

BUSINESS AGAINST CORRUPTION

A FRAMEWORK FOR ACTION



United Nations Global Compact



**TRANSPARENCY
INTERNATIONAL**
the global coalition against corruption



About the United Nations Global Compact

Launched in 2000, the United Nations Global Compact is a both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a multi-stakeholder leadership initiative, it seeks to align business operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption and to catalyze actions in support of broader UN goals. It is the world's largest voluntary corporate citizenship initiative, with over 6,500 signatories based in more than 130 countries. For more information, please visit www.unglobalcompact.org.

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Foreword

In the six years since the initial 2005 publication of *Business Against Corruption: A Framework For Action*, corruption has remained one of the world's greatest challenges. Now as then, it is a major hindrance to sustainable development, with a disproportionate impact on poor communities, and it is corrosive to the very fabric of society. Its impact on the private sector is considerable and costly: It impedes economic growth, distorts competition and represents serious legal and reputational risks.

While the threat of corruption has not declined in significance since 2005, the world is better equipped to fight it than ever before. So far, 140 countries have become signatories to the United Nations Convention against Corruption, an international anti-corruption instrument adopted by the United Nations General Assembly in 2003 and entered into force in 2005. Further, the number, scope and severity of national laws intended to fight corruption worldwide have increased substantially, with initial, promising results visible in all regions of the globe. Overall, governments are increasingly proactive in enforcing their anti-corruption laws, often with international effect. Finally, a simple Internet search reveals a multitude of tools and initiatives—many of which did not exist in 2005, or have grown much since—that, together, can assist companies in this endeavour. Despite such noteworthy efforts, business participants of the UN Global Compact consistently indicate that the 10th Principle against Corruption is the most difficult principle to implement, and call for more clarity and guidance on existing tools and resources that would assist companies in implementing anti-corruption measures.

While the core principles and challenges remain unchanged, this document has been revised to reflect the developments of the past six years. Most significantly, the introduction traces recent developments in the field. This document now incorporates both the *UN Global Compact Management Model (2010)* and the *Global Compact-Transparency International Reporting Guidance on the 10th Principle against Corruption (2009)* as well as other new tools and active initiatives.

Business Against Corruption is a guide to companies preparing themselves to implement the UN Global Compact's 10th Principle against Corruption and to deal with corruption in any and every aspect of their operations. It provides a road map and tools that will assist in the practical application of policies designed to eliminate corruption. We hope that all who read this document, especially participants of the Global Compact, will use this framework for action to help eliminate the threat of corruption within their respective business structures. More important, we hope that, six years from now, business (as well as government) will have effectively advanced the anti-corruption agenda, and that we will be able to report a decline in corruption's significance as a threat to sustainable development.

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Introduction: The pressure continues to build

There are many reasons why the elimination of corruption has become a priority within the business community. Confidence and trust in business among investors, customers, employees and the public have been eroded by recent waves of business ethics scandals around the globe. Several high-profile cases of bribery are currently being investigated or prosecuted. Companies are learning the hard way that they can be held responsible for not paying enough attention to the actions of their employees, associated companies, business partners and agents.

The rapid development of rules of corporate governance around the world is also prompting companies to focus on anti-corruption measures as part of their mechanisms to express corporate responsibility and to protect their reputations and the interests of their stakeholders. Their anti-corruption systems are increasingly being extended to a range of ethics and integrity issues, and a growing number of investment managers are looking to these systems as evidence that the companies undertake good business practice and are well-managed.

The decades-long underestimation of the social and economic costs of corruption is being replaced by an understanding across all sectors of its devastating impact on our society. Virtually all countries have now criminalized bribery within their domestic arenas, and, recognizing that corruption is not just a local or a national problem but to a large extent a regional and international problem, various international organizations have developed instruments to fight corruption at the global level. In most countries where corruption is rife, there are also local organizations and pressure groups working to combat it.

The international fight against corruption started to gain momentum through the 1997 Organisation for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and through the adoption of the first globally agreed-upon instrument, the United Nations Convention against Corruption (UNCAC) in 2003 and its subsequent entry into force in December 2005. The introduction of the UN Global Compact's

10th Principle against Corruption in 2004 was a further significant step in bringing anti-corruption into the corporate responsibility agenda.

National efforts to bolster transparency and anti-corruption enforcement have followed suit, with international effect. As of 2010, all mining, oil and gas firms listed on the New York Stock Exchange are legally obligated to disclose payments made to governments for access to natural resources. The Hong Kong Stock Exchange has already introduced similar rules for newly listed companies, and, as of March 2011, the European Commission is expected to pass a similar law. Laws and ministries requiring increased transparency as a corruption-fighting device have recently arisen around the world, from Bangladesh and Bolivia to Jordan and Senegal. Laws criminalizing corruption have been strengthened in places such as China, India, Russia and Uganda, while Brazil's *Ficha Limpa* law bars anyone convicted of serious crimes, including corruption charges, from running for political office. The United States has increased the enforcement of its anti-corruption laws and the corresponding penalties, and in eastern Africa the Kenyan Anti-Corruption Commission is continuing to make progress¹.

Activity in this area goes beyond organizations comprising government ministers: A growing number of international organizations are not only recognizing the role of business in proactively fighting corruption as crucial for success, but are also expecting businesses to do something about it. The Group of 20 (G20) has recognized business as a stakeholder in anti-corruption efforts and considers its engagement essential. The UN Global Compact, the International Chamber of Commerce, Transparency International, and the World Economic Forum—Partnering Against Corruption Initiative (PACI) led a six-month campaign concluding with a statement signed by leading CEOs from around the world, which led to the adoption of a resolution by the Conference of States Parties explicitly referring to the role of the private sector in monitoring and reviewing the UNCAC.

The world's multilateral development banks (MDBs)—including the World Bank,

¹See, e.g., *The Fight Against Corruption: Naming and Shaming*, (2010, October 28). *The Economist*.

the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank Group—agreed in 2010 that if one MDB declares a firm or an individual ineligible for procurement contracts because of fraud and corruption, then all the other MDBs will do the same. In 2010 alone, the World Bank banned dozens of contractors guilty of corruption from bidding on projects supported by World Bank funds and launched its International Corruption Hunters Alliance, which supports corruption fighters internationally. A coalition of investors, with funds totalling US \$1.7 trillion, requested in 2010 that companies across eight sectors and 14 countries improve their disclosure of corruption risks and responses. Non-governmental organizations from the global Transparency International movement to the Mombasa-based Muhari are becoming ever more vigilant as more information becomes public, and the growth of such initiatives has only begun.

Companies are key participants in the fight against corruption and are expected to step up more than ever before. Pressure is starting to build from within as much as from without.

