



# 6. BRIBERY & CORRUPTION

At HMC, we endorse internal and external rules that safeguard a responsible way of working. As an HMC employee, you also carry this responsibility. You are therefore expected to act in line with our policies and applicable anti-corruption and anti-bribery laws.

### **What is bribery & corruption?**

*Bribery* is the offering, promising, giving or accepting of anything of value to or from someone, in order to influence their decision making or behavior. It induces the person to act illegally or unethically in the performance of his/her function, and to abuse their position of trust. This abuse of entrusted power for personal gain is also known as *corrupt* behavior. A bribe can take on many subtle forms. Think for example about small facilitation payments and (non-) financial advantages such as contracts, gifts, discounts and services.

Bribery and corruption vary from acts committed at all levels of government or organizations, to everyday abuse of entrusted power by private individuals. It can be classified as grand, petty or political, depending on the amount of money lost and in which sector it occurs.

- *Grand* corruption consists of acts committed at a high level of government that distort the central functioning of a state, enabling leaders to benefit at the expense of the public good.
- *Petty* corruption refers to everyday abuse of entrusted power by low- and mid-level public officials. This occurs in interaction with ordinary citizens who are often trying to access basic goods or services in places like hospitals, schools, police departments and other agencies.
- *Political* corruption occurs when political decision makers abuse their position and manipulate policies, institutions and rules. They do this to support their power, status and wealth.

Corruption is one of the key factors that limits growth and contributes to inequality. This impacts societies in a multitude of ways. It can cost people their freedom, health or money. In the worst cases, it costs lives. In addition, corrupt behavior could ruin our reputation and expose HMC and its employees to fines and sanctions.

For these reasons we have zero tolerance for corruption in any form, including bribery and facilitation payments. We take active steps to ensure that corruption does not occur in relation to our business activities. It is essential that you take part in this.

## EXAMPLES

### Examples of bribery and corruption

- An employee of a potential client asks you for a fee payment before awarding a contract to HMC.
- A supplier offers you money in order to select them for a project.
- A new supplier offers your son an internship to seal your business relationship.
- You are an important decision maker at HMC, and a supplier makes a large contribution to your favorite charity.
- A third party requests that you make a payment to “overlook” potential legal violations.

### Points of attention

The following is a list of possible warning signals that may arise during the course of your work. The list is not intended to be exhaustive and is for illustrative purposes only.

#### Pay special attention when:

- You receive a request for cash payments.
- You are required to make fee or commission payments for no apparent reason.
- You need to make a payment to a different country from where the concerned third party is located or conducts its business.
- You receive no invoice for a payment or an invoice that appears to be non-standard.
- A third party refused to put agreement terms in writing.
- A third party requires us to use an agent, intermediary, consultant, distributor or supplier that is not known to us.
- A third party requests that you provide employment to a friend or relative.



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# KEY TAKEAWAYS

- Do not offer, promise or give anything of value, either directly or indirectly to any party that may improperly influence their decision making behavior.
- Do not receive, or agree to receive, anything of value that may result in improperly influencing your duties as an HMC employee.
- Transparently document all payments (i.e. through receipts).
- Participate in anti-corruption training, as determined by the Ethics & Compliance department, and understand the risks you face at work.
- There may be circumstances where you feel threatened for your life, health, safety or illegal detention. If you are forced to pay, this will not result in retaliation from HMC; however, you need to immediately report this to the Ethics & Compliance department.
- Please note that failure to comply with this policy can be reason for disciplinary action.

### What does this mean for third parties?

At HMC, we want to make sure third parties are reputable, capable and commercially reliable companies. Therefore:

- We ask third parties to certify that all goods and services supplied to HMC comply with our bribery & corruption policy and applicable laws.
- We conduct background searches and make sure we know our business partners before engaging in a business relationship.
- If we feel it is necessary, we monitor their behavior and end our relationship with any third party who fails to comply with this policy.

### Do you have any questions about this topic?

We encourage you to contact the Ethics & Compliance department. The contact details can be found on the Ethics & Compliance intranet site.

### Speak up!

A transparent way of working is vital for fighting bribery and corruption. If you suspect misconduct, please take a look at the Reporting Policy to see what you can do.