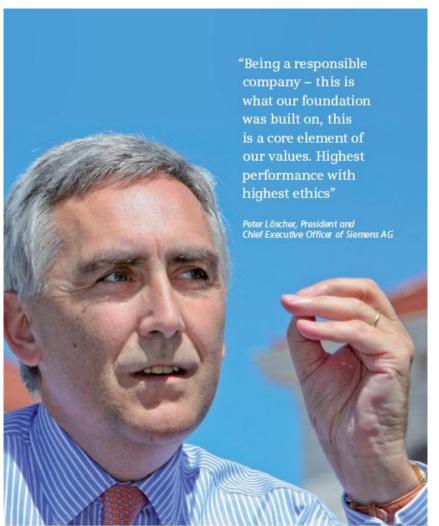


Collective Action

Peter Loescher sets the clear tone from the top with authenticity and clarity.





- Only Clean Business is Siemens business.
- Everywhere everybodyevery time!"
- Compliance as part of corporate Responsibility is 1st priority!

Collective Action is an agreement to jointly fight corruption



Characteristics of Collective Action



- Fight corruption in joint agreement with industry peers and other stakeholders
- Foster equal compliance standards through a preventive concept
- Involve independent facilitator / monitor
- Define consequences in case of infringements

Involve independent 3rd party / Legal Counsels to prevent anti-trust issues

1) Non-Governmental Organization, e.g. Transparency International

There are two forms of Collective Action – project-specific agreements and long-term initiatives



Two forms of Collective Action

Project-specific agreements 1)

- All bidding companies are required to sign an Integrity Pact issued by the Public Sector customer with the tender
 - Equal and fair anti-corruption standards
 - External monitoring of tender process
 - Sanctions applicable in case of infringements

Long-term initiatives

- 2 Compliance Pact as an industry initiative to ensure common compliance standards between competitors
- Work with peers, government and society to strengthen anti-corruption policies and promote anti-corruption efforts, e.g. through
 - Business coalitions
 - Business round-tables
 - Principle-based initiatives

Suggested if individual customer is willing to fight corruption

Paves the way for clean business in a country

1) Also includes Anti-Corruption Declarations

Integrity Pacts are project-specific anti-corruption agreements complementing a public tender



Elements of an Integrity Pact

Integrity Pact



Integrity Pact Contract









Sanctions

- Project-specific contract
- Agreement on anticorruption principles
- Issued by Public Sector customer with tender
- Signed by all bidders

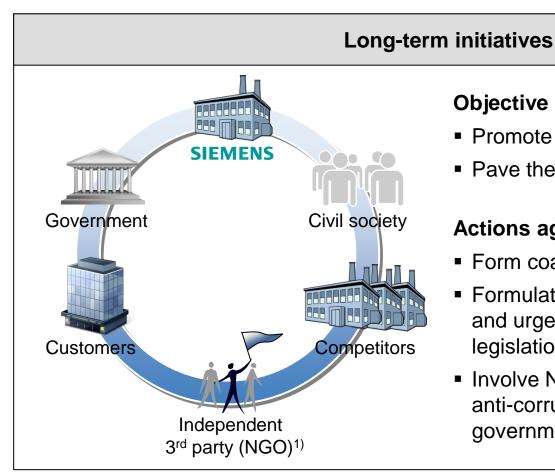
- Subject matter expert
- Trusted and ethical
- Monitors all meetings, documents, and transactions
- Informs customer in case of violations

- Sanctions in case of infringements
 - Penalties
 - Exclusion from current tender
 - Exclusion from future tenders



Long-term initiatives pave the way for clean business

Collective Action long-term initiatives



Objective

- Promote appropriate business conduct
- Pave the way for Integrity Pacts

Actions against corruption

- Form coalitions with peers
- Formulate principles against corruption and urge government to improve legislation
- Involve NGOs, recognized individuals, anti-corruption offices of local government, business associations

¹⁾ Non-Governmental Organization, e.g. Transparency International



Collective Action is beneficial

Benefits of Collective Action





Clean business in markets with risk of corruption



Fair selection as a supplier based purely on value (e.g. quality, price, innovation)



Enhanced reputation and public trust in Companies