



## Room to Read Policy

**Policy Name:** ANTI-BRIBERY AND CORRUPTION

**Policy Owner:** Chief Financial Officer

**Revision Date:** July 2018

**Policy Number:** 203WW

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### ***Purpose:***

The purpose of this Policy is to ensure compliance with all applicable anti-bribery and corruption laws and to provide guidance on the standards of conduct expected of all Room to Read employees and persons acting on its behalf.

### ***Applicability:***

This Anti-Bribery and Corruption Policy ("Policy") applies to Room to Read worldwide.

### ***Policy:***

Room to Read is committed to doing business with integrity. This means avoiding corruption of all kinds. It is Room to Read's policy to comply with all applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act ("FCPA"), the UK Anti-Bribery Act and the local laws in every country in which we work, which prohibit bribery of government officials.

### Prohibited Conduct

Anti-corruption laws prohibit companies and their employees, agents or representatives from giving, promising, offering or authorizing the payment of **anything of value** to any **government official** in order to obtain or keep business or secure some other improper advantage. It is also unlawful to make payments to agents, consultants, or other intermediaries while knowing or having reason to know that any portion of the payment will be used illegally. The mere offer, promise or authorization of a bribe to a government official to gain or retain business is a crime.

The prohibition on bribery applies to the giving of "anything of value," not only money. **"Anything of value" is broadly defined** and includes, but is not limited to:

- Business opportunities or favorable contracts;
- Certain gifts and entertainment (see below for details);
- Product and service discounts not available to the public at large;
- Offers of employment for the government official or his/her family or friends;
- Assumption or forgiveness of debt;
- Payment of non-business travel expenses (see below for details); and
- Personal favors.

Such payments are barred even if the benefit is for someone other than the party making the payment, the business sought is not with the government, the payment does not in fact influence the government official's conduct, or the government official initially suggested the payment.

The term **"government official" is also defined broadly** and includes the following:

- An officer or employee of a government entity, department or agency;
- An officer or employee of a state-owned business, school, hospital or other entity;
- An officer, employee or official of a political party;
- A candidate for political office;

- An officer, employee or official of a public international organization or any department or agency thereof (such as a UN agency or the World Bank);
- A person acting in an official capacity on behalf of a governmental entity;
- An officer or employee of a state-owned or state-controlled commercial enterprise; and
- Other persons with governmental influence.

Note that persons who are not deemed to be government officials under local anti-corruption law may still be considered government officials under the FCPA. Any question about whether an individual is a government official should be directed to the Legal Director.

### Limited Exceptions

The anti-bribery provisions of the FCPA do not apply to the types of payments, gifts and expenses described below in this section. However, special care is required whenever government officials may be involved to avoid any appearance that benefits are being offered to improperly influence the performance of official duties. ***Therefore, unless a situation raises personal safety issues as detailed below, no Room to Read employee should make any of these payments without prior approval from the Legal Director.***

#### 1. Personal Safety Payments

Personal safety payments are permissible under this Policy. A personal safety payment is a payment to avoid **imminent** physical harm. Personal safety payments do not include payments made in response to commercial duress, or in response to threats to commercial, financial, or other interests. If confronted with a situation in which you believe that there is an imminent threat to your health or safety, you must use your best judgment in determining whether to make a personal safety payment. If you reasonably elect to make a personal safety payment, you will not be subject to discipline under this Policy, but those payments must be immediately reported to the Legal Director. Room to Read will not reimburse such payments except in unique situations and only upon approval of the Board of Directors.

#### 2. Gifts

Under certain limited circumstances, it may be permissible to provide modest gifts to a government official as a social amenity. When deciding whether a gift is appropriate, personnel must take into account any past, pending or future business or administrative matters that are within the recipient's realm of influence. The timing and context surrounding such gift or entertainment must be weighed in order to assess whether any particular gift or entertainment could be perceived to be a bribe.