As detailed on the following pages, companies should proactively express their commitment to corporate responsibility and voluntarily fight corruption for reasons unrelated to the potential legal ramifications of being caught in the act. The UN Global Compact serves as a learning and performance platform to assist companies in this endeavour. Only by fully implementing solid institutional policies, reporting on their implementation and engaging in collective action can companies be sufficiently assured that the tinge of corruption will not apply to them. Only then can globally sustainable business truly succeed.

The case for fighting corruption

Businesses face high (and related) ethical and business risks and potential costs when they fail to effectively combat corruption in all its forms. As part of the problem, they can also be part of the solution. This section addresses why all companies should have zero tolerance of corruption.

The ethical case

Corruption is inherently wrong. It is a misuse of power and position and has a disproportionate impact on the poor and disadvantaged. It undermines the integrity of all involved and damages the fabric of the organizations to which they belong, potentially decreasing morale (and therefore productivity).

The reality that laws criminalizing corrupt practices may not always be enforced—though enforcement is increasing—is no justification for accepting (or perpetuating) corrupt practices. To fight corruption in all its forms is simply the right thing to do, whether or not people outside an organization ever see the results.

The business case

Companies need not justify their efforts to fight corruption on an ethical basis alone. It is also in a company's business interest to ensure that it does not engage in corrupt practices. All companies, large and small, are vulnerable to corruption, and the potential for internal damage is considerable. The following are some key reasons for avoiding involvement in corrupt practices and for taking an active role in combating it and its effects.

■ LEGAL RISKS

Regardless of what form a corrupt transaction may take, there are obvious legal risks involved. Not only are most forms of corruption illegal where they occur, but it is also increasingly becoming illegal in a company's home country to engage in corrupt practices in another country. The principle that it is illegal to bribe foreign officials was first established in the US Foreign Corrupt Practices Act of 1977. Since then, this principle has gained legal standing within the whole of the OECD and in a number of other countries. It was universally recognized in 2003, through the adoption of the UNCAC.

The enforcement of anti-corruption legislation internationally has so far been

relatively weak, but this is slowly changing. According to Shearman and Sterling, an international law firm based in New York, 2009 and 2010 were record years in terms of the number of prosecutions brought against corporations by the United States. In 2010 alone, over US \$1.75 trillion in penalties was assessed (another record), about 80 per cent of which was assessed against non-US-based corporations. The US government has continued to hold individuals accountable, with 13 people sentenced to prison time or probation. The United Kingdom's Bribery Act 2010, which will come into force on July 1, 2011, will also have substantial international effect.

In developing countries and emerging markets, where the opportunity for corruption has been rife because of weak laws, regulations and enforcement mechanisms, corruption has become an issue of significant political importance, and there is a growing determination to act and to take those accused of corrupt practices to court. As noted on the previous pages, there has been a flurry of legislation around the world intended to create, or to extend the reach and enforcement of, anti-corruption laws.

There are also a growing number of examples in which developing countries with limited capacity to handle such cases have obtained outside legal assistance. To this end, the OECD is playing a critical role in ensuring that its member states are developing a judiciary capable of enforcing the prohibition against the bribery of foreign officials, and, more broadly, the UN Office on Drugs and Crime (UNODC) is proactively promoting the adoption and implementation of the UNCAC through various means of technical assistance to governments. The UNODC is also developing a web-based collaborative forum that will serve as a repository of anti-corruption-related knowledge and has, with the World Bank Group, implemented the Stolen Asset Recovery (StAR) Initiative, which lowers the barriers to the recovery of assets stolen through acts of corruption. The UNODC is active in strengthening the integrity of the judiciary where it has been ethically compromised, developing outreach activities, working with the private sector, and following up

with many other actions that increase the capacity of countries to implement their own anti-corruption laws.

This changing environment of law, regulation and enforcement makes it more difficult for boards and business managers to assess and quantify the legal risks to which corruption exposes their operations. Change brings uncertainty. Of particular significance for many large companies is the degree to which they may be held responsible for agents and other intermediaries acting on their behalf in other countries. What may yesterday have been considered an independent agent—for whom the principal company carried no responsibility—may, today or tomorrow, be someone for whose actions the principal company may be held legally accountable. The United Kingdom's Bribery Act 2010, for example, creates liability for corporations when a person "associated" with the corporation (including third-party associates) bribes another person to obtain business or a business advantage for the corporation. The only defence is that the company had "adequate measures" in place to prevent bribery. Furthermore, the Act expressly provides for board and senior executive liability in certain circumstances.

As mentioned in *Clean Business is Good Business*, a joint publication of the UN Global Compact, TI, the ICC and the World Economic Forum—PACI, an increasing number of companies are implementing effective anti-corruption programmes, which include detailed policies on company-specific bribery issues and strong management systems. But they are still a minority.

■ REPUTATIONAL RISKS

Based on the experience of recent years, companies whose policies and practices fail to meet high ethical standards, or that take a relaxed attitude toward compliance with laws, are exposed to serious reputational risks. Often it is enough to be accused of malpractice for a company's reputation to be damaged, even if a court subsequently determines that the company has not been involved in corrupt practices. It is of critical importance for a company to be able to quickly quash any unfounded allegations by demonstrating that it acts transparently and has in place policies and procedures designed to prevent corrupt acts. The

argument that a company's actions were consistent with the way business was done in a particular country, even though those actions are illegal, is not an acceptable excuse. Nor is it sufficient to claim that other companies and competitors have engaged in similar practices.

■ FINANCIAL COSTS

According to the World Bank, over US \$1 trillion is paid in bribes each year around the world. There is clear evidence that in many countries corruption adds up to 10 per cent to the cost of doing business and that corruption adds as much as 25 per cent to the cost of public procurement. This undermines business performance and diverts public resources from legitimate sustainable development while leading to potentially lower-quality results.

■ "KNOWN AS CLEAN" AND REPEAT DEMANDS

There is growing evidence that a company is less likely to be under pressure to pay bribes if it has not done so in the past. Once a bribe is paid, repeat demands are possible and the amounts demanded are likely to rise. Conversely, a company that takes a firm and principled stand against all forms of corruption will become known for this, and the risk of its employees' being exposed to demands will decrease.

■ BLACKMAIL, NO RECOURSE AND SECURITY RISKS

By engaging in corrupt practices, company managers expose themselves to blackmail. Consequently, the security of staff, plant and other assets is put at risk. Companies face "casino risk"—i.e., a lack of legal remedies—if a counterpart does not deliver as agreed where corruption was involved.

■ EROSION OF INTERNAL TRUST AND CONFIDENCE

If a company engages in or tolerates corrupt practice, it will soon be widely known internally and externally. Unethical behaviour erodes staff loyalty to the company, and it can be difficult for staff to see why high standards should be applied within a company when they do not apply in the company's external relations. It may also become more challenging to hire and keep talent.

