

ANTI-CORRUPTION POLICY FOR INNOVATION NORWAY

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Version	Changed date	Responsible/change approved	Brief description of change
1	09.03.2015	JURI/LT	First time adopted by LT
2	09.12.2015	Legal Department	Editorial update pursuant to new General Civil Penal Code

Description of the document's content:

The anti-corruption policy is an organisation-wide document that concerns a particularly important topic in Innovation Norway's ethical guidelines, namely IN's endeavours to prevent and combat corruption among its employees and to counteract corruption among its suppliers and partners.

ANTI-CORRUPTION POLICY FOR INNOVATION NORWAY

1. Background and objective

Corruption is a huge risk for Norwegian companies in general, and for companies that operate internationally in particular. Involvement in corruption can lead to penal sanctions, loss of contracts and loss of reputation. In addition, corruption is damaging for innovation, entrepreneurship, market mechanisms and the financial stability that a well-functioning business community depends on.

The European Council's Criminal Law Convention on Corruption states the following:

“Corruption threatens the rule of law, democracy and human rights, undermines good governance, fairness and social justice, distorts competition, hinders economic development and endangers the stability of democratic institutions and the moral foundations of society.”

Sections 387, 388 and 389 of the General Civil Penal Code prohibit and set out penal sanctions for corruption. IN is against all forms of corruption and has zero tolerance for corruption; cf. section 4.5 of IN's ethical guidelines.¹

The anti-corruption policy describes the most important elements of IN's endeavours to prevent and combat corruption among its employees and to counteract corruption among its suppliers and partners. IN expects all its partners and suppliers to have guidelines for ethics and corporate social responsibility and a business conduct that is compatible with IN's requirements for good anti-corruption work.

IN shall also contribute to sustainable development and increased corporate social responsibility in Norwegian business and industry by seeking to achieve a high level of knowledge about forms of corruption in different countries, in order to be able to provide advice and assistance to prevent corruption externally among clients and third parties. IN has adopted a dedicated code of conduct concerning corporate social responsibility (CSR)² that, together with the company's sub-policy on CSR,³ describes this work in more detail.

2. Area of application for the anti-corruption policy and other regulations

This policy applies to all employees and officers in IN. The policy also applies to consultants carrying out tasks/assignments for IN.

All IN managers are responsible for communicating and introducing the guidelines in their specific areas.

¹ [Ethical guidelines for Innovation Norway](#)

² [Corporate social responsibility](#)

³ [Expectations of customers](#)

The policy is also intended to counteract corruption among IN's suppliers and partners, among other things by IN making requirements and defining expectations for ethics and corporate social responsibility in relation to these parties.

In relation to IN's clients and aid recipients, efforts to counteract corruption are described in more detail in IN's code of conduct concerning corporate social responsibility (CSR) and its sub-policy on CRS.

IN's anti-corruption work is also reflected in the company's other internal regulations, such as its guidelines for impartiality, procurements and whistleblowing. The anti-corruption policy must therefore be seen in conjunction with other governing documents in IN.

The Norwegian provisions on corruption apply globally to both public and private Norwegian enterprises. In addition, IN must comply with applicable laws in all the countries we operate in, and, to the extent that the anti-corruption standard is more stringent abroad than in Norway, the most stringent standard will apply.

3. Definitions – different forms of corruption

Corruption includes a broad spectrum of activities the purpose of which is to obtain unlawful advantages. What is perceived as corruption varies, however, from country to country. It is therefore difficult to give an exact definition. Transparency International defines corruption as "the abuse of entrusted power for private gain".

Corruption often occurs together with other types of economic crime such as fraud, embezzlement, theft, money laundering, violations of competition law, tax evasion, manipulation of accounts and insider trading.

In the following, some common forms of corruption are mentioned. It is underlined that corruption comprises much more than these examples, however, and that combating corruption requires individuals to have knowledge about corruption and necessary understanding of roles.

Corruption can take the form of bribery, greasing and favouring someone, e.g. friends and relatives.

Bribery in the form of cash is easy to recognise, but corruption can also be camouflaged as services, return commission (kickbacks), gifts, restaurant meals, travel and hotel stays or tickets for special events.

Facilitation payments are payments intended to speed up or ensure the receipt of products or services to which one is legally entitled. Typical examples include paying a fee to get through, or to get more quickly through, checks or approval procedures (e.g. passport checks, work permits, access to electricity, customs clearance etc.).

IN does not accept facilitation payments. However, if a person has justified reasons to believe that his/her or others' life or health may be in danger, facilitation payments may be

acceptable. In such cases, the payment must be described correctly in the accounts and be reported to the person's line manager, and notification must also be given in accordance with IN's internal whistleblowing procedures.

Another well-known phenomenon is what are known as kickbacks, which typically refers to contracts or invoices with a higher consideration than what is seen as reasonable, on the condition that the person who helps to secure the payment receives part of this or other services as quid pro quo.

4. Principles for gifts, hospitality and coverage of costs

IN's object warrants special external activities, network building, representation etc. The guidelines set out below are not intended to prevent such external activities, but are defined in order to create awareness and an understanding of the corruption risk and to facilitate compliant behaviour for employees and others who represent IN.

4.1 Gifts

With the exceptions stated below, employees and others who represent IN are not allowed, neither directly nor indirectly, to give or accept gifts or other benefits in relation to IN's activities.