A gift of any value given for corrupt purposes violates the FCPA and is prohibited. Room to Read employees must only provide gifts in good faith and not with any corrupt intent or to obtain any improper advantage. Moreover, any gift must be permitted under the local laws of the foreign country and the regulations and policies of the government official's employer and any organization the official is representing.

Cash gifts to government officials are not permitted under any circumstances.

#### 3. Promotional Expenses, Meals and Entertainment

Payments to government officials for expenses related directly to the promotion, demonstration, or explanation of Room to Read's programs or services (*i.e.*, promotional expenses) that are reasonable and bona fide are permissible. This includes, for example, hosting a tour of government officials at a Room to Read library or program site. In addition, payment of reasonable expenses for the travel, meals and entertainment of government officials that directly relate to

the promotion, demonstration or explanation of Room to Read's programs, or to facilitate review or monitoring pursuant to a contractual obligation are permissible. Leisure trips are never permissible under this exception.

Promotional items of nominal value such as coffee mugs, calendars, or similar items, or items displaying the Company logo that are distributed for advertising or commemorative purposes are permitted. "Nominal value" is \$100.00 or less.

#### 4. Facilitation Payments for Routine Government Actions

Payments that are minor in value and that are made to expedite or facilitate the performance of routine governmental actions to which Room to Read is already entitled may be permitted under the FCPA. Routine governmental actions are ministerial or clerical in nature and do not involve any discretionary decision-making. Examples of routine governmental actions include obtaining permits, licenses, or other official documents to do business in a foreign country; processing governmental papers such as visa and work orders; providing police protection, mail pick-up and delivery; scheduling inspections; and providing phone service, power and water supply, and loading and unloading cargo.

Facilitation payments may never be used to win or retain business or influence discretionary decisions regarding compliance with regulatory requirements. Because facilitation payments can raise significant legal and business issues, reliance on this narrow exception from FCPA liability is strongly discouraged and should be avoided to the maximum extent possible. Although the FCPA may permit such payments, the laws of the foreign country may not. If the facilitation payment is not legal in that country, no facilitation payment may be made in such circumstances.

#### Other Forms of Corruption and Fraudulent Conduct

In addition to bribery, Room to Read prohibits all forms of corrupt or fraudulent conduct. This includes:

- Collusion, where a person improperly colludes with others to violate the law or an organization's policies.
- Abuse of trust, where a person improperly uses their position within their organization to materially benefit themselves or another party.
- Embezzlement, where a person entrusted with cash or other assets of an organization uses them for personal benefit.
- Nepotism, where a person improperly uses their position to benefit friends, relatives, or other associates by, for example, providing employment or awarding contracts. If friends, relatives, or other associates submit quotes, bids, or other applications to provide goods or services to Room to Read, the affiliated Room to Read employees must disclose the existence and nature of the relationship and withdraw from any involvement or influence in the selection process.

#### Third Parties

FCPA prohibits corrupt payments made directly by Room to Read personnel or indirectly through a third party acting for or on behalf of Room to Read.

It is also unlawful to make a payment of anything of value to any person, knowing that all or any portion of the payment will be offered, given or promised to a government official or any other person for a corrupt purpose. The term "knowing" includes conscious disregard, deliberate ignorance, and willful blindness. In other words, Room to Read or its personnel may violate the FCPA if we have "reason to know" or "should have known" that a third party will make a prohibited payment to a government official.

#### Reporting Possible Violations; Non-Retaliation

Any questions regarding the FCPA, other anti-corruption laws or this Policy or any information or knowledge regarding any activities that constitute or could possibly constitute a violation or potential violation of the FCPA or this Anti-Corruption Policy should be addressed to the employee's immediate supervisor. If the employee prefers to speak to

someone other than his or her supervisor, questions or information may be directed to the Legal Director at [legal@roomtoread.org](mailto:legal@roomtoread.org) or via the Whistleblower Hotline at [whistleblowerhotline@roomtoread.org](mailto:whistleblowerhotline@roomtoread.org).

