

BCI ANTI-CORRUPTION POLICY

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Audience:	All BCI Personnel		

Commitment to Bribery Prevention

BCI has a zero-tolerance policy towards the giving and receipt of bribes, and of bribery and corruption of any form. It aims to conduct its business in accordance with the highest ethical standards, in compliance with Swiss law and all relevant laws in all countries in which it operates.

1. Purpose and Scope

The purpose of this policy is to:

- Affirm BCI's adherence to applicable anti-bribery and anti-corruption laws, including applicable Swiss anti-corruption legislation and other relevant international instruments recognised as best practice in combatting and preventing corruption.
- Set out the responsibilities of BCI, its personnel and those associated with BCI in observing and upholding BCI's commitment to preventing bribery and corruption;
- Provide information and guidance to personnel on how to recognise and deal with bribery and corruption issues; and
- Inform personnel of BCI's anti-bribery and anti-corruption obligations to its various partners and donors;

All Council Members, Officers, Directors, staff, consultants and/or volunteers (together herein referred to as "**personnel**") are required to comply with this policy. This policy applies to all of BCI's dealings and transactions in all countries in which its personnel operate.

2. Risk Assessment

This policy has been developed following an assessment by senior management of the bribery and corruption risks that arise in connection with BCI's business. The key areas of risk identified* include:

- facilitation payments
- contacts with Swiss public officials
- contacts with non-Swiss public officials
- donations
- gifts and hospitality
- use of third-party agents, consultants and service providers

*Note: A BCI Fraud Prevention and Detection Policy and a Whistleblowing Policy complement this Anti-Corruption Policy and address related risks.

3. Communication, Implementation and Training

BCI ensures that:

- all personnel are informed of BCI's commitment to bribery prevention and receive appropriate anti-bribery training on joining BCI and regularly thereafter; personnel may be asked to confirm that they understand their responsibilities
- where appropriate, third parties (including stakeholders and consultants working on behalf of BCI) dealing with BCI are made aware of our commitment to bribery prevention and are informed of our anti-bribery policy and procedures; and
- all personnel are informed during induction training of the expectations of BCI's donors in this area, and the severe consequences to individuals and the organisation which would result from any breach of this policy.

A copy of this policy is also annexed to all employment and consultancy agreements and written acknowledgement is required to be provided by all personnel and relevant third parties.

4. Definitions and Application

It is BCI's policy to prohibit the offering, giving or accepting of any improper payment or advantage to or from any third party. This applies not only to financial payments and advantages but also certain gifts, hospitality, facilitation payments and donations. These are explained in further detail below.

The overarching principles BCI adheres to, and which all personnel are required to comply with, are as follows: BCI, its personnel and any third parties acting on BCI's behalf must not, directly or indirectly:

- offer, promise or give any advantage whether financial or otherwise to any person with the intention of influencing a person (who need not necessarily be the recipient of the advantage) to perform his or her function improperly (that is, in breach of his or her customary responsibilities, whether or not this would be illegal), or where the acceptance of such advantage would itself be improper;
- request, agree to receive or accept any advantage financial or otherwise, whether for him- or herself or for a third person, where this would be, or might be seen to be, improper or likely to influence the performance of his or her role; or
- offer, promise or give any financial or other advantage to a public official (or to any other person at the request of, or with the acquiescence of, a public official) with the intention of influencing that official in the performance of his or her public functions, whether or not that performance would be improper.
- Importantly, under the Swiss Criminal Code and the Swiss Federal Act against Unfair Competition bribery is punishable by imprisonment for up to five years. Criminal liability can apply to the company and all level of personnel (including non-management) as well as to those who act on behalf of the company.

5. Facilitation Payments

Facilitation payments are small payments typically made to government officials to expedite or to secure the performance of a routine non-discretionary governmental action. Facilitation payments are a form of bribery, and it is BCI's policy not to make such payments.

Facilitation payments may take many forms, including cash (or cash vouchers) as well as benefits in kind (such as pre-paid phone cards, alcohol, tobacco, perfume etc.). They are not limited to the public sector and include the making of payments to private sector individuals and employees. It is BCI's policy not to accept or demand facilitation payments.

Facilitation payments may also be demanded in a variety of ways. The most common of which is in relation to obtaining performance or speeding up of a function to which the would-be bribe payer is already legally entitled and over which the official has no discretion. For example, to obtain the release of goods from customs, to process a visa application or to arrange for utility connections.

