



ANTI-BRIBERY & CORRUPTION POLICY

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DOCUMENT REVIEW & APPROVAL

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**Anti – Bribery & Corruption
Policy**

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This document presents the Anti – Bribery & Corruption Policy. The policy is to reinforce DBN's business principle of zero tolerance to bribery and corruption as a responsible corporate entity. The policy will support and complement the already existing policies on integrity and business conduct as encapsulated in the staff code of conduct and ethics.

Created By:

Internal Audit Department

Approvals:

Approval	Name	Title	Date	Signature
Approved By	Kyari Abba Bukar	Ag. Board Chairman		
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Ownership/Custodianship of the Manual

This policy document is vested in the Head, Internal Audit who has the overall responsibility for its implementation in line with the legal and ethical obligations of the Bank; monitoring its effectiveness and dealing with queries as regards its interpretation.

Supervisors at all levels are responsible for ensuring that their direct reports are made aware of the policy and adequately trained and counselled on its application.

It shall be subject to review every two (2) years or as required to keep it up to date with changes to relevant regulations or best practice. All suggestions for review and or amendments shall be forwarded to the Head, Internal Audit for necessary action, including obtaining Management/Board approvals of the amended policy.



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I. INTRODUCTION

Development Bank of Nigeria (DBN) is committed to conducting business with utmost level of integrity, transparency, and compliance with legal, ethical and regulatory standards. The reputation of DBN and success as a responsible corporate citizen is built upon this foundation as we strive to maintain our position as a leading organization both locally and internationally.

The Bank adopts a zero-tolerance for bribery and corruption and is committed to upholding related laws in our business dealings and relationships. Accordingly, we recognise anti-corruption laws in Nigeria such as the Criminal Code (Cap 38, Laws of the Federation of Nigeria (LFN) 2004); Penal Code (Cap P3, LFN 2004); Corrupt Practices and other Related Offences Act, 2003; Economic and Financial Crimes Commission Act (Cap E1, LFN 2004); the Nigerian Financial Intelligence Act 2018, Code of Conduct Bureau and Tribunal Act (Cap C15, LFN 2004) and the Constitution of the Federal Republic of Nigeria (Cap C23 LFN 2004).

We also acknowledge the extra territorial implications of the United Kingdom's Bribery Act 2010 and other related international legislation such as The Foreign Corrupt Practices Act of 1977 (FCPA), a United States federal law concerning bribery of foreign officials.

This policy therefore reflects not only our cultural and ethical commitment to preventing bribery and corruption but also compliance with specific legal requirements of various jurisdictions in which we operate or relate with.

The sanctions for violating these laws can be severe, including significant fines, imprisonment and reputational damage. We therefore aim to establish a strong culture against bribery and corruption by implementing and enforcing effective systems to counter such activities.

2. PURPOSE

The Policy outlines the expectations of all employees and stakeholders in observing and upholding our position against bribery and corruption. It covers bribes; gifts and hospitality; facilitation payments; reciprocal agreements; donations/contributions.

It is intended to ensure compliance with all anti-bribery and corruption laws and regulations in all our business dealings particularly as enforcement of these laws become more stringent and expectations of our customers and business partners (PFIs, development partners and end-borrower MSMEs) in this regard increases.

3. SCOPE

This policy applies to all directors, employees (core and non-core); temporary workers; consultants; contractors and agents of the Bank to the extent of their official business dealings with Development Bank of Nigeria and/or on behalf of the bank and not necessarily in their private capacities and personal dealings. All stakeholders (both internal and external) are required to familiarise themselves and comply with this policy.

4. POLICY STATEMENT

In view of the nature of our business activities and operating environment, it is important for all staff to be committed to the prevention of bribery and corruption.

- 4.1 The Bank prohibits the offering, giving, solicitation or the acceptance of any bribe or corrupt inducement, whether in cash or in any other form:
- To or from any person or company wherever located, whether a public official or public body, or a private person or company;
 - By any individual employee, director, agent, consultant, contractor or other person or body acting on behalf of the Bank;
 - In order to gain any commercial, contractual, or regulatory advantage for the Bank in any way which is unethical or to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.
- 4.2 This policy is not intended to prohibit the following practices provided they are appropriate, proportionate and are properly recorded:
- Normal hospitality provided it complies with the Bank's Policy in respect of gift; and
 - Fast tracking a process which is available to all on the payment of a fee
- 4.3 All staffs are expected to be adequately informed on the contents of the policy and would form part of the organisation's orientation process for all new employees. The Policy would be also uploaded on the corporate intranet (portal) and Development Bank's website.