■ **COMPANIES HAVE A VESTED INTEREST IN SUSTAINABLE SOCIAL, ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**

It is now clear that corruption has played a major part in undermining the world's social, economic and environmental development. Resources have been diverted to improper use, and the quality of services and materials used for development has been seriously compromised. The impact on poorer communities struggling to improve their lives has been devastating and in many cases undermines the very fabric of society. Corruption has also led to environmental mismanagement, undermined labour standards and restricted access to basic human rights.

Business has a vested interest in social stability and in the positive economic growth of local communities. It has therefore suffered, albeit indirectly, from the impact of lost opportunities to extend markets and supply chains. The business community can and should play its part in making corruption unacceptable.

It is important to recognize that corruption diverts resources from proper use. Financial resources that were intended for local development may, as a result of corruption, end up in foreign bank accounts instead of being used for local purchasing

and the stimulation of local economies. At the same time, corruption distorts competition and creates gross inefficiencies in the public and private sectors. In most cases where corruption occurs, the services or products being purchased are inferior to what had been expected or contracted for. In some cases, corruption has led to the loss of lives. Its effects have been seen when buildings collapse because of shoddy workmanship. According to a January 2011 study reviewing the past 30 years of deaths caused by the collapse of buildings in earthquakes, 83 per cent of several hundred thousand total deaths have occurred in "anomalously corrupt" countries². The long-term sustainability of business depends on free and fair competition.

Corrupt practices also accompany and facilitate drug-dealing and organized crime. Money-laundering and illicit international money transfers are used as support mechanisms for international terrorism. Global businesses must be constantly vigilant to avoid being associated with these major international challenges. As shown on the following pages, companies that engage in the fight against corruption individually and collectively will stand to gain benefits to their businesses, directly and indirectly.

²Ambraseys, N., & Bilham, R. (2011, January 13). Corruption Kills. *Nature*, 469, 153-55. doi:10.1038/469153a

Understanding the 10th Principle

The UN Global Compact's 10th Principle

Following the United Nations General Assembly's 2003 adoption of the United Nations Convention against Corruption (UNCAC), the UN Global Compact added its 10th Principle in 2004:

"Businesses should work against corruption in all its forms, including extortion and bribery."

Objectives of the 10th Principle

The adoption of the 10th Principle commits UN Global Compact participants not only to avoid bribery, extortion and other forms of corruption, but also to proactively develop policies and concrete programmes to address corruption internally and within their supply chains. Companies are challenged to join civil society, the United Nations and governments to realize a more transparent global economy.

With the entry into force of the UNCAC in 2005, an important global tool to fight corruption became law. The UNCAC is the underlying legal instrument that inspired the 10th Principle.

■ HOW IS CORRUPTION DEFINED?

Corruption is defined by Transparency International as "the abuse of entrusted power for private gain." This convenient shorthand, encompassing myriad illegal and illicit acts, recognizes the breadth of the concept but does not attempt to enumerate or precisely delimit. During the negotiations of the UNCAC, United Nations Member States carefully considered the opportunity for the global anti-corruption treaty to provide a legal definition of corruption. Concluding that any attempt at a comprehensive definition inevitably would fail to address some relevant forms of corrupt behaviour, the international community reached global consensus on a large number of manifestations of corruption while leaving each State free to go beyond the minimum standards set forth in the Convention.

The Convention calls for ratifying States to outlaw, at a minimum, bribery of public officials; embezzlement, trading in influence, abuse of function, and illicit enrichment by public officials; and bribery and embezzlement in the private sector, as well as money-laundering and obstruction of

justice. These corrupt actions are spelled out under the chapter of the Convention devoted to criminalization and law enforcement, denoting that corruption—which is a notion wider than bribery and extortion—is a crime. In consonance with this approach, the UN Global Compact's 10th Principle calls for companies to work against corruption in all its forms, including extortion and bribery.

■ WHAT IS EXTORTION?

The OECD Guidelines for Multinational Enterprises defines extortion: "The solicitation of bribes is the act of asking or enticing another to commit bribery. It becomes extortion when the demand is accompanied by threats that endanger the personal integrity or the life of the private actors involved."

■ AND WHAT IS BRIBERY?

The UNCAC Articles 15 and 21 define bribery of public officials and in the private sector, respectively:

- (a) The promise, offering or giving, to a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity [or any person who directs or works, in any capacity, for a private sector entity], in order that the official [or person] act or refrain from acting in the exercise of his or her official duties [or that he or she, in breach of his or her duties, act or refrain from acting]
- (b) The solicitation or acceptance by a public official [or by any person who directs or works, in any capacity, for a private sector entity], directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties [or that he or she, in breach of his or her duties, act or refrain from acting]

The Business Principles for Countering Bribery initiated by TI defines the term "bribery": "An offer or receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, in the conduct of the enterprise's business."

Practical steps to fight corruption: The Management Model

The UN Global Compact suggests to its participants that they consider using the **UN Global Compact Management Model**³ in fighting corruption and implementing the 10th Principle, as well as for each of the other three Global Compact issue areas. Published in partnership with Deloitte, an international accounting and consulting firm, it guides companies through the process of formally committing to, assessing, defining, implementing, measuring and communicating a corporate sustainability strategy based on the Global Compact and its Ten Principles.

Companies are encouraged to constantly refine their management processes and procedures and to view their actions as a cycle of continual improvement, in addition to setting

their sights on an end goal of eliminating corruption. The Management Model embodies this idea in its presentation as an unbroken circle, rather than as a more linear path. In other words, companies should, yearly or more regularly, re-commit themselves to the process and follow each of the steps: Circumstances may change and company leadership may change, but the commitment to fighting corruption should never flag.

Details on each of the six steps as applied to anti-corruption measures are found on the following pages. The following section covers collective action, in which companies join forces with industry peers and other stakeholders as part of the fight against corruption.

For more information on the Management Model, please visit the UN Global Compact website.



Commit

As with most management challenges a company faces, clear leadership is essential if a company is to ensure that it and its agents are not engaging in corrupt practices. It is important that the top management not send mixed signals: on the one hand to urge company managers and representatives to apply stringent codes and high standards, while on the other to make it clear that these codes are open for interpretation, often with reference to the importance of adapting business practices to the local environment.

Thus, the first step any company should take in fighting corruption is to have leadership commitments to zero tolerance of bribery and to mainstream anti-corruption policies into its everyday operations, doing so in a transparent way. Companies should ensure that oversight of anti-corruption measures is provided by transparent governance structures within the company.

Assess

With a firm commitment to fighting corruption in hand, companies should assess the risks and opportunities—in financial and extra-financial terms—found in enforcing strict anti-corruption measures, as well as the impact of their operations on the fight against corruption and vice versa. By understanding the context and risks under which they operate, companies can gain a more comprehensive view of the scope of the problem and the areas of greatest concern and importance, and thus set high but realistic goals achievable over a certain time period. Companies should continually re-assess as circumstances change and as policies and procedures are shown to be successes (or failures).

