

Policy

Bribery and Corruption



Introduction

The Code of Conduct forms the basis for Compliance in the Baloise Group, in outlining the minimum standard for ethical and legally flawless conduct for all employees. The Baloise Code of Conduct regulates active bribery under the heading "Corruption" and passive bribery under the heading "gifts".

Basically, a distinction is made between active and passive bribery. Active bribery addresses the employee not giving gifts or invitations with the aim of inducing a public official or private individual with a fiduciary duty to breach duties towards his authority or company or to exercise his discretionary powers in favor of Baloise.

Passive bribery is about the fact that the employee cannot be influenced in specific decisions or induced to behave in a certain way by accepting gifts or invitations.

In principle, the following always applies: Gifts and invitations may not be accepted if the employee could thereby be influenced in concrete decisions or induced to behave in a certain way. Therefore, neither gifts nor invitations may be given or accepted during concrete contract negotiations, unless they are occasion-related gifts and invitations like for example Christmas gifts or merchandising gifts.

Group Compliance Standards

The Group Compliance Controlling Standards determine major compliance issues/standalone risks and define goals for these subjects, which need to be implemented as a minimum standard by all strategic business units (shortly: SBUs) of Baloise.

The following standards, which were adopted through the group CEO, explain, how to classify bribery and how to handle gifts, invitations, favors, donations and sponsoring.

Principles of Bribery and Corruption

Dedicated Persons

In each SBU persons have to be designated for the topic Corruption/Bribery. They must monitor legal developments and are involved in internal reviews and checkups.

Internal Directives and Processes

In each SBU, an internal directive is issued, which covers all local legal requirements and clearly defines under which circumstances/conditions gifts, invitations and other non-cash benefits may be accepted and what competencies exist. Any amount thresholds/limits as well as reporting duties to superiors and other internal bodies are defined and applied.

It is organizationally ensured that political and other donations and sponsoring are only possible under clearly defined conditions and with the necessary approvals.

Based on a risk based approach special provisions and controls (e.g. four eyes-principle) ensure that exposed departments and/or services (e.g. procurement, purchasing) are compliant.

A separate directive exists in each SBU, which governs especially the areas of private mandates and secondary employments. Also the authorization requirements and the management of lists of mandate holders are handled .

Training and Instruction

It is ensured that affected employees are regularly and promptly (new employees) trained on the internal directive and local corruption regulations and that they are instructed on relevant changes in legislation. The attendance is documented.

Controlling and Reporting

The compliance reporting process is used for the identification and assessment of compliance risks and key controls along all compliance standards as well as for the reporting of regulatory developments, indicators, organizational factors and main activities.

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Group Compliance discusses the risk and control assessments as well as the annual reports with the SBUs and subsequently consolidates them annually for the attention of the Corporate Executive Committee and the Board of Directors. Based on the interim reports of the SBUs Group Compliance submits also a compliance interim report to the Corporate Executive Committee.

The compliance reporting allows Group Compliance, the Corporate Executive Committee and the Board of Directors to identify, assess and monitor compliance risks, and to counter these risks if required, in order to minimize them.

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