- 4.4 However, given that, it may not always be clear to determine whether a possible line of action is appropriate, particularly where such is not expressly covered in the policy, anything that would breach the spirit of the policy or guiding principles should be avoided.

If in any doubt as to whether a possible act might be in breach of this policy or the law, the individual should be referred to respective Heads of Department for clarification. If necessary, further guidance should be sought from the Head, Internal Audit.

- 4.5 The organisation will thoroughly investigate any actual or suspected breach of this policy and employees found to be in breach would be subjected to disciplinary action which may ultimately result in dismissal.

5. ANTI-BRIBERY MEASURES IN RELATIONS WITH COUNTERPARTIES

- 5.1 Requirements of this Policy shall be considered when the Bank enters into contractual or other business relations with individuals and legal entities.
- 5.2 The Bank shall expect from Stakeholders compliance with relevant anti-bribery and corruption laws and regulations.
- 5.3 The Bank takes reasonable steps to mitigate the risk of breach of the applicable anti-corruption legislation. In this regard, the Bank:
- (i) Carries out requisite due diligence on potential counterparties.
 - (ii) Informs potential counterparts about the principles and requirements of the Bank in the field of anti-corruption set forth in the Policy and by posting information on the website of the Bank.
 - (iii) Considers the willingness of potential counterparties to comply with the principles and requirements in the field of combating corruption, and to provide mutual assistance to prevent corruption practices in their activities.

6. UNDERSTANDING BRIBERY & CORRUPTION

Acts of bribery or corruption are designed to influence an individual in the performance of their duty and incline them to act in a way that a reasonable person would consider to be dishonest in the circumstances.

- 6.1 Bribery can be defined as offering, promising or giving a financial (or other) advantage to another person with the intention of inducing or rewarding that person to act or for having acted in a way which a reasonable person would consider improper in the circumstances.
- 6.2 Bribery is also defined as soliciting of any item of value to influence the actions of an official, or other person, in charge of a public or legal duty.
- 6.3 Corruption is any form of abuse of entrusted power for private gain and may include, but is not limited to, bribery.
- 6.4 Depending on the circumstances, bribes can take on many different forms and are not always a matter of handing over cash. Gifts, hospitality and entertainment can be categorized as bribes if they are intended to influence a decision. It can also take place where the offer or payment is made indirectly by or through a third party, such as an agent or business partner.
- 6.5 If given or received as an inducement or reward for an improper act, the following could be bribes:
- Cash payments;
 - Gifts (including gifts of cash or cash equivalents);
 - Hospitality (such as meals, hotel stays, travel tickets or invitations to sporting and cultural events);
 - Other promotional expenses (such as travel and accommodation expenses);
 - Free use of company services, facilities or property; or
 - Political contributions or charitable donations;
 - Kickbacks (i.e. payments of a portion of a contract made to an employee or contractor in return for a business favour or advantage);
 - Unwarranted rebates or excessive commissions
 - Unwarranted allowances or expenses;
 - “Facilitation” payments/payments made to perform their normal job more quickly and/or priorities a particular customer;
 - anything else of value that may induce advantage.

- 6.6 Employees of the Bank are prohibited from performing or engaging in any of the bribery and corrupt activities listed above.
- 6.7 Employees who are offered or asked for a bribe are expected to:
- Reject demands for, or offers of, bribes;
 - Communicate anti-bribery stance to the offering person;
 - Record the details of any bribery or request or attempted bribery, immediately after the occurrence of the event;
 - Report the incident to the Head, Internal Audit as a whistleblowing activity.

7. GIFT AND HOSPITALITY

Occasionally, exchange of business gifts and hospitality are considered common practice intended to create goodwill and establish trust in business relationships.

- 7.1 Excessive gifts, entertainment and hospitality could however be used to exert improper influence on decision makers and in line with section 2.7.1 of DBN's code of ethics and professional conduct, the Bank prohibits strongly at employees receiving gratification in cash or in-kind including gifts of value from existing or potential customers to provide legitimate banking services, influence decisions or for preferential treatments.
- 7.2 The giving or receipt of gift must, therefore, be subject to the requirements of the bank's policies in respect of gifts, particularly the Bank's Code of Ethics and Professional Conduct section 2.7.1.
- 7.3 It is not acceptable for any employee (or someone on their behalf) to:
- Give, promise to give or offer a payment, gift or hospitality with expectation or hope that a business advantage will be received; reward the provision or retention of business or business advantage in exchange for favours or benefits
 - Give, promise to give, offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure.
 - Accept payment or gift from a third party that you know, or suspect is offered with the expectation that it will obtain a business advantage for them.
 - Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this Policy; or