Gifts given as tokens of appreciation after lectures etc. can be accepted if the gift is of modest value and no circumstances exist that indicate that the gift should not be given or accepted. Cash gifts, gift vouchers or travel vouchers can never be given or accepted. As a rule, tokens of appreciation in the form of gift vouchers/donations to charitable organisations are acceptable.

In general, giving and accepting promotional items/products such as ballpoint pens etc. is permitted provided that their value is modest and that no circumstances exist that indicate that such items should not be given or accepted.

Product samples other than simple food samples etc. shall not be accepted by individual employees. Product samples that serve a legitimate purpose, for example as a way of creating an understanding of a product or an idea, and where it has not been stated or seems natural that the item should be returned to the giver, will pass to IN, which will decide how to deal with it. The giver should always be informed about how the item will be dealt with.

If cultural issues or other conditions indicate that it may be perceived as offensive or rude to turn down a gift, the gift may be accepted provided that it is not in the form of money and that it is not of considerable value. Gifts received will pass to IN, which will decide how to deal with them. The giver should always be informed about how the item will be dealt with.

Gifts or other forms of appreciation from IN to its officers and employees can be received without further consideration.

4.2 Representation

Representation in the form of participation in events, meals etc. must be justified on business grounds.

Participation in events, meals etc. is never permitted if there is a risk that it might reflect badly on IN or the representative in question, or if it is considered detrimental that the participation becomes known.

Any participation is conditional on the cost level of the event etc. being within acceptable limits.

Particular caution must be exercised in connection with procurements, entering into contracts etc., where the situation can easily be perceived as an attempt to influence the other party.

If there is doubt about whether the representation/participation is unproblematic, written consent must always be obtained from a superior in advance.

Each person who participates in an event that develops in an unfortunate direction with regard to costs or other circumstances is obliged to assess the situation and how it should be dealt with. A report on the event and how it was dealt with shall be submitted to the manager/superior as soon as possible.

4.3 Coverage of costs

Travel, accommodation and other expenses for IN's representatives in connection with the performance of work/assignments for IN shall as a main rule always be paid for by IN.

Within the limits described in section 4.2, it may be accepted that others cover the participation costs for IN's representative if this appears most natural.

Expenses for joint means of transport over short distances may be covered by others, if this appears unproblematic. Other transport expenses may also be covered by others if using other means of transport than the scheduled joint transport solution is impossible or appears impractical. Any coverage of costs must be carefully considered, and coverage by others than IN is contingent on there being no problematic circumstances relating to such coverage.

In other special cases, transport and accommodation expenses may be covered by others, if a joint arrangement is concerned where paying for oneself is not a real or practical alternative. Any coverage of costs must be carefully considered, and coverage by others than IN is contingent on there being no problematic circumstances relating to such coverage.

Coverage of costs other than the above-mentioned examples is only acceptable in connection with a concrete business collaboration, and if the contract between the parties specifically states that the co-contractor is to cover the expense. It is also a condition that a superior approves the coverage of costs, that the expenses are moderate and relevant, that they are based on receipts and that the transaction is transparently and correctly recognised

in the accounts. However, coverage of costs shall never take place in connection with tenders, awards or the evaluation of contracts.

5. Implementation and risk assessments

5.1 About risk assessments in general

The guiding principle for assessing corruption risk is to gain a good understanding of local conditions, including differences in markets and business culture, and sufficient information about parties you need to deal with, as early as possible in the business process.

As a basis for this work, IN shall carry out an annual overall assessment of the corruption risk at company level in order to identify the service areas and markets with the greatest corruption risk. In areas where the overall corruption risk assessment so indicates, concrete risk assessments and/or integrity due diligence (IDD) reviews shall be carried out before projects are initiated or contracts entered into with suppliers.

Below are some examples of risk areas in IN. The overall corruption risk analysis identifies additional areas. Templates have been prepared to be used in connection with risk analyses and IDD reviews.

5.2 Establishing offices abroad

Before IN establishes an office in a new country, an assessment shall be carried out to determine the extent to which the business climate and the political and social situation in the country are characterised by unethical or corrupt methods/practices. The assessment shall be based on recognised sources of information and indicators, such as Transparency International's corruption index and the MFA's country pages, and it shall be carried out pursuant to procedures laid down by IN.

5.3 Entering into agreements – the purchase of goods and services

Procurements in IN shall be based on competitive tendering and with assistance from the procurement team to ensure compliance with IN's procurement rules.

A screening of the corruption risk determines what detailed measures are required in each individual procurement process. In cases where an IDD review shall be carried out before entering into an agreement, the process shall contribute to identifying any integrity problems and "red flags" that need further investigation. It is important to ensure that consultants'/third parties' reputation, background and expertise are suitable and satisfactory.

All agreements should contain clauses on liability and obligations to ensure compliance with IN's ethical guidelines, healthy and transparent business methods, proportionate considerations, access to and openness concerning the contractual relationship as well as compliance with applicable legislation.

5.4 Training and awareness

IN shall implement appropriate measures (including necessary training and guidance) to ensure that employees, officers and consultants are able to meet their obligations under this anti-corruption policy at all times.

The training and focus areas will differ from office to office. In addition to the training provided, employees are encouraged to use TI's anti-corruption handbook.

Employees and others who represent IN are encouraged to report any matters that indicate possible corruption in connection with IN's activities. Reporting should preferably take place through IN's notification channel.