



Health Action International

Business Conduct Guidelines

Foreword

In the more than 30 years of its existence, our organisation has built an excellent reputation around the world. Integrity, quality, reliability and international engagement have made Health Action International (HAI) one of the leading NGOs in its field of medicines policy, delivering increased access to essential medicines and the rational use of medicines through the engagement of civil society throughout the world. A culture that strives for excellence, along with measurable and transparent performance and high ethical standards, has contributed to HAI's strength. HAI is committed to furthering these principles so it may build on these strengths in the future.

These **Business Conduct Guidelines** provide the ethical and legal framework within which we want to maintain successful activities. They contain the basic principles and rules for our conduct within our organisation and in relation to our external partners and the general public. They set out how we meet our ethical and legal responsibility as an organisation and give expression to our organisational values of being “responsible – excellent – innovative.”

These Business Conduct Guidelines have been adapted in line with new legal requirements and are based on international treaties on human rights, anti-corruption and sustainability. They are intended to strengthen awareness of the law and moral standards as an integral part of our action.

I call on all people within our network to live and breathe these Guidelines.

Dr Tim Reed
Director, HAI

A. Basic Behavioural Requirements

A.1. Behaviour which Complies with Law

Observing the law and the legal system in every country where we do business is a fundamental principle for HAI¹. All employees must obey the laws and regulations of the legal systems within which they are operating in addition to applicable HAI policies. Violations of the law must be avoided under all circumstances.

Regardless of the sanctions that could be imposed by law, all employees guilty of a violation will be subject to disciplinary consequences because of the violation of their employment duties.

A.2. Mutual Respect, Honesty and Integrity

We respect the personal dignity, privacy, and personal rights of every individual. We work together with individuals of various ethnic backgrounds, cultures, religions, ages, disabilities, races, sexual identity, world view and gender. Consistent with our corporate principles and with the employment laws of numerous countries in which we work, we do not tolerate discrimination against anyone on the basis of any of these characteristics or harassment or offensive behaviour, whether sexual or otherwise personal.

These principles apply to both internal cooperation and conduct towards external partners. We make decisions about those we work with—including personnel, suppliers, customers and business partners—based only on appropriate considerations, not on the basis of inappropriate considerations such as discrimination or coercion.

We are open, honest and stand by our responsibilities. We are reliable partners and make no promises we cannot keep. And we expect our employees to act with integrity.

A.3. Responsibility for the Reputation of HAI

To a substantial degree, the reputation of HAI is determined by our actions and by the way each and every one of us presents and conducts himself/herself. Illegal or inappropriate behaviour on the part of even a single employee can cause our organisation considerable damage.

Every employee should be concerned with maintaining and promoting the good reputation of HAI in the respective country.

A.4. Management, Responsibility and Supervision

The culture of integrity and compliance in an organisation starts at the top. All officers must fulfil their duties of organisation and supervision. All officers bear responsibility for all employees entrusted to them. All officers must earn respect by exemplary personal behaviour, performance, openness, and social competence. This means, among other things, that each officer must emphasise the importance of ethical conduct and compliance, make them regular topics of everyday business and promote them through personal leadership and training. Each officer must also set clear, ambitious and realistic goals and lead by example.

Officers should permit their employees as much individual responsibility and leeway as possible, while making it clear that compliance is required under all circumstances, at all times. All officers shall also be accessible in case employees wish to raise compliance concerns, ask questions or discuss a professional or personal problem.

These responsibilities of officers do not relieve employees of their own responsibilities. We must all work together to comply with applicable laws and HAI policies. These specific officer responsibilities are listed here to give employees an idea of the leadership and support they should expect from their superiors.

It is the responsibility of all officers to see to it that there are no violations of laws within their area of responsibility that proper supervision could have prevented. They still remain responsible, even if they delegate particular tasks.

