



# Colombo Dockyard PLC

Ship Repairers, Ship Builders and Heavy Engineers

<b>POLICY ON ANTI-BRIBERY AND CORRUPTION</b>	Document No.: DMD/LEG/CG/9.2.1(1)/2024
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## 1. PURPOSE

Whoever the employees of Colombo Dockyard PLC (CDPLC) may deal with, and wherever the employees of CDPLC may operate, they are committed to doing so lawfully, ethically and with integrity. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated. The employees of CDPLC must not act corruptly, and they must ensure that any third party acting on CDPLC's behalf does not, act corruptly in CDPLC's dealings with any other person.

## 2. SCOPE

This procedure is applicable for all CDPLC employees and CDPLC's relevant interested parties.

## 3. RESPONSIBILITY

No:	Job Title	Responsibility	
3.1	Managing Director / CEO	Overall	See Section No: 5 for further details regarding responsibilities
3.2	General Manager (Human Resource Development & Administration)-GM (HRD&A)	Direct	
3.3	All General Managers, Functional Managers and their Staff	Implementation	

## 4. DEFINITIONS

"Bribery" means the offer, solicitation or acceptance of any gratification in contravention of any provision of Part III of Anti-Corruption Act, No. 9 of 2023, or any other act in contravention of any such provision, and any subsequent amendments thereof.

4.1 Regardless of whether the bribe is given or received directly or through a third party (such as someone acting on CDPLC's behalf, for instance an agent, distributor, supplier, joint venture partner or other intermediary) or for the benefit of the recipient or some other person, or irrespective of the form whether it is;

- 4.1.1 money (or cash equivalent such as shares);
- 4.1.2 unreasonable gifts, entertainment or hospitality;

- 4.1.3 kickbacks;
- 4.1.4 unwarranted rebates or excessive commissions (e.g. to sales agents or marketing agents);
- 4.1.5 unwarranted allowances or expenses;
- 4.1.6 "facilitation" payments / payments made to perform their normal job;
- 4.1.7 more quickly and/or prioritize a particular customer;
- 4.1.8 political / charitable contributions;
- 4.1.9 uncompensated use of company services or facilities; or
- 4.1.10 anything else of value,

any such above said offer, solicitation or acceptance of any gratification in contravention of any Provision of Part III of the said Act amounts to bribery.

‘Corruption’ means:

Any employee who, with intent, to cause wrongful or unlawful loss to CDPLC, or to confer a wrongful or unlawful benefit, favour or advantage on himself or any person, or with knowledge, that any wrongful or unlawful loss will be caused to any person or to CDPLC, or that any wrongful or unlawful benefit, favour or advantage will be conferred on any person –

- 4.1.11 does, forbears to do, any act, which he is empowered to do by virtue of his office as an employee;
- 4.1.12 induces any other employee to perform, or refrain from performing, any act, which such other employee is empowered to do by virtue of his/her office as an employee;
- 4.1.13 uses any information coming to his/her knowledge by virtue of his/her office as any employee;
- 4.1.14 participates in making of any decision by virtue of his office as an employee;
- 4.1.15 induces any other person, by the use, whether directly or indirectly, of his office as such employee to perform, or refrain from performing, any act,

shall be guilty of the offence of corruption under the Commission to Investigate Allegations of Bribery or Corruption Act, No. 19 of 1994.

- 4.2 Definitions/explanations hereof on bribery and corruption in the Anti-Corruption Act, No. 9 of 2023 and the Commission to Investigate Allegations of Bribery or Corruption Act, No. 19 of 1994 or any other subsequent amendments shall abide by/supersede in the event of any contradiction with above interpretation / explanation of this policy.