Retaliation in any form against an employee who has, in good faith, raised a concern or reported a possible violation of this Policy is strictly prohibited. If an employee believes he or she is being treated unfairly or retaliated against by anyone as the result of raising or reporting a concern under this Policy, the Legal Director should be immediately notified.

### ***Reporting:***

It is the responsibility of each employee to detect, prevent, and report conduct that violates this policy. Employees must notify their supervisors as soon as possible if they learn or suspect that a violation has occurred or is about to occur. If you have any questions or concerns about whether certain conduct might violate this policy, you should raise them with your supervisor.

Employees may also anonymously report a violation or suspicion of violation of the Anti-Bribery Policy through Room to Read's Whistleblower Hotline.

### ***Training:***

Designated employees will be required to complete FCPA training and certification of compliance on an annual basis. Additionally, Room to Read will require an Annual Certification of Compliance for certain third parties.

### ***Consequences for Violations:***

Room to Read has a zero-tolerance policy toward violation of this Anti-Bribery and Corruption Policy.

Violations of this Policy will result in corrective action that may include, but is not limited to, verbal or written warnings, suspension from work, or other disciplinary action up to and including employment termination. Violations could also result in criminal and civil penalties including fines and imprisonment.

### ***Definitions:***

#### **Bribery:**

- Offering, promising, authorizing, or giving a financial or other benefit to influence an official act or decision or secure an improper business or personal advantage; or
- Requesting, agreeing to receive, authorizing receipt of, or receiving a financial or other benefit intended to influence an official act or decision or secure an improper business or personal advantage.

#### **Other Resources:**

An overview and resource guide to the U.S. Foreign Corrupt Practices Act is available from the Department of Justice is available at the following link: <http://www.justice.gov/criminal-fraud/foreign-corrupt-practices-act>.

#### **FAQs**

##### **Question: What is the FCPA?**

Answer: The U.S. Foreign Corrupt Practices Act (FCPA) makes it a crime to pay or offer to pay with corrupt intent anything of value (either directly or indirectly) to any "government official" in order to obtain or retain business, or to secure an improper advantage.

**Question: What is “anything of value”?**

Answer: Anything of value may include, but is not limited to, cash, cash equivalents, discounts, donations, travel expenses, entertainment, stock or gifts.

**Question: Can I pay for a government official’s travel expenses that are directly related review of a Room to Read program or required under a contract?**

Answer: Yes, as long as these expenses are reasonable and pre-approved by the Legal Director.

**Question: Are there any types of activities that could indicate possible corruption or bribery when working with a third party?**

Answer: Yes. Some common “red flags” that warrant further investigation when selecting or working with an agent, consultant, partner, vendor, or other third party include: transactions involving a country or sector known for corrupt payments; background checks that raise questions about a third party’s reputation, qualifications or trustworthiness; a third party suggested or recommended by a government official, family or another person with relationships that could improperly influence the decision of a customer or government official; compensation arrangements that are disproportionate, non-transparent or otherwise unusual; and a third party who objects to certifying to anti-corruption representations and warranties.

**Question: Can Room to Read or I be prosecuted under the FCPA and other anti-bribery statutes if a bribe is made by a third party, such as a vendor or partner?**

Answer: Yes, legal liability is not limited to those who actively participate in illegal conduct. A bribe made by a third party is illegal under anti-bribery laws. Room to Read and individuals who made the payment to the agent can be prosecuted under the FCPA and other anti-bribery statutes.

**Question: Whom should I contact with questions or concerns regarding anti-bribery and anti-corruption compliance?**

Answer: Questions or concerns regarding anti-bribery and corruption compliance should be directed to the Legal Director.

***Contact Department:***

Any questions regarding this Policy should be referred to the Director, Legal Operations

Related Policies:

Whistleblower Policy

Procurement Policy and Procedures