¹ References to “HAI” are to be interpreted as the HAI network organisation

In particular, the following duties apply to officers:

1. The officer must carefully select employees based on their personal and professional qualifications and suitability. The duty of due care increases with the significance of the task the employee must perform (duty of selection).
2. The officer must give precise, complete and binding instructions to employees, especially with regard to compliance with the law (duty of give instructions).
3. The officer must ensure that compliance with the law is continuously monitored (duty of monitoring).
4. The officer must clearly communicate to employees the importance of integrity and compliance in everyday business. He/she must also communicate that violations of the law are unacceptable and will have employment consequences (duty of communication).

B. Treatment of Business Partners and Third Parties

B.1. Anti-Corruption: Offering and Granting Advantages

We compete fairly for orders with the quality and the price of our innovative products and services, not by offering improper benefits to others. As a result, no employee may directly or indirectly offer, promise, grant or authorise the giving of money or anything else of value to a government official to influence official action or obtain an improper advantage. The same applies to a private commercial counterparty in a business transaction in consideration for an improper advantage. Any offer, promise, grant or gift must comply with applicable laws and HAI's policies, and must not raise an appearance of bad faith or unsuitableness. This means that no such offer, promise, grant or gift may be made if it could reasonably be understood as an effort to improperly influence a government official or as a bribe to a commercial counterparty to grant HAI a business advantage.

The term "government official" is defined broadly to include officials or employees of any government or other public body, agency or legal entity, at any level, including officers or employees of state-owned enterprises and public international organisations. It also includes candidates for political office, political party officials and employees, as well as political parties.

In addition, employees may not give money or anything of value *indirectly* (for example, to a consultant, agent, intermediary, business partner or other third party) if the circumstances indicate that all or part of may be directly or indirectly passed on to a government official to influence official action or obtain an improper advantage, or to a private commercial counterparty in consideration for an unfair advantage in a business transaction. For that reason, employees who are responsible for hiring consultants, partners in joint ventures or other business partners must take action as appropriate to:

- ensure that those third parties understand and will abide by HAI's anti-corruption policies or comparable equivalents,
- evaluate the qualifications and reputation of such third parties, and
- include appropriate provisions in agreements and contracts designed to protect HAI.

This applies in particular, but not only, if they will have contact with government officials on behalf of HAI.

B.2. Anti-Corruption: Demanding and Accepting Advantages

Employees are not permitted to use their jobs to solicit, demand, accept, obtain or be promised advantages. This does not apply to the acceptance of occasional gifts of purely symbolic value or meals or entertainment reasonable in value that are consistent with local customs and practices and HAI policies. Any other gifts, meals or entertainment must be refused.

B.3. Political Contributions, Charitable Donations and Sponsoring

HAI does not make political contributions (donations to politicians, political parties or political organisations).

As a responsible member of society, HAI makes monetary donations for education and science, art and culture, and social and humanitarian projects. Some donations are always prohibited, including

donations (1) to individuals and for-profit organisations; (2) paid to private accounts; (3) to organisations whose goals are incompatible with HAI's principles; or (4) that would damage HAI's reputation.

All donations must be transparent. This means, among other things, that the recipient's identity and planned use of the donation must be clear and the reason and purpose for the donation must be justifiable and documented. Quasi-donations, meaning donations that appear to be compensation for a service but are substantially larger than the value of the service, are prohibited as violating the principles of transparency.

Sponsoring means any contribution in money or in kind by HAI towards an event organised by a third party in return for the opportunity to advertise the HAI brands by, for example, displaying the HAI logo, being mentioned in the opening or closing addresses, or the participation of a speaker on a discussion panel, as well as tickets to the event.

All sponsoring contributions must be transparent, pursuant to written agreement, for legitimate business purposes, and commensurate with the consideration offered by the event host. Contributions may not be promised, offered or made to secure unjustified competitive advantages for HAI or for other improper purposes, and they may not be made towards events organised by individuals or organisations that have goals incompatible with HAI's corporate principles or that would damage HAI's reputation.

B.4. Anti-money Laundering

Money laundering is the process of disguising the nature and source of money connected with criminal activity—such as terrorism, drug trafficking or bribery—by integrating “dirty money” into the stream of commerce so that it appears legitimate or its true source or owner cannot be identified.