## 5. PROCEDURE

- 5.1 This anti-bribery and corruption policy sets out in accordance with the Anti-Corruption Act, No. 9 of 2023, the Commission to Investigate Allegations of Bribery or Corruption Act, No. 19 of 1994 and any subsequent amendments thereof.
- 5.2 This policy provides guidance on the standards of behavior to which all the employees of CDPLC shall adhere and most of these reflect the common sense and good business practices.
- 5.3 This policy is designed so that bribery and corruption is avoided, and to set a guideline for CDPLC employees to prevent from any kind of act that may amount to bribery and/or corruption.
- 5.4 To whom this policy applies:
  - 5.4.1 This policy sets out a single standard that all the CDPLC employees (permanent and contract) and temporary workers (such as consultants and sub-contractors) (hereinafter referred to as "employee" or "employees" in this document) shall comply with, and this policy applies to all the employees irrespective of their location and job scope.

- 5.4.2 It is the responsibility of each employee to ensure that they comply with these standards in their routine work.
- 5.4.3 The role of CDPLC in preventing bribery and corruption is to ensure that the people acting on CDPLCs behalf act in compliance with effective anti-bribery and corruption policies. Accordingly, where CDPLC engages third parties such as agents, distributors or joint venture partners, CDPLC has obligations to complete sufficient due diligence when entering into arrangements to ensure that they are not acting corruptly.
- 5.4.4 In the Instances of failure to comply with this policy, whether or not it is intentional, may lead to disciplinary actions and any other statutory liability under the said acts and any other subsequent amendments thereof.
- 5.4.5 Employees will be made aware on the policy so that they shall adhere into it and no non-compliance shall occur.
- 5.5 If any employee or an interested party is having any doubts on his/her obligations and/or practicing and/or interpreting anything comes under this policy, he/she shall contact one of the following people for assistance/guidance:
- General Manager (Human Resources Development & Administration)
- Consultant (Industrial Relations & Security)
- 5.6 A breach of bribery laws can result in fines for both the company and the individual involved as per the relevant statutory provisions.
- 5.7 In most of the circumstances, common sense of the employee may determine whether a bribery/corruption is occurred. However, some questions that an employee shall ask himself/herself when in doubt are as follows: (Those questions are set in first person format for the convenience of the employee.)
- 5.7.1 Am I being asked to pay something or provide any other benefit over and above the cost of the services being performed, for instance an excessive commission, a lavish gift, a kickback or to make a contribution to a charity or a political organization?
- 5.7.2 Am I being asked to make a payment for services to someone other than the service provider?
- 5.7.3 Are the hospitality or gifts I am offering or receiving reasonable and justified? Would I be embarrassed to disclose them?
- 5.7.4 When a payment or other benefit is being offered or received, do I know or suspect it is to induce or reward favorable treatment, to undermine an impartial decision making process or to persuade someone to do something that would not be in the proper performance of their job?
- 5.8 General Prohibition:
- 5.8.1 All forms of bribery and corruption are prohibited. Any breach of this policy and/or Statutory Provisions could result in taking disciplinary action and ultimately could lead to dismissal.
- 5.8.2 A bribe does not actually have to take place, but just promising to offer a bribe or agreeing to receive one is also prohibited.
- 5.9 Gifts, hospitality and expenses
- 5.9.1 Even though offering and/or receiving gifts and/or hospitality is an important part of maintaining and developing business relationships, all gifts and hospitality shall be for a genuine purpose, reasonable and offered in the ordinary course of business, and shall comply with the laws of the Democratic Socialist Republic of Sri Lanka. These gifts and/or hospitality shall be revealed to the top management prior to offering or receiving, or just after being offered or received.

5.9.2 Offering and/or receiving of lavish or unreasonable gifts and/or hospitality are unacceptable as these may create the impression that CDPLC is trying to obtain and/or receive favorable business treatment by providing and/or accepting personal benefits to individuals. In addition, gifts and/or hospitality can themselves be a bribe. Employees shall be vigilant to avoid offering and/or accepting of gifts and/or hospitality that might influence the decisions they take on behalf of CDPLC.

#### 5.10 Facilitation payments

5.10.1 Facilitation payments are any payments, no matter how small, given to an official to increase the speed at which they do their job. For instance, these could include speeding up customs clearance.