The bribe demander will usually also use explicit or implied threats of delay, inconvenience, business cost or some other undesirable outcome as a reason for requesting the facilitation payment. BCI does understand the difficulties for personnel, especially local ground personnel, in resisting such requests. The consequences to BCI of acceding to such requests and making such payments can, however, be substantial. The making of facilitation payments exposes BCI to the following risks:

- Legal risk: this is wide ranging and includes potential criminal prosecution of both BCI and its personnel in their individual capacities, the payment of fines and the expense of investigation costs;
- Reputational damage: the payment of facilitation payments may lead to potential difficulties in raising sponsorship, loss of confidence by our business partners and donors and increased vulnerability to further bribe and facilitation payment solicitation and demands; and
- Operational impact: this includes the cost to BCI of systematically paying small facilitation payments, market distortion (making it thereby more difficult for all charities to conduct business in that area/country), entrenching a corrupt bureaucracy and putting staff at risk of extortion and bribe facilitation.

The making of such facilitation payments is therefore strictly prohibited.

6. Contact with Swiss Public Officials

A Swiss public official is an individual who (i) holds a legislative, administrative or judicial position of any kind (whether appointed or elected or not) in Switzerland or (ii) exercises a public function of some kind in Switzerland.

Public officials may not be offered, promised or given any financial or other advantage which is, or might be seen to be, intended to influence them in the performance of their public function (whether the offer is made in relation to a specific subsequent performance or for the future and whether such subsequent performance is intended to be improper or not).

Personnel should therefore ascertain insofar as possible whether individuals, such as prospective staff or volunteers or third-party agents, are public officials prior to the engagement of their services. Where personnel determine that such individuals are indeed public officials, they should report the matter to the regional or Functional Director, for record keeping purposes and further action where necessary.

7. Contact with non-Swiss Public Officials

A non-Swiss public official (nSPO) is an individual who (i) holds a legislative, administrative or judicial position of any kind (whether appointed or elected or not) outside of Switzerland (ii) exercises a public function of some kind outside of Switzerland or (iii) is an official or agent of a public international organisation.

nSPOs may not be offered, promised or given any financial or other advantage which is, or might be seen to be, intended to influence them in the performance of their public function (whether such subsequent performance is intended to be improper or not).

Personnel must therefore ascertain insofar as possible whether individuals, such as prospective staff or volunteers or third-party agents, are nSPOs prior to the engagement of their services. Where personnel determine that such individuals are indeed nSPOs, they must report the matter to the regional or Functional Director for review purposes and further action where necessary.

8. Donations

BCI gratefully accepts restricted and unrestricted (monetary and in-kind) donations where:

1. The donation is fully consistent with BCI's mission, goals, activities, strategic plan and programme;
2. The donation does not contravene any of the provisions of this policy;
3. The donation is not linked to any requirements that BCI endorse particular services, projects or products;
4. BCI accepts the donations coming from a corporation or business provided that the donation comes without conditions and fulfils requirements set in point 1 above; and
5. The Council has approved the relevant corporate donation.

BCI will be pleased to provide acknowledgement to donors in a mutually agreeable format.

9. Gifts and Hospitality

This policy does not prevent personnel from engaging in reasonable and proportionate hospitality or the giving or receiving of reasonable and appropriate business gifts with the intention of enhancing the image of BCI or establishing cordial relations with business partners or end service users. However, in light of the type of work BCI carries out and the countries in which it does so, it is important to ensure that no inference of impropriety can be drawn from such activities.

BCI's overarching policy on the receiving of gifts is that BCI's personnel may not accept directly or indirectly any discount, gift, entertainment (such as meals, cultural events, tourist visits etc.) or favours that may influence or be perceived to influence the exercise of their official function, or the performance of their official duties for BCI or their judgement. The same rule applies with respect to gifts offered by BCI's personnel to third parties. It is for each individual member of personnel to determine whether the respective gift or favour in question does or could be perceived as having such influence. Where unsure, personnel should contact their Line Manager, for guidance.