It is HAI's objective to conduct business with reputable customers, consultants and business partners who are involved in lawful business activities and whose funds are derived from legitimate sources. We do not facilitate money laundering. All employees must abide by applicable anti-money laundering laws and HAI's procedures, designed to detect and deter suspicious forms of payment or customers or other transactions that could involve money laundering. To avoid problems in this area, employees must be attentive to and report suspicious behaviour by consultants and business partners. Employees must also follow all accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with other transactions and contracts.

C. Avoiding Conflicts of Interest

It is the duty of HAI employees to make decisions in the best interest of HAI, not based on their own personal interests. Conflicts of interest arise when employees engage in activities or advance personal interests at the expense of HAI's interests.

Employees must inform their supervisor of any personal interest they could possibly have in connection with the execution of their professional duties.

Employees are not permitted to use, for their own personal contracts or orders, organisations with which they have business dealings as part of their activities for HAI if they could derive any advantage from the personal contract or order. This is particularly applicable if the employee exercises or is capable of exercising a direct or indirect influence upon whether that organisation receives a contract from HAI.

A conflict can take the form of a business relationship with, or an interest in, a competitor or customer of HAI, or participation in sideline activities that prevent employees from being able to fulfil their responsibilities at HAI. It is important that all employees recognise and avoid conflicts of interest, or even the appearance of a conflict of interest, as they conduct their professional activities.

C.1. Sideline Work

Employees may not engage in sideline work that competes with HAI. Before employees may engage in other sideline work for remuneration they must notify HAI and seek written permission. Occasional writing activities, lectures, and comparable occasional activities are not considered sideline work.

Permission will not be granted if it is detrimental to the interests of HAI. Permission may be refused if employees have dealings in the course of their official HAI duties with our organisation in question. Previously granted permission may be revoked on these grounds as well.

C.2. Interests in NGOs

Employees who directly or indirectly hold or acquire a stake in a competitor organisation must disclose this fact to their personnel department if this stake gives them the opportunity to exert influence on the management of that organisation.

Once an interest in a third organisation has been disclosed, our organisation may take suitable measures to eliminate any conflict of interest.

D. Handling of Organisation Property

There are many devices and pieces of equipment in HAI offices and workshops, such as telephones, copying machines, computers, software, internet/intranet, machines and other tools, including e-mail and answering machine systems. These are only to be used for organisation business and not for personal gain. Exceptions and payment, if applicable, can be agreed upon locally, provided that the use of HAI property does not:

- relate to any illegal activity,
- cause an actual or perceived conflict of interest, or
- lead to significant added costs, disruption of HAI business or other adverse effects for our organisation, including by interfering with an employee's assigned duties or the assigned duties of other employees.

In no case may information be retrieved or transmitted that furthers or incites racial hatred, glorification of violence or other criminal acts, or contains material that is sexually offensive within the respective culture.

Employees are not permitted without the consent of their supervisor to make records, files, video or audio recordings, or reproductions using HAI equipment or facilities if the activity is not directly related to organisation business.

E. Handling of Information

E.1. Records and Financial Integrity

Open and effective communication requires accurate and truthful reporting. This applies equally to relationships with sponsors, employees and business partners, as well as with the public and all governmental offices.

HAI is also required to maintain sound processes and controls so that transactions are executed according to management's authorisation. HAI must also prevent and detect unauthorised use of HAI assets. All HAI employees are required to ensure that the HAI books and records they create, or are otherwise responsible for are:

- complete,
- accurate,
- honestly reflect each transaction or expenditure, and
- are timely and in accordance with applicable accounting rules and standards

whether or not the information will be included in a public filing or provided to a government agency. Such books and records include all data, certifications and other written materials provided for financial reporting and disclosure purposes as well as materials collected for other purposes. These also include internal expense records (such as expense account reports).