- Engage in activities that might lead to a breach of this Policy or damage the reputation of the organization.
- 7.4 In addition the following factors should be considered when accepting gifts, benefits or hospitality:
- Whether the gift is an appreciation for good services
 - Whether the gift places the employee under a kind of obligation
 - Whether there is an expectation as a result of accepting the gift
 - Whether the gift was offered openly or covertly
 - Frequency of the party giving the gifts
- 7.5 Employees should actively, but thoughtfully, discourage customers from offering personal benefits of any kind (including favours, services, loans or fees, or things of monetary value).
- 7.6 Where an employee receives a gift, it should be declared to his/her immediate supervisor. Non- declaration when discovered may be subjected to investigation and application of recommended sanctions.
- 7.7 All gifts and hospitality must be budgeted for and requisite approvals in place before they are offered to third parties. Each Business Unit must draw up a list of gifts to be given at the beginning of each financial year, which must be approved by the Line Executive. All expenses incurred on behalf of third parties must also be submitted to respective supervisors and the reason for the expenditure must be specifically recorded.
- 7.8 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties such as clients, suppliers and business contacts should be prepared and maintained with strict accuracy and completeness.
- 7.9 Gifts, benefits and hospitality may be provided to welcome guests, facilitate the development of business relationships, further DBN's business outcomes and to celebrate achievements. When deciding whether to provide gifts, benefits or hospitality and their types; DBN's Board, Management and Staff will ensure that:
- (i) it does not raise an actual, potential or perceived conflict of interest.
 - (ii) any gift, benefit or hospitality is provided for a business reason, shall be to further the conduct of official business or other legitimate organisational goals, or promotes and supports Development Bank of Nigeria's objectives and priorities.

- (iii) any costs are proportionate to the benefits obtained for the Development Bank of Nigeria and would be considered reasonable in terms of community expectations.

8. FACILITATION PAYMENTS

Facilitation payments are used by businesses or individuals to secure or expedite the performance of a routine or necessary action to which the payer has an entitlement as of right. Acknowledging that facilitation payments are bribes, this policy expressly prohibits such payments. Thus, stakeholders acting for or on behalf of DBN are prohibited from soliciting, offering or receiving facilitation payments.

9. RECIPROCAL AGREEMENTS

Reciprocal Agreements or any other forms of ‘quid pro quo’ (an exchange of goods or services, where one transfer is contingent upon the other) are prohibited unless they are legitimate business arrangements which are properly documented and approved by Management.

- 9.1 Improper payments to obtain new business; retain existing business or secure any improper advantage should never be accepted or made.
- 9.2 Actions by third parties for which the bank may be held responsible include agents, contractors and consultants, acting on the bank’s behalf. Appropriate due diligence should therefore be undertaken before a third party is engaged. Third parties should only be engaged where there is a clear business rationale for doing so, with an appropriate contract. Any payments to third parties should be properly authorised and recorded.

10. DONATIONS

- 10.1 Donations and contributions to political parties’, organizations or their representatives are strictly prohibited.
- 10.2 Whilst charitable donations are acceptable, management and employees must ensure that these contributions and sponsorships are not used as a ploy to facilitate a bribe; and are in line with the Bank’s policy.
- 10.3 The Bank has developed a systematic approach to implementation of charitable activities, identification of the participants in the process and the main directions for the implementation of charitable activities.



- 10.4 Charity is defined as voluntary activity for the disinterested (gratuitous or preferential) transfer of property to individuals or legal entities, including monetary funds, disinterested performance of work, provision of services, and other support. Charity does not provide for the provision of advertising services.
- 10.5 In the process of charity, the following is implemented:
- (i) Control over the cost and expenses estimates for the Bank as a whole;
 - (ii) Verification of the authenticity of information provided by legal entities that apply to the Bank for charitable assistance;
 - (iii) Legal experts review of statutory documents submitted by legal entities that apply to the Bank for charitable assistance;
 - (iv) Transfer of funds allocated in the course of charitable assistance by the Bank to a legal entity.
 - (v) The decision to provide charitable assistance to organizations is made by the management of the Bank.
 - (vi) The Bank shall take measures to ensure that the receiver of the assistance is a bonafide Charity Fund or any other Non-profit organization, and that there were no reasons to assume that this fund or any other organization is managed directly or indirectly for deriving benefits in favour of an officer or a person closely related to him or her.