5.10.2 All facilitation payments are generally prohibited. However, there may be circumstances in which you have no alternative but to make a facilitation payment in order to protect against loss of life, limb or liberty. Any request for a facilitation payment shall be reported to top management of CDPLC.

#### 5.11 Agents, distributors, suppliers and joint venture partners

5.11.1 CDPLC could be liable for the acts of people who act on its behalf. This includes agents, distributors, suppliers and joint venture partners (hereinafter referred to as "third parties"). As such CDPLC is committed to promoting compliance with effective anti-bribery and corruption policies by all third parties acting on behalf of CDPLC.

5.11.2 All third parties shall be made aware of the terms of this policy and of their obligations to comply with it.

5.11.3 CDPLC shall not engage any third party who is known or reasonably suspected of engaging in bribery.

5.11.4 Appropriate due diligence shall be exercised before getting any third parties engaged. The appropriate level of due diligence will vary depending on the circumstances and relevant employees shall use their judgments on a case by case basis.

5.11.5 Some questions that an employee shall ask himself/herself when with regard to third parties are as follows: (Those questions are set in first person format for the convenience of the employee.)

5.11.5.1 Who are they?

5.11.5.2 Have I seen documents evidencing that they are who they say they are?

5.11.5.3 Who else have they worked with and do they have references?

5.11.5.4 Are they well established with a good reputation or are they more obscure and do I need to find out more about them?

5.11.5.5 Do they operate in a territory where bribery is prevalent?

5.11.5.6 Do they have their own anti-bribery programme/s?

5.11.5.7 Have I done basic searches such as Google searches, business directory searches and etc.,?

5.11.5.8 Are there inconsistencies between the provider of the services and the person I am paying?

5.11.5.9 Are commissions/payments in line with generally accepted market practice?

5.11.6 Some high risk transactions with third parties will require further due diligence which may require independent investigation.

- 5.11.7 Entering into any joint venture arrangement without prior approval from the top management is prohibited.
- 5.11.8 All payments and commissions to third parties shall;
- 5.11.8.1 be made in accordance with the accepted practice of the yard
- 5.11.8.2 be subject to the approval of the Departmental Head
- 5.11.8.3 be fully accounted for;
- 5.11.8.3.1 the service in question and should not be unjustifiably excessive or unsupportable; and
- 5.11.8.3.2 must be made in accordance with the terms of the contract with the person or company providing the services.
- 5.11.9 However, any payments and/or commission paid to third parties, other than the official payments, shall be subject to the prior approval of the top management.
- 5.11.10 If any employee has any concern/s that arrangements with a third party are not in accordance with this policy, he/she shall consult the top management for assistance.
- 5.12 Dealing with relevant public officials
- 5.12.1 Relevant public officials include those who are in government departments, employees of the government owned or controlled commercial enterprises and/or international organizations, political parties and political candidates.
- 5.12.2 This policy applies to both public and private sectors.
- 5.12.3 Prior approval of the top management is required in relation to:
- 5.12.3.1 any payment in respect of fees, salary or commission (this does not include official fees);
- 5.12.3.2 gifts and/or hospitality; and
- 5.12.3.3 making charitable contributions in connection with dealings with a public official.
- 5.12.4 When any public officials have their own rules regarding the acceptance of gifts and/or hospitality and etc, employees of CDPLC shall respect those rules.
- 5.13 It is the responsibility of the top management to ensure that each business complies with this policy. Ultimate responsibility of compliance with this policy throughout CDPLC is handled by the MD/CEO. However, each employee has an obligation to act with integrity and comply with this policy.
- 5.14 Whistle blowing
- 5.14.1 CDPLC is committed to ensuring that employees can speak up with confidence, if they have any concerns or need to ask for assistance. If any employee suspects or observes anything that he/she thinks might be in contravention of this policy, he/she has an obligation to report it. He/she shall raise his/her concerns with GM (HRD&A) in the first instance.
- 5.14.2 CDPLC will not tolerate retaliation in any form against anyone for raising concerns or reporting what they genuinely believe to be improper, unethical or inappropriate behaviour.
- 5.14.3 All such reports will be treated confidential.

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