Examples of criteria which personnel may use to carry out such determination include:

- *Public officials:* Particular care must be taken when dealing with individuals who may be viewed as Swiss or foreign public officials, as anti-bribery legislation may more readily be breached in dealing with them. It is BCI's policy not to offer gifts to a Swiss public official and it will rarely, if ever, be acceptable to offer a gift to a nSPO.
- *No obligation:* the gift, hospitality or reimbursement of expense does not place the recipient under any obligation;
- *No expectations:* expectations are not created in the giver or an associate of the giver or have a higher importance attached to it by the giver than the recipient would place on such a transaction;
- *Made for the right reason:* if a gift or hospitality, it should be given clearly as an act of appreciation, if travel expenses then for a bona fide business purpose;
- *Made openly:* if made secretly and undocumented then the purpose is more likely to be open to question;
- *Accords with stakeholder perception:* the transaction would not be viewed unfavourably by stakeholders if it were made known to them;
- *Appropriate:* the nature of the gift, hospitality or reimbursed expense is appropriate to the relationship and accords with general business practice in the charitable sector and local custom;
- *Legality:* it is compliant with Swiss and relevant local laws;
- *Frequency:* the giving or receiving of gifts and hospitality is not a regular happening between the giver and the recipient;
- *Value:* the gift or hospitality concerned is only of a negligible value as determined according to local custom and currency.
- *Reported:* the gift, hospitality or expense should be reported to BCI management, in advance, wherever practicable. Reporting serves two purposes: ensures transparency of the transaction and provides a second view as to its appropriateness.

Gifts of cash or cash equivalents (such as gift tokens) are not appropriate. It is BCI's policy not to make or offer gifts of cash or cash equivalents. Gifts of cash or cash equivalents which are offered to personnel should be refused. In any event, all gifts of cash or cash equivalents made or received must be reported to the relevant Line Manager, the Regional Director or Functional Director.

Importantly, if a gift or offer of hospitality is of such a nature that it may generate, depending on its context and local custom, a perception of inappropriate behaviour or influence, the CEO or Functional Director shall be consulted before offering, making, accepting and/or receiving the hospitality/gift, and all such gifts and offers logged on the Gift Register. All gifts or offers of hospitality of a value of €50 or more in Europe and the US or of a value of €20 or more in other regions must be logged in the Gift Register.

10. Use of Third-Party Agents, Consultants and Service Providers

In certain circumstances, BCI and its local businesses may appoint third-party agents, contractors or service providers to act on their behalf. BCI is required to take all appropriate

steps to ensure that such third parties do not commit bribery or corruption with a view to benefiting themselves and/or BCI. All third-party consultants are required to comply to the BCI Anti-corruption Policy.

Before engaging any third-party agent, contractor or service provider on behalf of BCI, personnel must first consult with the Functional Director or CEO, who will assess whether the proposed appointment gives rise to a risk that bribery or corruption may be committed, and will advise as to the appropriate anti-bribery and anti-corruption measures to be taken in relation to the appointment.

Where the Functional Director or CEO considers that there is no real likelihood of the third-party committing bribery, it may be that no additional steps are required. Where the Functional Director or CEO considers that a risk or perception of bribery arises, appropriate steps may include:

- conducting appropriate background checks
- informing the third party in writing of BCI's Anti-corruption policy and confirming such third party understands its implications
- entering into a formal, written contract with the third party, which includes an express prohibition on committing bribery or corruption and a right to terminate the contract immediately if such bribery or corruption occurs; and
- confirming the compensation structure is appropriate and does not incentivise the third-party agent to act improperly (high commissions and success fees may give cause for concern).

In cases where the risk of bribery is assessed as particularly high, it may also be appropriate to take additional measures, such as providing training to the third party or requiring a right to audit expenditure.

In particular, personnel should be aware that consultants shall not be employed for the purpose of circumventing BCI's policies and procedures (including this policy) or influencing government agencies in any manner that BCI would not do itself (in a fully transparent, ethical manner). All consultancy agreements must be reviewed and approved by either the Functional Director or CEO prior to execution and personnel are not permitted to enter into them without such review and approval. Anti-bribery and corruption risks are assessed during this review.

11. Reporting a Concern

Any questions regarding interpretation, application or suspected non-compliance with this policy should be addressed, in the first instance, to the relevant Line Manager. If it is not appropriate, for any reason to raise the concern with the Line Manager, the issue should be brought to the attention of HR or a member of the Executive Group.

If the matter is of such a nature that the person concerned is uncomfortable discussing it with a member of the Executive Group, it should be referred to the BCI Council Chair for further investigation.

The BCI Whistleblowing policy provides further guidance on this topic.

BCI encourages openness and will ensure that no one who raises genuine concerns or reports potential violations of this policy will be subjected to repercussions or discrimination.

12. Review

The BCI Executive Group is responsible for reviewing the policy and risks faced by BCI's business on a regular basis as well as whenever circumstances indicate that this policy may no longer reflect the fraud, bribery and corruption risk faced by BCI and/or its personnel.

Appendix – Process Flow for Gift and Contact Registers