11. RELIGIOUS AND POLITICAL ACTIVITIES

- 11.1 The Bank does not participate in the activities of political and religious organizations and does not finance their activities. Employees participating in political, religious or other public activities in their free time should act only as individuals and not Bank representatives.
- 11.2 Agitation for any political party or candidate is prohibited on the Bank's premises, and employees should not promote their religious views or beliefs.
- 11.3 Employees of the Bank shall not be allowed to give gifts, make contributions for political purposes, or organize entertaining events for political parties or candidates to political posts on behalf of the Bank.

12. EMPLOYEE RESPONSIBILITY

Every individual is responsible for ensuring that they act in compliance with the policy. Failure to comply with this policy may ultimately result in disciplinary action.

It is pertinent to note that the role and responsibility of an employee is not confined to official working hours and continues when business partners, prospective customers are entertained, attend professional events or travel on official trips and when representing the Bank.

In this regard, the principles outlined in this Policy also apply to those and similar activities and requires adherence to the same compliance standards that operate in the workplace. It is expected that employees will, at all times, exercise good judgment and avoid any appearance of impropriety.

13. RAISING CONCERNS & SEEKING GUIDANCE

The prevention, detection and reporting of bribery or corruption is the responsibility of all employees throughout the organisation. Staff members are expected to report, upon awareness/discovery, a suspected bribery or corrupt conduct. Any such incident should be reported in accordance with the Banks whistle blowing policy.

Concerns should be raised promptly about any issue or suspicion of malpractice and if unsure about whether a particular act constitutes bribery or corruption, or in the event of other enquiries, these should be referred to the line manager and/or the Head, Internal Audit.

It is important that an offer of a bribe by a third party, request to make one or suspicion of a future occurrence is reported immediately.

14. EMPLOYEE PROTECTION

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes concerned about potential repercussions. There are however secure and accessible channels through which to raise concerns and report violations in confidence and without risk of reprisal. The Bank encourages openness and supports anyone who raises genuine concerns in good faith under this policy.

- 14.1 The bank is committed to ensuring that no one suffers any detrimental treatment as a result of refusal to take part in bribery or corruption or suffer any for reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future, in accordance with the Whistleblowing Policy.

14.2 Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. Those who believe they have suffered any such treatment should inform the Head, Internal Audit immediately through appropriate channel for redress.

15. RED FLAGS

The following is a list of possible red flags that may arise during the course of employment which may raise concerns under various anti-bribery and anti-corruption laws. The list is not exhaustive and is therefore for guidance purposes only.

If any of these red flags is encountered, a report must be made promptly to the Supervisor/Head of Department or to the Head, Internal Audit:

- awareness that a third party engages in, or has been accused of engaging in, improper business practices
- knowledge that a third party has a reputation for paying bribes, or requiring that bribes are paid to them
- a third party insists on receiving a commission or fee payment before committing to sign up to a contract, or carrying out a government function or process;
- a third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- a third-party request that payment is made to a country or geographic location different from where the third party resides or conducts business;
- a third party requests an unexpected additional fee or commission to "facilitate" a service; • a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- a third-party request that a payment is made to "overlook" potential legal violations;
- an invoice is received from a third party that appears to be non-standard or customised;
- a third party insists on the use of side letters or refuses to put terms agreed in writing;
- an observation on an invoice for a commission or fee payment that appears large given the service stated to have been provided;
- a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or



- An offering of an unusually generous gift or lavish hospitality by a third party.
- Cash payments or any payment with no paper / electronic trail to deliberately bypass normal internal control systems.

16. INVESTIGATION OF POTENTIAL VIOLATIONS OF THE POLICY & SANCTIONS

The organization takes all reports of potential violations of the Policy and other compliance policies seriously and is committed to confidentiality and a full investigation of all allegations.

16.1 The objectives of the investigation would be to:

- Confirm whether a corrupt activity or bribe has been given or accepted, and to identify who was responsible.
- Confirm whether internal controls and anti-bribery procedures have worked in practice.
- Identify any improvements required for anti-bribery and corruption procedures.
- Depending on the findings of the investigation, subsequent disciplinary action will be determined. This may involve disciplinary action against employee involved or external reporting to: - A senior official or director of another organisation, if the person making the bribe is from that organisation; OR - Relevant government department where the bribe occurred.

16.2 A breach of the provisions of the Policy constitutes serious misconduct and will be subject to appropriate disciplinary measures including, but not limited to, termination of employment or appointment of the affected officer or employee.

Breach of the Policy by agents, contractors, intermediaries, suppliers, vendors, consultants or other business partners may lead to the termination of such business relationships.

17. CONCLUSION

In conclusion, all staff must be aware of the requirements of this policy and the banks position against bribery and corruption.

It is the responsibility of all staff to ensure that the spirit and letter of this policy are adhered to at all times.