Corruption

Corruption exists in all societies, but it poses a greater threat to economic fortunes. Bribery, conflicts of interest, and illicit transactions burden the economy, distort development policies, and undermine trust in public institutions.

Lamassu group believes that private sector participation in prevention of corruption is essential to achieving success. Although some companies may benefit in the short term from corrupt deals, most companies suffer in the long term because its cost becomes high over time. It leads to greater instability and makes the business climate unfavourable. Therefore, it is in the best interest of companies to join the fight against corruption, as well as for company personnel to contribute to eliminating this corruption, as it provides long-term costs that will be reflected in additional revenue for the company and its personnel.

Equally important, **Lamassu group** believes in treating corruption because of institutional failure, not just the result of individual misconduct. Building strong, disciplined institutions is therefore the best way to reduce corruption. This means building a set of stable, reliable incentive structures that reward those committed to honesty and transparency. In this regard, our company can contribute effectively and significantly to the reform of political and economic institutions, as they are part of this nation and whose cadres are good members of society.

What is corruption?

Corruption is generally defined as the abuse of power for personal gain. However, there are three conditions that must be met for an action to be considered corrupt, and therefore, as a member of the **Lamassu group** family, you must avoid them.

1. The principle of treating individuals as equals is violated, with no preference given to one person over another based on kinship or personal relationship. Both parties must engage in any financial transaction in a manner that reflects a lack of impartiality.

2. The conflict of interest must be clear and intentional.

3. Both parties must have a vested interest in committing this violation. However, this interest need not necessarily be material and monetary in

nature; it may take the form of services, Favors, or non-monetary or financial gifts.

Corruption does not only occur in transactions between private sector stakeholders and public sector officials; it can also occur in transactions between two private sector parties. Perhaps the best example of the private sector's violation of anti-corruption rules is the so-called "commissions" paid by suppliers to corporate procurement officers. Therefore, managers at **Lamassu group** have another responsibility: to set an example for other employees to avoid any process tainted with corruption. This creates an atmosphere of unequal opportunity and unfairness, which negatively impacts the company's culture and work environment. This may, in one way or another, impact the company's continuity and profit flow. While this may be a short-term benefit for managers, it threatens the company's long-term viability, leading managers and employees to lose their jobs, which provide them with a steady and respectable source of income, and thus become unemployed.

Business Administration Principles for eliminating Bribery

1. Employees must strictly refrain from any form of bribery, whether direct or indirect.

2. The company is committed to implementing an anti-corruption program.

Measures Taken by the Company's Board of Directors to Promote Transparency and eliminate Bribery

1. Establishing Better Levels of Transparency and Accountability in the Company This is achieved by requiring company employees to ensure transparency, hold decision-makers accountable, and adhere to good governance in the company's management. The application of disclosure rules and the requirement to submit periodic reports during visits and negotiations with other parties and to approve them enhances individual accountability among company employees, who bear moral and legal responsibility for any behaviour that does not adhere to the company's principles of integrity and good governance.

2- Unifying the company's accounting standards and requiring third-party auditing of the company's accounts, which enhances transparency and holds everyone, including shareholders and individuals, equally accountable for implementing integrity and anti-corruption standards.

3- Shared knowledge through employees monitoring each other's performance and the performance of managers, which allows each employee to know the projects and deals undertaken by the company, even if they are outside the geographical area for which he is responsible, which enhances comparison and tracking of how to conduct business in the best and most efficient manner within the legal frameworks to enrich the experience of completing business in a purely professional manner, and reviewing reports from colleagues as success stories on how to deal with, reject and overcome extortion attempts in a way that allows business to continue without violating the principles of eliminating corruption, in order to benefit from these examples so that they are reflected in every employee in his geographical area of responsibility. A real example: During one of the negotiation and price comparison committee sessions, employee M. Z. A., who is responsible for the northern region in the spare parts department, presented a case of children at a school that suffers from power outages in the summer, preventing students from taking their exams in a suitable environment. Because employee M. Z. A., as a resident of the region, investigated and knew that there were many children on the negotiation committee at this school, he prepared photos from the previous year and how they took their exams in the hot summer weather, and then another photo of a Middle Eastern country and how students took their exams with the availability of electricity. This photo played a major role in influencing the negotiation committee to make the discussion professional and specific to the efficiency of the products, far from any attempt to gain personal benefit or gain. This photo also gave the decision-makers the impression that our company seeks quality in preparation and implementation, not profit at the expense of efficiency standards.

4- Opening the door for any individual in the company to enhance the standards of integrity and transparency through any suggestions submitted and presented publicly to all company members and put forward for discussion, analysis and development in a way that allows for their optimal implementation so that decisions are participatory and everyone is part of the anti-corruption strategy.

In the end…

Remember, dear employee, anti-corruption measures come first from the individuals who are at the core of society.

Also, offering a bribe to secure government contracts that increase your bonus is money stolen from your own pocket. Public funds are the share of every individual in this country, and stealing this money is stealing from your own pocket first, and from the future of your children and family second.

By engaging in bribery, you are encouraging the corrupt to continue their corruption and provide inefficient services, because a portion of the funds that could have been allocated to provide you with services has been siphoned off into the dark corridors of corruption.

Fueling the corrupt decision-maker allows them to continue in their position, supported by the capabilities you provide them through bribery, which ties your fate and the fate of your family to the corrupt. Do not feed corruption with short-term gains.

Remember, integrity is everyone's responsibility.