d. Reviewed and amended policies related to this Anti-corruption and Bribery Policy;
- e. Adopted a Whistle Blower Policy;
- f. Have started the process to appoint a Trusted Person;
- g. Prepared standard clauses relating to Bribery Act issues for inclusion in key contractual documentation.

1.7 In this policy, **third party** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

## 2. Who is covered by the policy?

This policy applies to all staff of AidEnvironment and of its affiliates, partners and subcontractors who are working on projects, wherever located (collectively referred to as workers in this policy). This policy forms an integral part of the subcontracts drawn up by AidEnvironment.

### 3. What is bribery?

#### Examples:

##### Offering a bribe

You offer a potential business partner tickets to a major sporting event, but only if they agree to do business with us.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for AidEnvironment. It may also be an offence for the potential client to accept your offer.

##### Receiving a bribe

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

##### Bribing a foreign official

You arrange for the organisation to pay an additional payment to a foreign official to speed up an administrative process, such as clearing items through customs.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

### 4. Hospitality and gifts

- 4.1 This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties and the giving or receipt of gifts, provided that this is done in accordance with AE's internal financial regulations.
- 4.2 Normal and appropriate hospitality and gifts would include where the hospitality or gift:
- is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
  - complies with local law;
  - is given in our name, not in your name;
  - does not include cash or a cash equivalent (such as gift certificates or vouchers);
  - is appropriate in the circumstances. For example, in the Netherlands it is customary for small gifts to be given at Christmas time;
  - taking into account the reason for the gift, is of an appropriate type and value and given at an appropriate time;
  - is given openly, not secretly; and
  - is not offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the Compliance officer.

## 5. What is not acceptable?

It is not acceptable for you (or someone on your behalf) to:

- a. give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- b. give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- c. accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- d. accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- e. threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- f. engage in any activity that might lead to a breach of this policy.

## 6. Facilitation payments and kickbacks

- 6.1 We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the Netherlands, but are common in some other jurisdictions.
- 6.2 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Compliance officer.
- 6.3 Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

## 7. Donations

We do not make charitable donations or contributions to political parties.

## 8. Your responsibilities

- 8.1 You must ensure that you read, understand and comply with this policy.
- 8.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 8.3 You must notify your supervisor and/or director and/or the Compliance officer as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in the Schedule.
- 8.4 Any employee who breaches this policy will face disciplinary action, which could result in

dismissal for gross misconduct.

## 9. Record-keeping

- 9.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 9.2 You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.
- 9.3 You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policies and specifically record the reason for the expenditure.
- 9.4 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

## 10. How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your supervisor and/or one of the directors and the compliance officer.

## 11. What to do if you are a victim of bribery or corruption

It is important that you tell the compliance officer as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

## 12. Protection

- 12.1 Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 12.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Compliance officer immediately. If you fear consequences because of filing a complaint you can contact the Trusted Person who will ensure an anonymous complaint channel.

## 13. Communication

- 13.1 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors, agents and business and other partners at the outset of our relationship with them and as appropriate thereafter.

## 14. Who is responsible for the policy?

- 14.1 The Board of Directors and the Management Team have overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The compliance officer has the responsibility for monitoring the correct implementation of this policy, for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them

are made aware of and understand this policy and are given adequate and regular training on it. In case a complaint concerns (one of) the Board of Directors, the Chair of the Supervisory Board will be responsible for proper handling of the case.

### Schedule - Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly to your manager or to the Compliance officer:

- a. you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- b. you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- c. a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- d. a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- e. a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- f. a third party requests an unexpected additional fee or commission to "facilitate" a service;
- g. a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- h. a third party requests that a payment is made to "overlook" potential legal violations;
- i. you receive an invoice from a third party that appears to be non- standard or customised;
- j. a third party insists on the use of side letters or refuses to put terms agreed in writing;
- k. you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- l. a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or you are offered an unusually generous gift or offered lavish hospitality by a third party.