

---

## Partnering Against Corruption Initiative (PACI)

### PACI PRINCIPLES IN BRIEF

The Partnering Against Corruption Initiative's Principles for Countering Bribery (PACI Principles) commit signatory companies to two basic actions:

- A zero tolerance policy towards bribery
- An effective programme to counter bribery and ensure its implementation

This dual commitment is implemented through specific minimum standards detailed in the PACI Principles document, which is summarized below. This summary offers a quick overview only and is not a substitute for the comprehensive PACI Principles.

#### 1<sup>st</sup> Principle: A Zero Tolerance Policy towards Bribery

The PACI Principles establish minimum standards for a signatory company's zero tolerance policy on bribery. Company policies are expected, at a minimum, to:

- **Prohibit bribery involving company personnel, agents or business partners in any form.** Bribery is defined broadly to include promising or giving anything of value (not limited to cash) to another person for an improper business purpose. The prohibition applies to all transactions, whether governmental or private, and whether a bribe is promised or given directly or through an agent, business partner or other intermediary. The zero tolerance commitment also applies to bribery of a company's own personnel by others.
- **Regulate political contributions, charitable contributions and sponsorships to prevent circumvention of the bribery prohibition.** Political contributions, charitable contributions and sponsorships are not prohibited, but must be transparent, made in accordance with applicable law and subject to reasonable controls and procedures for preventing bribery.
- **Work toward eliminating "facilitation" payments.** Signatory companies are expected to identify and eliminate these small payments to secure routine non-discretionary action and, where complete elimination is not yet feasible, to closely regulate and monitor such practices through specific training and oversight measures.
- **Bar improper gifts, hospitality and expenses.** Company personnel and agents should not offer or accept gifts, hospitality or expenses where such arrangements could improperly affect a procurement or other business transaction and are not reasonable and bona fide expenditures.
- **Provide practical, risk-based guidance and prophylactic measures.** A signatory company's programme should include reasonably detailed guidelines for employees and agents, based on an appropriate risk assessment process and tailored to reflect relevant industry and geographic risk factors. These guidelines should be backed up by reasonable and effective controls and procedures.

## 2<sup>nd</sup> Principle: An Effective Internal Programme for Implementation

A zero tolerance policy is only as good as the programme of internal procedures and controls used to implement it. At a minimum, signatory company programmes are expected to:

- **Confirm high-level leadership and responsibility.** Programmes should be managed at a high level, with regular oversight by and visible and active support from the board and chief executive officer (or equivalent authority).
- **Address business conducted through third parties.** Programmes should have guidelines and procedures for applying the zero tolerance commitment to business conducted through subsidiaries, joint venture partners, agents, contractors and other third parties. Details vary by type of relationship, but in all cases require reasonable due diligence, regular monitoring and communication of basic information about the programme to business partners. Additional standards, including written contractual commitments, apply to agents and advisers.
- **Reflect supportive human resource practices.** Commitment to the programme should be reflected in a company's human resource practices. This includes, at a minimum, clear guidance that compliance with the programme is mandatory, protection for employees who refuse to pay bribes and appropriate and consistently applied sanctions for violations of the programme.
- **Mandate programme training.** Managers, employees and agents should receive specific training on the programme, tailored to relevant needs and circumstances and assessed periodically for effectiveness. Where appropriate, training should be extended to contractors and suppliers.
- **Provide confidential channels for raising concerns and seeking guidance.** Employees and others should have a secure and accessible channel (e.g. a telephone hotline) for raising concerns and reporting suspicious circumstances. Channels should also be available for seeking compliance advice and suggesting improvements to the programme.
- **Facilitate programme communications.** Signatory companies are expected to have effective mechanisms for internal communication of the programme, publicly disclose their anti-bribery commitment, and be open to outside communications from interested parties about the programme.
- **Mandate rigorous financial controls.** Companies should maintain accurate books and records, prohibit off-the-books accounts, implement effective financial and other internal controls, establish feedback mechanisms and other means for continuous improvement of the programme, and conduct regular audit reviews of financial records and programme controls.
- **Exercise high-level oversight.** Senior management should monitor the programme and periodically review its suitability, adequacy and effectiveness, subject to oversight by the board (or equivalent body).

### Additional Guidelines

The PACI Principles identify additional general guidelines for developing and maintaining an effective programme. These call for:

- 1) Reasonable detail and clarity in the programme
- 2) Tailoring to reflect a company's unique needs and circumstances
- 3) Consistency with applicable laws in jurisdictions in which a company does business
- 4) Involvement of employees in the implementation process
- 5) Monitoring for emerging industry practices and other relevant developments

The PACI Principles provide a complete list of minimum programme standards and guidelines. For additional implementation guidance, see the PACI website ([www.weforum.org/paci](http://www.weforum.org/paci)) or contact [paci@weforum.org](mailto:paci@weforum.org).