

# Companies Swear Off Bribes

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Dozens of leaders of international companies working in Russia will commit themselves Wednesday to refraining from participating in corrupt practices.

The initiative to formulate principles for fighting corruption was pushed by several large German companies, said Michael Harms, chairman of the Russian-German Foreign Trade Chamber. The firms were interested in what steps could be taken to develop anti-corruption mechanisms for daily business practices in Russia.

Last year, several members of the Russian-German Foreign Trade Chamber decided that the most effective step would be for the companies to commit themselves not to give bribes.

"If the companies openly declare that they do not intend to pay bribes anymore, then hopefully they won't be asked for bribes anymore," Harms said. There are 52 companies from the chamber that are participating, including Mercedes-Benz Rus, Siemens, Deutsche Bank, Axel Springer Russia and Deutsche Bahn, he said.

The International Business Leaders Forum, or IBLF, also signed on to the initiative, as did the American Chamber of Commerce and the Association of European Businesses. The Economic Development Ministry and the presidential administration were informed of the initiative.

Presidential aide Arkady Dvorkovich told Vedomosti that he would be

present at the signing: "We are glad that foreign companies have listened to us and are ready to help in the fight against corruption. It would be good if all companies working in Russia also starting following these standards and opposed corruption. One shouldn't forget that it takes two to bribe — one side gives and another takes."

Businessmen will sign two documents, a Russia-focused "Initiative for implementing the principles of corporate ethics in the commercial activities in the Russian Federation," and an international "Principles of fighting bribe-taking," developed by the working group along with the World Economic Forum, Transparency International and the Basel Institute on Governance, said Brook Horowitz, the executive director of IBLF's Russian office.

The participant companies are obliged to identify areas of business with the largest risk of corruption and to forbid the use of bribes in their operations, whether directly or through intermediaries under the control of the company. The companies also have pledged to refrain from covert forms of bribery such as donations in support of political parties or charitable organizations.

Company heads are obligated to lead with a policy of zero-tolerance toward any form of bribe-taking. If it becomes known to one of the initiative's participants that another participant is violating the principles, he is obliged to inform the violating side about it. Disputes will be reviewed by a special council, whose decisions will be final and compulsory for all participants.

In addition, the signatories will meet at least once a year to analyze

their anti-corruption experiences and to make necessary changes to the documents.

Harms said the signing would be a big step forward, as they are discussing not only principles but also concrete mechanisms for fighting corruption. For example, the signatories are planning to create a special agency that would ensure companies' compliance with business-ethics principles. But for such an agency to be created, it is necessary for a large Russian business to participate, Harms said.

Lenenergo and TNK-BP are two Russian companies that already have signed international principles for fighting corruption.

"A bribe is evidence of weakness in an attempt to resolve business problems," a Lenenergo spokesman said. TNK-BP said violating the laws and principles of business ethics harms companies' reputations and the interests of shareholders and employees. In addition, such violations cannot provide for stable, long-term development and therefore are not permitted, the firm said.

The company has an internal audit system that clearly ensures that financial and economic activities are undertaken in compliance with the company's business code.

Siemens, which has been embroiled in corruption scandals along with Russian officials, plans to sign the document, a company representative said, declining further comment.

Representatives of Daimler Benz, which has acknowledged bribing Russian officials, and Hewlett-Packard, which is undergoing a corruption-related investigation, declined to comment.



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Firms signing the initiative must keep a zero-tolerance policy on bribery.