As a company identifies its risks, it may find areas of operation that, if improved, can create shareholder and stakeholder value. When dealing with corruption, this may be readily apparent: Through its elimination not only does a company avoid legal, reputational and other risks, but the company also retains morale and capital, increasing the potential for efficient production.

Finally, by assessing the impact of its operations and the impact of corruption on its operations, a company will be able to answer questions posed by stakeholders and to calculate the areas of high risk that should be addressed first. Companies are encouraged to

look at the Communication on Progress and other sustainability reports of competitors to help determine the best ways to benchmark their own performance.

Define

Once a company has a comprehensive understanding of its context, it should set high but realistic goals to adhere to the 10th Principle against Corruption, address its risks and pursue opportunities. As part of this step, companies should determine which indicators they will use to measure their progress and to determine whether a particular policy or programme is successful.

Once a company has defined its goals, it should construct and adopt strategies and policies to achieve them. Such policies may include an ethics code aimed at capturing the values that underpin an organization, and they should be applied to all relevant business practices.

Voluntary compliance with internal codes of business principles and ethics, and with external guidelines such as the Business Principles for Countering Bribery, which were developed by a multi-stakeholder approach led by Transparency International, and the UN Global Compact's 10th Principle, has the added effect of strengthening day-to-day compliance with law and regulation. When companies set and reinforce high standards of behaviour as the norm, incidents of non-compliance are reduced and are easier to identify and correct.

Codes and advice on ethics programmes can be obtained from organizations such as the Ethics Resource Centre. Guidance on the introduction of anti-bribery programmes is provided by TI and the International Chamber of Commerce (ICC).

In addition to such broad principles, there are an increasing number of specific initiatives aimed at addressing some of the challenges that may be encountered in particular sectors. The World Economic Forum—PACI, which began as a sector-specific project for the engineering and construction industry, is a pragmatic step toward broader implementation of anti-corruption measures.

Implement

Principles and codes are rarely sufficient in themselves; they have to be accompanied by training and follow-up, ensuring that an ethical culture is developed within a company through a consistent strategy. Continu-

ous efforts need to be made to ensure that principles and codes are integrated into other management systems. Companies should engage with their business partners and empower them to address corruption-related issues and, where appropriate, to meet specific goals set by the company. By ensuring a clean supply chain, companies not only help themselves to avoid potential liability, but also strengthen anti-corruption efforts beyond themselves.

The management of a company may go to great lengths to ensure that the company

is compliant with anti-corruption laws and that ethical codes are adopted and implemented. However, nothing can guarantee that wrongdoing will not happen. What the management can do is to ensure that appropriate systems, internal communication plans and reporting mechanisms are in place that assure that they are the first to know of any potential or actual problems. If no such reporting procedures exist, it is more likely that malpractices will continue.

An internal reporting programme may consider the following:

CONSIDERATION	EXPLANATION
Communication	Make the programme known to all employees
Accessibility	Make the programme available throughout the organization
Cultural appropriateness	Adapt the programme to suit local cultures
Openness	Make the reporting system available to suppliers, consultants and customers
Screening	Provide safeguards against frivolous or malicious reports
Collect data	Monitor reports, track them over time and identify weaknesses
Remedial action & feedback	Take action and provide feedback to those who report
Management visibility	Report to the audit committee, or similar functions
Employee protection	Protect reporting employees (including "whistle-blowers")
External communications	Report to shareholders and other interested parties on actions taken and results achieved

Companies are also encouraged to use information technology (IT) to accelerate the execution of their strategies and to track corruption violations.

Transparency International has developed a six-step **Implementation Process** based on the Business Principles for Countering Bribery. This practical guide assists companies in developing and implementing an anti-bribery policy, and should be used as a more specific supplement to the Management Model in formulating an anti-corruption strategy. The Implementation Process can be modified to take into account the size of a company and its ability to complete the steps within the suggested time frame. Details are available on the TI website: www.transparency.org.

Measure

Not all policies will work for all companies. Often what works in a small company will not work in a large company, and what works in one part of the world may not work in another. Thus, measurement and monitoring of impacts and progress are essential if companies are to be effective in combating corruption. Only then can companies amplify their successes and replace policies that do not work in their context of operation.

While defining goals, companies are encouraged to set key indicators they will use to measure success or failure. Companies should use this information in continual reassessments of their management systems. Most companies will find it helpful to work closely with stake-

TRANSPARENCY INTERNATIONAL SIX-STEP IMPLEMENTATION PROCESS

STEP	1	2	3	4	5	6
ACTION	Decide to adopt a no bribes policy	Plan the implementation	Develop detailed anti-bribery Programme	Implement Programme	Monitor	Evaluate and improve
PRIMARY RESPONSIBILITY	Owner of company/board/ CEO	Appointed senior manager/Project Team	Appointed senior manager/heads of department	Appointed senior manager/ support functions/ business partners	Ethics/compliance officer Internal and external auditors	Owner of company/board/ CEO/audit committee
PROCESS	Obtain commitment to no-bribes policy "from the top"	Define specific company risks/ review current practices	Integrate no-bribes policy into organisational structure and assign responsibilities	Communicate anti-bribery Programme - internal/external	Regular reviews of the system	Receive feedback from monitoring
	Decide to implement an anti-bribery Programme	Review all legal requirements	Review ability of service functions to support new Programme	Run training courses for all employees and business partners	Capture knowledge from incidents	Evaluate effectiveness of Programme
	Decide extent of any public disclosure	Write no-bribes policy, develop and write anti-bribery Programme	Develop detailed implementation plan to include: <ul style="list-style-type: none"> ■ adapt HR policies ■ communications ■ training programmes 	Ensure capabilities are in place of specialist functions up to speed: internal audit, finance, legal department	Use external Verification Providers	Develop improvements to Programme
			Prepare for incidents	Review role of Project team	Review use of issues (whistle-blowing) channels	Report to management
					Board review and sign-off on Programme	
					Publish Programme process and results (optional)	
TIME SPAN	One Month	Three to six months	Three to six months	One year	Continuous	At least annually

holders in analyzing the data and determining a company's successes and failures.

Communicate

There is no better way for the management of a company to ensure that the risks for corrupt involvements are minimized than by communicating to stakeholders on all company transactions. Reporting offers a number of benefits:

■ TRANSPARENCY

By fostering a culture of transparency, the management sends a strong signal that it is an open organization with nothing to hide. Transparency also breeds more transparency—i.e., when one company reports, overlapping stakeholders may inquire why a competitor does not report. This is a case where supply drives demand.

■ ACCOUNTABILITY

By reporting, not only does management hold itself accountable internally, but the company holds itself accountable for its actions externally. Having key stakeholders involved makes for a more comprehensive and better analysis process. Accountability will ensure that successes are celebrated and, where appropriate, changes are made.

