

1. Scope and introduction

IFU, the Danish state-owned Development Finance Institution (DFI), provides equity, loans and guarantees on commercial terms to private sector investments in developing countries and emerging markets. IFU's objective is to promote investments which support sustainable development in developing countries in its three dimensions – economic, social and environmental - in a balanced and integrated manner and contribute to the realisation of the UN Sustainable Development Goals (SDGs).

This Anti-Corruption Policy is part of the IFU sustainability policy framework that guides IFU's efforts towards supporting global sustainable development. IFU's Sustainability Policy is the main policy document, whereas the underlying thematic policies elaborate on IFU's commitment in relation to major global sustainability issues. This Anti-Corruption Policy further explains how IFU approaches anti-corruption issues and implement responsible business conduct measures.

IFU recognises that corruption is one of the greatest barriers to sustainable development with a disproportionate impact on developing countries, and that combating corruption is a key element in poverty alleviation.

IFU defines corruption as the abuse of entrusted power for private gain. Corruption covers bribery of public officials, private-to-private transactions and other aspects of corruption such as fraud and money laundering of the proceeds of corruption. Facilitation payment made to a government official to secure or expedite the performance of a routine action or service is also considered a form of bribery.

2. Commitments

IFU is committed to maintaining a zero-tolerance policy regarding corruption, including bribery, fraud and facilitation payment. The central instruments are the UN Convention against Corruption and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and both are incorporated in Danish law, which IFU is subject to.

IFU participates in the Danish Ministry of Justice's working group on the implementation of the OECD Convention into Danish law.

IFU ensures that investment companies take a clear stand against corruption, and responds immediately to any allegations of corruption, implementing corrective and preventive measures.

Furthermore, IFU is guided by the UN Global Compact's Principle 10: "Businesses should work against corruption in all its forms, including extortion and bribery" and is a member of Transparency International Denmark.

3. Implementation

IFU requirements to project companies

In addition to complying with legislation in the country in which it operates, the project company must take a clear, written stand against corruption. The commitment to fighting corruption must be communicated to the entire organisation and any agents, intermediaries and consultants acting on behalf of the company as well as to major suppliers, contractors and other business partners.

The project company must identify and assess the risk of becoming involved in corruption in all parts of company operations and in relation to both the public and the private sector and initiate the necessary preventive measures to counter the identified risks.

The project company must create and maintain an organisational culture that does not tolerate corruption and train all relevant employees to avoid and deal with corruption, including facilitation payment. Employees should be introduced to good business practices such as always sending two



or more people to critical meetings to discourage bribery. Employees must also be introduced to dilemmas and how to handle them.

The project company must prepare employees in advance to avoid facilitation payment and instruct them how to handle the payment, only if it cannot be avoided, e.g. by requesting a receipt and reporting it to management. Project companies must also establish a procedure for recording facilitation payments.

IFU's response to corruption

IFU's approach is cooperation in good faith with our partners in determining whether a violation has occurred, and which actions should be taken. In case of non-compliance with IFU's anti-corruption policy, IFU will require an investigation of the project company and recommend measures for continuous operations within the law.

If IFU receives credible and sufficiently complete information about bribery involving one of IFU's portfolio companies or a business partner of IFU and the alleged bribery is connected to IFU's investment, we will immediately pass on this information to local or Danish law enforcement authorities. We will inform our project partner(s) before passing on any information.

As a last resort, IFU is entitled to demand repayment of a loan or to sell our shares on the terms set out in its standard legal agreements.

4. Approval and feedback

This policy was approved by IFU in February 2015. Minor corrections were made for communication purposes in May 2019.