E.2. Confidentiality

Confidentiality must be maintained with regard to HAI's internal confidential or proprietary information that has not been made known to the public. Non-public information from or concerning suppliers,

employees, consultants and other third parties must also be protected in accordance with legal and contractual requirements.

Confidential or proprietary information may include, in particular:

- details concerning a organisation's organisation and activities;
- information on research and development, and
- internal reporting figures.

The obligation to maintain confidentiality extends beyond the termination of the relevant relationship, since the disclosure of confidential information could cause harm to HAI's business, partners or sponsors no matter when it is disclosed.

E.3. Data Protection and Data Security

Access to the intranet and internet, worldwide electronic information exchange and dialogue, and electronic business dealings are all crucial to the effectiveness of each and every one of us, and for the success of the business as a whole. However, the advantages of electronic communication are tied to risks in terms of personal privacy protection and data security. Effective foresight with regard to these risks is an important component of information technology management, the leadership function, and also the behaviour of each individual.

Personal data may only be collected, processed, or used insofar as it is necessary for pre-determined, clear and legitimate purposes. In addition, personal data must be maintained in a secure manner and appropriate precautions should be taken when transmitting it. High standards must be ensured with regard to data quality and technical protection against unauthorised access. The use of the data must be transparent for those concerned and the rights of those concerned must be safeguarded with regard to use and correction of information and, if applicable, to objections pertaining to blocking, and deletion of information.

In some jurisdictions (such as the European Union) there are strict laws and regulations pertaining to the collection and use of personal data, including data on others, such as partners. All employees must abide by such laws, to the extent they are applicable, to protect the privacy of others.

F. Environment, Safety and Health

F.1. Environment and Technical Safety

Protecting the environment and conserving natural resources are high priorities for our organisation. Through management leadership and employee commitment, HAI strives to conduct its operations in a manner that is safe for the environment and continually improves environmental performance.

All employees must contribute to these goals through their own behaviour.

F.2. Work Safety

Protecting the health and safety of employees in the workplace is a high priority for HAI. It is the responsibility of everyone to foster HAI's efforts to conduct its operations in a safe manner. The responsibility vis-à-vis employees requires the best possible accident-prevention measures and applies to:

- safety management, and
- personal behaviour in the everyday workplace.

The work environment must conform to the requirements of health-oriented design. All employees must constantly be attentive to work safety.

G. Complaints and Comments

All employees may lodge a complaint with their supervisor, their compliance officer, personnel officer or some other person/unit designated for this purpose. Circumstances which point to a violation of the Business Conduct Guidelines are to be reported to the HAI director. There is a special process for

handling complaints, which can be found on HAI's website. All complaints can be submitted both confidentially and anonymously, and all complaints will be investigated. Corrective measures will be implemented if necessary. All documentation will be kept confidential to the extent permitted by law. No reprisal of any kind against complainants will be tolerated.

Amsterdam, 2015

Appendix

Conventions and Recommendations of International Organisations

In addition to the laws and regulations of individual countries, a number of conventions and recommendations from international organisations are noteworthy. Although these documents are primarily addressed to Member States and not directly to organisations, they nevertheless function as important guidelines for the conduct of international operating organisations and their employees. HAI supports the requirements of these conventions and recommendations.

HAI is also committed to embracing, supporting and enacting, within its further sphere of influence, the set of core values in the areas of human rights, labour standards, the environment, and anti-corruption included therein as an integral part of its organisational strategy and operations. In line with its own high ethical standards HAI expects its employees, suppliers and partners around the globe to recognise and apply particularly the standards of the:

- Universal Declaration of Human Rights (1948) and European Convention for the Protection of Human Rights and Fundamental Freedoms (1950)
- ILO (International Labour Organization) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (1977) and ILO Declaration on Fundamental Principles and Rights at work (1998) (specially with following issues: elimination of child labour, abolition of forced labour, prohibition of discrimination, freedom of association and right to collective bargaining)
- “Agenda 21” on Sustainable Development (final document of the basic UN-conference on environment and development, Rio de Janeiro (1992)
- UN Convention Against Corruption (2005).