■ CHANGE AND INNOVATION

The above together breed change, as stakeholders ask why a company approached a certain problem in a certain manner. As more companies report regularly, a company may be prompted to change its policies when it finds success stories from outside the organization.

Companies may learn not only from their own actions, but also from the actions of others. Thus, companies can move together as a group, adopting successes and avoiding programmes that did not work for others.

As noted above, not every policy will work for every company. Companies are encouraged to modify a policy until they can demonstrate that it works in their context. At that point, someone else in a similar context may successfully adopt a similar practice.

Report on the work against corruption in the annual Communication on Progress

As with the other nine principles, businesses are expected to report on progress in implementing the 10th Principle within the framework of the UN Global Compact's Communication on Progress by describing:

- (a) Their public commitment to fighting corruption (including signature to the UN Global Compact and other principles, such as the PACI principles)
- (b) Translation of that commitment into practical policies, programmes and systems (e.g., implementation of anti-corruption policies such as those found in the UN Global Compact Reporting Guidance on the 10th Principle, the ICC Code of Conduct, and the Business Principles for Countering Bribery)
- (c) Outcomes and impact of the implementation of the 10th Principle.

These basic requirements are reflected in the Basic Elements found in the Global Compact-Transparency International **Reporting Guidance on the 10th Principle against Corruption** ("Reporting Guidance"). Companies are encouraged to use the Reporting Guidance when implementing policies and reporting on those policies. It is divided into seven Basic Reporting Elements and 15 Desired Reporting Elements in three areas: commitment and policy, implementation and monitoring.⁴

Companies that strive to achieve a higher level of implementation and reporting are encouraged to participate in the GC Advanced level of the Global Compact's Differentiation Programme. Such companies are expected to fulfil criteria in the three broad areas found in the Reporting Guidance, and are encouraged to adopt as many of the practices reflected in the Basic and Desired Reporting Elements as possible in meeting those criteria. The Reporting Guidance was used as the basis from which best practices in fighting corruption were extracted.

For more information on the Differentiation Programme, and for an FAQ on the use of

⁴As of 2011, in the area of anti-corruption, UN Global Compact business participants should report on at least one Basic Element in each of the three reporting categories ('Commitment and Policy', 'Implementation' and 'Monitoring') in order to qualify for the GC Active level. Companies should, at a minimum, have a publicly stated commitment to work against corruption in all its forms (B1), translate that commitment into actions (B3) and monitor and continually improve their processes (B7).

the Reporting Guidance, please consult the UN Global Compact website (www.unglobalcompact.org).

■ **SHARE GOOD PRACTICES AND LEARN**
We encourage companies to share their

experiences and policies in the area of corruption with other participants and stakeholders through the Communication on Progress and to learn from the successes and failures of others who do the same.

The UN Global Compact also recommends the use of the relevant Global Reporting Initiative (GRI) indicators for reporting:

UN GLOBAL COMPACT PRINCIPLE/GRI INDICATORS	
UN Global Compact Principle	Relevant GRI Indicators (3.1)
10. Businesses should work against corruption in all its forms, including extortion and bribery	S02: Percentage and total number of business units analyzed for risks related to corruption
	S03: Percentage of employees trained in organization's anti-corruption policies and procedures
	S04: Actions taken in response to incidents of corruption

Collective action

Often a local business leader takes the view that, although it would be desirable to exclude all forms of corruption, he or she cannot do it alone. There is at times a perception that corruption—from petty bribery and so-called facilitation payments to large-scale corrupt acts—is so much part of local culture that there is no remedy for the individual company. Although business managers may recognize that corruption is a problem, they may not consider it their role to change the business culture.

In these circumstances, collective action with other companies provides one of the key solutions. “Collective Action” is a process of cooperation between various stakeholders with the aim to jointly counter corruption. Through such alliance of like-minded organizations the problem can be approached and resolved from multiple angles, and the impact of individual action can be increased. The ultimate aim of these joint efforts is to create fair and equal market conditions—a “level playing field”—for all market players and to eliminate the temptations of corruption for all of them.⁵

Collective Action can be initiated and driven through various channels. The available methods range from Integrity Pacts for individual procurement transactions to industry-specific codes of conduct and compliance pacts, as well as joint measures implemented as part of a long-term initiative to raise a country’s public awareness and tighten up its regulatory system and procurement guidelines.⁶

Integrity Pacts

http://www.transparency.org/global_priorities/public_contracting/integrity_pacts

Developed by Transparency International, the Integrity Pact (IP) is a tool aimed at preventing corruption in public procurement. The process starts with an agreement between a

government institution and all bidders for a public sector contract. An IP calls for independent oversight of this agreement. It contains the rights and obligations of all parties to the contract, to the effect that neither the government procurer nor any of the bidders will pay, offer, demand or accept bribes, or collude with competitors to obtain the contract, or engage in such abuses while carrying it out.

Furthermore, bidders will disclose all commissions and similar expenses paid by them to anybody in connection with the contract, and sanctions will apply when violations occur. These sanctions range from loss or denial of contract, forfeiture of the bid or performance bond, and liability for damages, to bidders’ being blacklisted for future contracts and government employees’ being subjected to criminal or disciplinary action.

The IP provides companies with a level playing field where all competitors are bound by the same rules, thereby discouraging the use of bribes. It allows governments to reduce the high cost of corruption in procurement, privatization and licensing. The IP has shown itself to be adaptable to many legal settings and to be flexible in its application.

Compliance pacts or codes of conduct⁷

Compliance pacts are industry- or sector-specific contractual agreements between companies. A group of companies operating in the same industry launches an initiative with defined compliance principles or requirements to which its members must adhere. The pacts are particularly suitable for use in high-risk industries and oligopolistic markets; their success depends on extensive market coverage. Signing organizations agree to such codes of ethical conduct, which comprise business principles that reject bribery and corruption, and which may be based on existing principles, such as the Principles for Countering Bribery of the World Economic Forum—PACI. Signing the PACI Principles car-

⁵Adopted directly from *Collective Action in the Fight Against Corruption* (2010) http://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/CollectiveAction2010.pdf - A joint publication by the members of the World Bank Institute Working Group (the World Bank Institute, the Center for International Private Enterprise, Global Advice Network, Grant Thornton, Siemens, Transparency International and the United Nations Global Compact)

⁶Adopted directly from *Collective Action in the Fight Against Corruption* (2010) http://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/CollectiveAction2010.pdf.

⁷http://www.weforum.org/pdf/paci/PACI_Principles.pdf and http://www.transparency.org/global_priorities/private_sector/

ries no legal obligations, but signatories will be held accountable by the general public and the media.⁸ In order to avoid any anti-trust issues, a neutral mediator (e.g., an industry association, a chamber of commerce or a non-governmental organization) must be involved in the preparation of the compliance pact.

