

**AZERBAIJAN CASPIAN SHIPPING CLOSED JOINT STOCK
COMPANY**

ANTI-BRIBERY POLICY

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Revision History

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Prepared by,

Verified by,

Approved by,

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1. INTRODUCTION

The Anti-Bribery Policy (“the Policy”) has been developed as part of Azerbaijan Caspian Shipping Closed Joint Stock Company’s (ASCO) Anti-Bribery Management System designed to align with the requirements set out in the ISO 37001:2016. Having a clear and unambiguous policy statement on the Company’s position regarding bribery and corruption forms the cornerstone of an effective and integral management system. Hence, the policy should be read in conjunction with the Company’s various policies & guidelines. If multiple documents speak on the same subject, then the more stringent provision applies.

2. ANTI-BRIBERY AND CORRUPTION COMMITMENT

ASCO is committed to conducting business dealings with integrity. This means avoiding practices of bribery and corruption of all forms in the Company’s daily operations.

ASCO has adopted a zero-tolerance approach against all forms of bribery and corruption and prohibits any form of bribery and corruption. Employees who refuse to pay bribes or participate in acts of corruption will not be penalized even if such refusal may result in losing business.

The Policy leverages on the values and core principles set out in the Code of Conduct & Ethics, as well as the Anti-bribery Guidelines of ASCO. Full compliance to this Policy is mandatory and should be maintained using a principle-based approach.

3. OBJECTIVE

This policy sets out and complies with ASCO’s overall position on bribery and corruption in all its forms.

4. SCOPE

This policy is applicable to ASCO, its business associates acting on ASCO’s behalf and all ASCO personnel.

Business associates are also expected to comply with this policy in relation to all work conducted with ASCO, or on ASCO’s behalf.

5. REFERENCES

ISO 37001:2016 Anti-bribery Management System
Code of Conduct
Anti-bribery Guidelines
Instructions on Combating Bribery

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6. POLICY OWNER

Azerbaijan Caspian Shipping CJSC (ASCO) is the owner of this policy.

7. ANTI-BRIBERY POLICY

- 7.1** Bribery and corruption in all its forms as it relates to ASCO's activities is prohibited.
- 7.2** Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment.
- 7.3** The anti-bribery and corruption statement applies equally to its business dealings with commercial ('private sector') and Government ('public sector') entities. Even the possible appearance of bribery or corruption is to be avoided, in particular when dealing with Government officials.
- 7.4** The anti-bribery and corruption statement applies to all countries worldwide, without exception and without regard to regional customs, local practices or competitive conditions.
- 7.5** No employee or external party will suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.
- 7.6** ASCO is also committed to conducting due diligence checks on prospective personnel, particularly as it relates to appointments to positions where a more than minor bribery or corruption risk has been identified.

8. RECOGNITION OF LOCAL LEGISLATION

- 8.1** ASCO is committed to conducting its business ethically and in compliance with all applicable laws and regulations in the Republic of Azerbaijan.
- 8.2** These laws include but are not limited to the Criminal Code of the Republic of Azerbaijan, Law of the Republic of Azerbaijan on Combating Corruption. These laws prohibit bribery and acts of corruption.
- 8.3** In cases where there is a conflict between mandatory laws and the principles contained in this and other policies, the law shall prevail.
- 8.4** All laws applicable to ASCO and as identified in this Policy shall necessarily be adhered to.

9. GIFTS, HOSPITALITY, DONATIONS AND SPONSORSHIP

- 9.1** ASCO personnel are prohibited from receiving or asking for (soliciting) gifts from external parties. Under no circumstances may ASCO personnel accept gifts in the form of cash or cash equivalent, including gift certificates, loans, commissions, coupons, discounts or any other related forms. Further details are set out in [Anti-bribery Guidelines and Instructions on Combating Bribery](#).

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9.2 The only form of gift-giving allowed to external parties is a corporate gift. Any gift-giving or event of hospitality is subject to approval according to [Anti-bribery Guidelines and Instructions on Combating Bribery](#).

