



SAAB



CORRUPTION
RISK MANAGEMENT

INTRODUCTION

Saab has a zero tolerance policy towards corruption. As part of this policy, **DIR-C-200 Management and Prevention of Corruption Risks** stipulates that every market or business initiative shall be subject to a corruption risk assessment to prevent that Saab in any way is associated with corruption or corrupt practices.

Certain third party relations that by their nature are deemed to carry a higher corruption risk, e.g. market consultants, re-sellers and certain offset arrangements, are managed and risk assessed in accordance with **DIR-C-063 Appointment and Management of International Intermediaries**.

Business courtesies are handled in accordance with **DIR-C-196 Gifts, Events and Hospitality**.

This document provides guidance in relation to the corruption risk management of arrangements outside DIR-C-063.



In Saab, all business initiatives shall be subject to a corruption risk assessment

CORRUPTION RISK ASSESSMENT – PURPOSE AND PARAMETERS

The purpose of the risk assessment is to identify all corruption risks associated with the agreement and, where needed, mitigate identified risks to an acceptable level. Where the risk exposure is unacceptable, Saab shall abstain from the relationship

The relevant risk parameters vary depending on the relationship, but the following factors are generic and shall always be part of the assessment:

- The country
 - Corruption risk in general
- The customer
 - Private or public
 - Sector or segment
- The business case
 - Value
 - Complexity
 - Procurement method
- The business partner
 - Form and size of company
 - Ownership and key individuals
 - Role and scope of work
 - Relationship with the customer
 - Track record and reputation
 - Compliance maturity
- The form and size of the remuneration
- Balance between effort, risk and reward

In addition to these parameters, there may be factors that are specific to the relationship and which must be included in the assessment.

CORRUPTION RISK ASSESSMENT

– METHODOLOGY

How do I identify risks?

Risks may be identified using different intelligence sources and methods.

- TI's Corruption Perception Index (CPI) and Government Defense Anti-corruption Index
- Open source search, e.g. Google
- Financial and trade registers, e.g. Dunn & Bradstreet
- Checking the third party against blacklisting
- Due Diligence Questionnaire
- Meetings and interviews
- Due Diligence through external sources

How do I mitigate risks?

Identified risks may be mitigated and managed through different means both before and during agreement execution.

- Harmonization of compliance programs (recognition of Saab's standards)
- Compliance training
- Business ethics clauses in the agreement
- Audit rights
- Regular monitoring and review

Are the same efforts always required?

A fundamental principle in corruption risk management is to adjust the efforts to the risk

level, i.e. to apply proportionate procedures.

Accordingly, in cases where the risks are likely to be significant, substantial efforts must be made to identify and assess the actual risks and bring them to an acceptable level, while more limited efforts should be applied where the risks are likely to be lesser.

Do I need to document the assessment?

The principle of proportionate procedures should also be reflected in the way we record and document the assessment. The higher the risk, the more recording and documentation is required.

A corruption risk assessment checklist, which enables a structured documentation of the risk assessment, is available in the Global Management System (GMS) and on the Business Ethics section on Saabnet. This checklist shall be used whenever motivated by the risk level.

A well-documented and well-founded risk assessment is a key component in our risk management.

Where can I get help?

The functions Ethics and Compliance and Market Network Management can provide advice and assistance in all phases of the risk analysis.



BUSINESS ETHICS – A JOINT VIEW

Ultimately, the risk assessment serves to ensure that we always make informed decisions and that we work only with business partners that share Saab's zero-tolerance policy for corruption.



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Further information:

Saab Code of Conduct

DIR-C-200 Management and Prevention of Corruption Risks

Corruption risk assessment checklist

DIR-C-063 Appointment and Management of International Intermediaries

DIR-C-196 Gifts, Events and Hospitality

All available on the Business Ethic section on Saabnet

Support:

Group Legal Affairs

Ethics and Compliance

Market Network Management