Long-term initiatives

An important tool in the fight against corruption is the cooperation between a country's key stakeholder groups, including members of the public sector, the private sector and civil society, with the aim to create a deep-rooted anti-corruption culture in a particular country or sector. Such long-term initiatives create the fundamental conditions required for project-specific Integrity Pacts and industry-specific Compliance pacts to be effective in the long run. Such initiatives may include the promotion of Collective Action methods by companies, the organization of business round tables, best practice sharing, information campaigns and anti-corruption training by local chambers of industry and commerce or NGOs, and cooperation with local anti-corruption authorities on regulatory reform⁹.

Tools and organizations that support collective action

Fighting Corruption through Collective Action – A Guide for Business

http://www.unglobalcompact.org/docs/news_events/8.1/fighting_corruption_through_collective_action.pdf

This guide produced by the World Bank Institute, the UN Global Compact, a consortium of leading NGOs, and private sector partners outlines ways to combat market corruption based on proven “how-to” examples from many regions and sectors. Cases from a diverse group of countries are detailed in the guide, as well as a range of tools that may assist users in tailoring collective action frameworks to their specific circumstances and needs. (WBI/UNGCI/CIPE/Transparency International/Global Advice Network/Grant Thornton/Siemens, 2008)

Business Fighting Corruption: Resource Centre for Business

<http://info.worldbank.org/etools/antic/index.asp>

This website was developed as an anti-corruption resource for business. It explores and details the constructive role that business can play in fighting corruption and how this can be done jointly with other companies and stakeholders—an approach called “collective action”. Some organizations and individuals are already successfully using collective action, and are often working with business associations, civil society, media, government departments and other stakeholders. Successful collective action results in increased competition and market health, improved transparency, and a reduction in corruption in many regions and business sectors. Society has benefited, as have the businesses that have provided more reasonably priced and higher quality goods and services—with the costly, inefficiency-producing effects of corruption reduced or eliminated.

Collective Action – Building a Coalition Against Corruption

http://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/CollectiveAction2010.pdf

This brief document produced by the World Bank Institute Working Group outlines the role of collective action in fighting corruption, and includes information on the benefits of collective action. A corresponding Internet portal is available at www.fightingcorruption.org. (World Bank Institute, the Center for International Private Enterprise, Global Advice Network, Grant Thornton, Siemens, Transparency International and the United Nations Global Compact)

Publish What You Pay

www.publishwhatyoupay.org

Publish What You Pay is a global network with over 600 member civil society organizations in more than 30 countries. Network

⁸According to PACI, adherence to their principles does not create any additional legal obligation on behalf of the company (See https://members.weforum.org/pdf/paci/Legal_opinion.pdf).

⁹. Zindera, Sabine: ‘Collective Action – Der gemeinsame Kampf gegen Korruption’ in Handbuch Compliance Management (Ed. Prof. Wieland, Dr. Steinmeyer, Prof. Grüninger).

members have, together, created civil society coalitions for collective action in the extractives sector. The network aims to help citizens of resource-rich developing countries to hold their governments accountable for the management of revenues from the oil, gas and mining industries. The campaign was launched by George Soros and founded by Global Witness, CAFOD, Open Society Institute, Oxfam, Save the Children UK, and Transparency International UK.

Transparency International

www.transparency.org

Transparency International (TI) has been at the forefront of the anti-corruption movement since its formation in 1993. TI is a non-profit, independent, non-governmental organization dedicated to increasing government accountability and curbing international and national corruption. Through its international secretariat and network of over 90 national chapters worldwide, TI works in a non-confrontational way with governments, civil society and the private sector to develop means to combat corruption. The development of the Business Principles for Countering Bribery followed TI's coalition approach. These have become central to TI's engagement with the private sector and its efforts to help develop and raise corporate standards of probity.

The World Economic Forum—Partnership against Corruption Initiative (PACI)

<http://www.weforum.org/issues/partnering-against-corruption-initiative>

PACI, initiated by leading CEOs from the World Economic Forum, was officially launched in 2004. Using the Partnering Against Corruption—Principles for Countering Bribery (“PACI Principles”), which were derived from Transparency International’s Business Principles for Countering Bribery as a core document, the PACI encourages member companies to sign a support statement officially acknowledging their commitment to the PACI Principles. By signing the statement, companies commit to “zero tolerance” of corruption and bribery as well as to the development of an internal implementation programme. Moving forward, the PACI continues to focus on pragmatic implementation mechanisms.

International Business Leaders Forum

www.iblf.org

IBLF is an independent, not-for-profit association of multinational and local companies and their leaders, focused on building responsible business solutions for a sustainable world.

IBLF’s anti-corruption programmes have been supporting business leaders for nearly a decade in Russia, China, India and many other countries. IBLF seeks to build and facilitate partnerships between business, government and civil society to create an environment that is attractive to investors in both the short- and long-term by addressing the challenges posed by corruption.

IBLF achieves this in a number of ways: It provides regular in-country forums for leaders and senior executives from business to exchange best practices on improving corporate governance and reducing corruption within their own companies and in the markets in which they operate; it informs the broader business community, government and civil society of the economic and social benefits of the best international business standards; it brings together companies in specific industries and markets in collective action approaches to promote responsible business practices; and it encourages and inspires the new generation of students and young business leaders to adopt the best standards of business ethics through educational materials and mentoring.

United Nations Global Compact

www.unglobalcompact.org

In 2004, a 10th Principle was added to the United Nations Global Compact, a multi-stakeholder initiative, sending a strong signal that the private sector shares responsibility for eliminating corruption. The principle states: “Businesses should work against corruption in all its forms, including extortion and bribery.” The adoption of the 10th Principle commits the almost 9,000 Global Compact participants not only to avoid bribery, extortion and other forms of corruption, but also to develop policies and concrete programmes to address them. The United Nations Global Compact is a voluntary initiative with a mandatory requirement for business participants to disclose, on an annual basis, their performance in four issue areas (Anti-Corruption, Human Rights, Labour, and Environment).

Sector- and country-based examples of collective action

Extractive Industries Transparency Initiative

www.eitransparency.org

The Extractive Industries Transparency Initiative (EITI), announced in 2002 by the UK's then-Prime Minister Tony Blair, aims to "strengthen governance by improving transparency and accountability in the extractives sector." The EITI is a multi-stakeholder coalition of governments, businesses, civil society, investors and international organizations, and provides a standard methodology for companies to follow when they make payments to governments, and for governments to disclose what they receive from businesses. This ensures the maintenance of a global standard by all implementing countries.