9.3 Donations and sponsorships are permitted in accordance with the [Anti-bribery Guidelines](#) to ensure acceptability. However, the Company prohibits the giving and receiving of donations and sponsorships to influence business decisions.

10. FACILITATION PAYMENTS

10.1 ASCO adopts a strict policy of disallowing the use of facilitation payments in its business. Facilitation payment is a payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite the performance of a routine or administrative duty or function.

10.2 Personnel shall decline to make the payment and report to the Legal Department immediately when they encounter any requests for a facilitation payment. In addition, if a payment has been made and personnel are unsure of the nature, the Legal Department must be notified immediately, and the payment recorded accordingly.

10.3 In the event of extortion payments that an employee's security is at stake, the employee should communicate with any member of the Legal Department immediately. The employee must report the incident to their Head of Department and the Finance and Accounting Department to record the details and keep a record of what was spent within three (3) working days from the date of incident.

11. BUSINESS ASSOCIATES

11.1 All business associates (including external providers such as consultants, advisors, and agents) acting on behalf of and involved in business relations with ASCO are required to comply with this Policy, the ASCO's [Code of Conduct](#), [Anti-bribery Guidelines](#) and all other instruments as it relates to them.

11.2 Due diligence should also be carried out with regards to any business associates intending to act on the Company's behalf as an agent or in other representative roles or participate or get involved in business relations with ASCO, to ensure that the entity is not likely to commit an act of bribery or corruption in the course of its work with ASCO.

11.3 The extent of the due diligence should be based on a bribery and corruption risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, self-declaration, and documenting the reasons for choosing one particular Business associate over another.

11.4 ASCO shall include standard clauses in all contracts with business associates enabling the Company to terminate the contract in the event that bribery or an act of corruption has been proved to occur. Additional clauses may also be included for business associates acting on ASCO's behalf where a more than minor bribery risk has been identified.

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12. RESPONSIBILITIES OF PERSONNEL

12.1 All ASCO personnel are required to carry out those responsibilities and obligations relating to the Company's anti-bribery and corruption stance, alongside those already in existence, which includes the following:

Be familiar with applicable requirements and directives of the policy;

- Ask the Human Resources and/or Legal Department employee if any questions about this policy arise or if there is a lack of clarity about the required action in a particular situation;
- Be alert to indications or evidence of possible violations of this policy;
- Promptly report violations or suspected violations through appropriate channels;
- Attend required anti-bribery and corruption training as required according to position; and
- Not misuse their position or ASCO's name for personal advantage.

12.2 When dealing with business associates, all ASCO personnel shall not:

- a) express unexplained or unjustifiable preference for certain parties;
- b) make any attempt at dishonestly influencing their decisions by offering, promising or conferring advantage;
- c) exert improper influence to obtain benefits from them;
- d) directly or indirectly offer or make promise or corrupt payments, in cash or in kind for a specific favour or improper advantage from them.

12.3 During an active or anticipated procurement or tender exercise, personnel participating in the exercise in any way whatsoever, shall not:

- a) receive gifts or hospitality or any kind from any external party participating, planning to participate, or expected to participate, in the procurement or tender exercise;
- b) provide anything other than a corporate gift and token hospitality to any external/third party related to the exercise;
- c) be involved in any discussions regarding business or employment opportunities, for personal benefit or for the benefit of a business associate;
- d) abuse the decision-making and other delegated powers given by the top management; and
- e) bypass normal procurement or tender process and procedure.

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12.4 When dealing with external parties in a position to make a decision to ASCO's benefit (such as a Government official or client), ASCO personnel shall not:

- a) offer, promise or make any attempt at dishonestly influencing the person's decision by directly or indirectly offer or make promise of corrupt payments, in cash or in kind;
- b) be involved in any discussions regarding business or employment opportunities, for their own personal benefit or for the benefit of the external party;
- c) otherwise abuse the decision-making and other delegated powers given by the top management, in order to illegally secure an outcome which would be to the commercial advantage to themselves and/or the Company; and
- d) exert improper influence to obtain personal benefits from them.