EITI-compliant countries regularly publish all material payments made by extractive industries to governments and material revenues received from these industries by the government. These are reconciled independently by a trusted third party using international auditing standards. The data is published with the third party's opinion regarding the reconciliation of any discrepancies that may exist. This report may then be used by others in in-country dialogues. As of April 2011, the list of compliant countries includes Azerbaijan, the Central African Republic, Ghana, Kyrgyzstan, Liberia, Mongolia, Niger, Nigeria, Norway, Timor-Leste, and Yemen. More than 20 other countries have signalled intent to implement the EITI.

The Convention on Business Integrity (CBI)—Nigeria

www.theconvention.org

The Convention on Business Integrity (CBI) is a non-governmental organization created in 1997 by a number of concerned business leaders in Nigeria to combat corruption in the private and public sectors, with a vision to "create a society of zero tolerance for corruption." CBI members include not only local and international companies, but also educational institutions and governmental departments. Among its 20 current corporate signatories are SAP, Accenture, Cadbury, Dunlop and Standard Chartered Bank.

By signing on to the CBI, companies commit to the values and rules of the Code of

Business Integrity, which contains sanctions and incentives for participants. Though the Code is not legally binding, all parties commit themselves to a moral obligation.

To join the CBI, companies must undergo a series of stages during which their past integrity is examined by a business peer review mechanism. CBI then provides assistance for companies to develop their internal auditing processes. In the last, critical stage before an association can receive full membership, an external audit is conducted to confirm that effective integrity procedures are in place.

The initiative has drawn interest from groups in Kenya, Rwanda, Uganda, Slovakia, Germany and the UK.

FIDIC Code of Ethics and Business Integrity Management System

www.fidic.org; www1.fidic.org/resources/integrity

The International Federation of Consulting Engineers (FIDIC), an industry association that represents the international business interests of firms belonging to national member associations of engineering-based consulting companies, asks firms to comply with FIDIC's Code of Ethics and Policy Statements in order to be accepted as members. Furthermore, FIDIC has developed a comprehensive Business Integrity Management System (BIMS) for consulting firms, which complements its established Quality Management Systems. It recommends that all its members implement the BIMS within their operations.

Global Principles of Business Ethics for the Aerospace and Defence Industry

http://www.asd-europe.org/site/fileadmin/user_upload/07_4PGlobalPrinciples_A4.pdf

The Aerospace Industries Association of America (AIA) and Aerospace and Defence Industries

Association of Europe (ASD) have jointly developed these Global Principles of Business Ethics for the Aerospace and Defence Industry ("Global Principles"). These Global Principles are based on best practices, including the Common Industry Standards for European Aerospace and Defence, and the Defense Industry Initiative on Ethics and Business Conduct in the US. The aerospace and defence industry's long-term success depends on companies'

upholding integrity in bidding, negotiating and performing contracts. Companies subscribing to the Global Principles promise to behave ethically towards their customers, suppliers, competitors, employees and other stakeholders. The Global Principles highlight key issues in the aerospace and defence industry that may impact on ethical business conduct. However, they are not an exclusive list of business ethics issues that a company may face, and companies are encouraged to give their staff guidance on ethical issues as appropriate to a particular company. It is intended that the Global Principles will continue to develop over time to reflect current best practices.

China Business Leaders Forum—Companies Partnering to Promote Transparency *www.cblf.org.cn*

During 2004, the International Business Leaders Forum, in partnership with the Renmin University of Beijing and a group of business leaders from domestic and international companies, established the China Business Leaders Forum (CBLF). Its mission is to “enable companies (both Chinese and foreign) operating in China to work collectively to achieve sustainable improvement in corporate governance that reflect international business standards.” It provides a facility through which business leaders in China can address collectively issues of responsible business standards across a wide range of business topics. In January 2011, CBLF launched a new three-year ‘Integrity and Transparency in Business Initiative’ to mobilize business to fight corruption in support of the government’s increased commitments to action.

Collective action of this nature recognizes the critical importance of dialogue between Chinese and international companies in improving practices, as well as the reality that individual companies can make only limited progress on their own. Through their joint efforts, trust and confidence within the business community is being built and strengthened, making the business community a more influential partner in its relationships with other sectors.

Case examples of specific projects utilizing collective action

Integrity Pact at Berlin Airport

A German principal solicited bids for the con-

struction of a new airport south of Berlin. The bidding companies were required to ensure that their suppliers adhered to an agreed-upon set of principles and were signatories to the contract. Here, the involvement of third-party monitors of the tendering process helped re-start the tender bidding process, which had been suspended because of the abnormally high costs associated with the originally submitted bids.

World Bank (http://info.worldbank.org/etools/docs/antic/Whole_guide_Oct.pdf)

Local and Municipal Integrity Pacts in Colombia

In Colombia, mayors, governors and other administrators have, upon the establishment of a new initiative, signed local procurement transparency pacts with members of the private sector. Such pacts were witnessed by members of the national government. These actions have increased the credibility and trust in government initiatives and promoted fairer competition among bidding companies.

With regard to the procurement law reform in Colombia, businesses and civil society—which were provided with the opportunity to comment on the draft law—provided key information on the challenges they faced and were granted oversight on the process of procurement law reform. This led to the introduction of more transparency procurement practices, greater competition in the procurement process, and greater assurances for the evaluation of investments.

World Bank (http://info.worldbank.org/etools/docs/antic/Whole_guide_Oct.pdf)

India’s Defence Procurement Directive

The 2006 Defence Procurement Procedure of the Government of India requires, among other things, the use of Integrity Pacts for all government contracts worth more than 1 billion rupees (US \$22.5 million). The pact is a binding agreement between the government agency asking for bids, and bidders for specific contracts. The government has promised it will not accept bribes during the bidding process, and bidders promise they will not offer bribes.

Transparency International (See the full report, available at <http://www.defenceagainstcorruption.org/>.)

Tools and resources

ICC RULES OF CONDUCT TO COMBAT EXTORTION AND BRIBERY

<http://iccwbo.org/policy/anticorruption/id870/index.html>

First published in 1977 and last revised in 2005, the International Chamber of Commerce (ICC) Rules of Conduct to Combat Extortion and Bribery outline the basic measures companies should take to prevent corruption. These Rules are intended as a method of self-regulation by international business: They are of a general nature, constituting what is considered good commercial practice in matters to which they relate, but are without legal effect. Since their initial publication in response to the widely publicized bribery scandals of the mid-1970s, the Rules have set markers for the business community and have been adopted by many companies worldwide. The ICC has established a Commission on Anti-Corruption, whose objectives are to:

- Update the ICC Rules of Conduct on Extortion and Bribery,
- Prepare a briefing paper on the UN Convention against Corruption to promote its implementation worldwide,
- Explore the possibility of establishing facilities to collect information on the solicitation of bribes,
- Develop a practical ICC tool to guide companies, and especially SMEs, in addressing anti-corruption issues and compliance procedures, and
- Continue to promote the use of ICC's publication *Fighting Corruption: A Corporate Practices Manual* (a practical handbook for managers in large multinational companies as well as SMEs that administer corporate compliance programmes in line with the Rules).

BUSINESS PRINCIPLES FOR COUNTERING BRIBERY

http://www.transparency.org/global_priorities/private_sector/business_principles

The development of the Business Principles for Countering Bribery (Business Principles), initially published in 2003 and revised in 2009, was undertaken by Transparency International in partnership with Social Accountability International and a Steering Committee drawn from business, academia, trade unions and other non-governmental bodies. The Business Principles are a practical and comprehensive model of good practice in the area of anti-bribery. They provide a detailed elaboration of one critical aspect of a code of conduct. Beyond the strict prohibition of bribery, the Business Principles make it a fundamental requirement to implement a programme to counter bribery. TI has developed a full suite of tools to support the implementation and monitoring of the Business Principles. The 2009 edition "charts new territory by placing greater emphasis on public reporting of anti-bribery systems and in recommending that enterprises commission external verification or assurance of their anti-bribery programme."

FIRST TO KNOW—ROBUST INTERNAL REPORTING PROGRAMMES

<http://www-dev.iblf.org/resources/general.jsp?id=39>

This brief guidebook provides information on recent legal developments, voluntary initiatives and emerging best practices in the areas of reporting, making disclosures, and protecting staff prepared to speak up when malpractices occur within a company. It was published by TRACE, ISIS Asset Management and the International Business Leaders Forum. Additional resources can also be found on the TRACE website (<https://secure.traceinternational.org/Default.asp?>).

UN GLOBAL COMPACT WEBSITE

(www.unglobalcompact.org)

- **The Communication on Progress:** http://www.unglobalcompact.org/COP/communicating_progress.html
- **The Differentiation Programme:** http://www.unglobalcompact.org/COP/differentiation_programme.html
- **The Anti-Corruption Reporting Guidance:** http://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/UNGC_AntiCorruptionReporting.pdf
- **UN Global Compact Management Model:** http://www.unglobalcompact.org/docs/news_events/9.1_news_archives/2010_06_17/UN_Global_Compact_Management_Model.pdf
- **Other tools on Anti-Corruption:** http://www.unglobalcompact.org/Issues/transparency_anticorruption/Anti-Corruption_Guidance_Material.html

Intergovernmental anti-corruption instruments

UNITED NATIONS: THE UN CONVENTION AGAINST CORRUPTION

(<http://www.unodc.org/unodc/en/treaties/CAC/index.html>)

OECD

- **Convention on Combating Bribery of Foreign Public Officials in International Business Transactions** (http://www.oecd.org/document/21/0,3746,en_2649_34859_2017_813_1_1_1_1,00.html)
- **Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions, 2010** (<http://www.oecd.org/dataoecd/11/40/44176910.pdf>)
- **Guidelines for Multinational Enterprises** (http://www.oecd.org/department/0,3355,en_2649_34889_1_1_1_1_1_1,00.html)

- **The Financial Action Task Force on Money Laundering (FATF) The Forty Financial Action Task Force Recommendations** (http://www.fatf-gafi.org/document/28/0,3343,en_32250379_32236930_33658140_1_1_1_1,00.html)
- **Organization of American States Inter-American Convention against Corruption (IACC)** (<http://www.oas.org/juridico/english/treaties/b-58.html>)
- **Council of Europe**
 - **Council of Europe Civil Law Convention on Corruption** (<http://conventions.coe.int/treaty/en/treaties/html/174.htm>)
 - **Council of Europe Criminal Law Convention on Corruption** (<http://conventions.coe.int/treaty/en/treaties/html/173.htm>)
 - **European Union** *The European Union Convention on the Fight against Corruption Involving Officials of the European Communities or Officials of Member States* (http://europa.eu/legislation_summaries/fight_against_fraud/fight_against_corruption/l33027_en.htm)
- **African Union Convention on Preventing and Combating Corruption and Related Offences** (http://www.africa-union.org/official_documents/Treaties_%20Conventions_%20Protocols/Convention%20on%20Combating%20Corruption.pdf)

Global initiatives against corruption

- **Transparency International** (http://www.transparency.org/global_priorities/private_sector/business_principles)
- **International Chamber of Commerce** (www.iccwbo.org)
- **World Economic Forum—Partnership against Corruption Initiative** (<http://www.weforum.org/issues/partnering-against-corruption-initiative>)

Sector-wide initiatives against corruption (examples)

- **International Federation of Consulting Engineers (FIDIC) Code of Ethics and Policy Statements** (<http://www1.fidic.org/about/ethics.asp>)
- **International Council on Mining and Metals (ICMM) Sustainable Development Charter, ICMM Ten Principles** (<http://www.icmm.com/our-work/sustainable-development-framework/10-principles>)
- **“Publish what you pay”** (www.publishwhatyoupay.org)
- **UNICORN, Trade Union Anti-Corruption Network** (<http://www.againstcorruption.org/>)

- **The Extractive Industry Transparency Initiative** (www.eitransparency.org)

General anti-corruption links

- **UN Global Compact** (www.unglobalcompact.org)
- **OECD** (www.oecd.org)
- **International Business Leaders Forum** (www.iblf.org)
- **Transparency International** (www.transparency.org)
- **Avoid Corruption—guide for companies, published by the Confederation of Danish Industry** (<http://di.dk/english/Pages/English.aspx>)
- **Facing up to Corruption, published by Control Risks Group** (<http://www.control-risks.com/pdf/corruption%20sequel2003.pdf>)
- **TRACE International** (www.traceinternational.org)
- **United Nations Office for Drug Control and Crime Prevention** (www.unodc.org)
- **Anti-Corruption Gateway for Europe and Eurasia** (www.nobribes.org)
- **Global Witness** (www.globalwitness.org)
- **Center for International Private Enterprise** (www.cipe.org)
- **The International Chamber of Commerce** (www.iccwbo.org): *Fighting Corruption: A Corporate Practices Manual*
- **Ethics Resource Center** (www.erc.org): Offers training of ethics officers and staff.
- **Public Concern at Work** (www.pcaaw.co.uk): A consultancy, it provides guidance and practical training for companies, advises governments and runs a confidential helpline for employees. In 2005, Public Concern at Work published *Whistle-blowing Around the World: Law, Culture and Practice*.
- **Global Reporting Initiative** (www.globalreporting.org) *provides companies with a comprehensive reporting framework.*
- **FTSE4Good** (http://www.ftse.com/Indices/FTSE4Good_Index_Series/Downloads/FTSE4Good_Countering_Bribery_Criteria.pdf): Criteria on countering bribery
- **Business Fighting Corruption** (www.fightingcorruption.org)

The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 make sure that they are not complicit in human rights abuses.

LABOUR

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of child labour; and
- Principle 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