13. CONFLICTS OF INTEREST

13.1 Conflicts of interest arise in situations where there is personal interest that could be considered to have potential interference with objectivity in performing duties or exercising judgment on behalf of the Company. All personnel should avoid situations in which personal interest could conflict with their professional obligations or duties. Personnel must not use their position, official working hours, Company's resources and assets, or information available to them for personal gain or to the Company's disadvantage.

13.2 In situations where a conflict does occur, personnel are required to declare the matter as per the Company's [Code of Conduct](#).

14. STAFF DECLARATIONS

All ASCO personnel shall certify in writing that they have read, understood and will abide by this policy. A copy of this declaration shall be documented and retained by the Human Resources Department for the duration of the personnel's employment. A sample declaration can be found in the [Appendix 1 of this Policy](#).

15. ANTI-BRIBERY AND CORRUPTION COMPLIANCE FUNCTION

15.1 ASCO shall assign an anti-bribery compliance function to oversee the design, implementation and management of the anti-bribery management system.

15.2 The anti-bribery compliance function shall perform functions below within the Company to act effectively against bribery and corruption:

provide advice and guidance to personnel on the anti-bribery management system and issues relating to bribery and corruption;

take appropriate steps to ensure that adequate monitoring, measurement, analysis and evaluation of the anti-bribery management system is performed;

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report on the performance of the anti-bribery management system to the top management regularly.

15.3 Appropriate resources shall be provided for effective operation of the anti-bribery management system and that the anti-bribery compliance function.

15.4 ASCO shall conduct regular risk assessments to identify the bribery and corruption risks affecting the business and perform measures to mitigate such risks.

16. TRAINING AND AWARENESS

16.1 ASCO shall conduct an awareness programme for all its personnel on the Company's position regarding anti-bribery and corruption, integrity and ethics.

16.2 Training shall be provided on a regular basis, in accordance with the level of bribery and corruption risk related to the position. Training should be provided to personnel who are:

- new to the Company;
- appointed to or currently holding an exposed position.

16.3 Human Resources Department shall maintain records to identify which ASCO personnel have received training, and produce, communicate and update the training schedule.

16.4 The awareness and training requirements associated with the business associates may be communicated by means of contractual and similar obligations.

17. REPORTING OF POLICY VIOLATIONS

17.1 Suitable reporting channels shall be established and maintained for receiving information regarding violations of this policy, and other matters of integrity provided in good faith by ASCO personnel and/or external parties.

17.2 Personnel who, in the course of their activities relating to their employment at ASCO, encounter actual or suspected violations of this policy are required to report their concerns using the reporting channels stated in the [Anti-bribery Guidelines](#).

17.3 Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

17.4 Retaliation in any form against ASCO personnel where the person has, in good faith, reported a violation or possible violation of this policy is strictly prohibited. Any ASCO personnel found to have deliberately acted against the interests of a person who has in good faith reported a violation or possible violation of this policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which ASCO may pursue.

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18. AUDIT AND COMPLIANCE

Regular audits shall be conducted to ensure compliance to this policy. Such audits are conducted by the Audit Department.

19. SANCTIONS FOR NON-COMPLIANCE

- 19.1** Non-compliance as identified by the audit and any risk areas identified through this and other means should be reported to the top management in a timely manner in accordance with the level of risk identified.
- 19.2** ASCO regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance to this policy. For ASCO personnel, non-compliance may lead to disciplinary action, up to and including termination of employment.
- 19.3** For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that ASCO's interests have been harmed by the results on non-compliance by individuals and organizations.

20. CONTINUOUS IMPROVEMENT

The Company's top management shall continually improve the suitability, adequacy and effectiveness of the anti- bribery management system.

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ASCO LOGO

Staff Declaration Form

I, _____ hereby declare that I have read and understood ASCO's Anti-Bribery Policy. I will abide by the requirements and provisions set out in the Policy, as required by labour contract.

Name:

Position: