



ISO 37001:2016

Anti-bribery management systems



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Copyright protected document

All rights reserved. Unless otherwise specified, or required in the context of its implementation, no part of this publication may be reproduced or utilized otherwise in any form or by any means, electronic or mechanical, including photocopying, or posting on the internet or an intranet, without prior written permission. Permission can be requested from either ISO at the address below or ISO's member body in the country of the requester.

© ISO 2020

ISO copyright office

CP 401 • Ch. de Blandonnet 8

CH-1214 Vernier, Geneva

Phone: +41 22 749 01 11

Fax: +41 22 749 09 47

Email: copyright@iso.org

Website: www.iso.org

Published in Switzerland

Views expressed in this publication are those of the author(s) and contributors and do not necessarily reflect those of the International Organization for Standardization or United Nations Industrial Development Organization. The designations employed and the presentation of material do not imply the expression of any opinion whatsoever on the part of the International Organization for Standardization or the United Nations Industrial Development Organization concerning the legal status of any country, territory, city or area, or of its authorities; or concerning the delimitation of its frontiers or boundaries; or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of names of firms and organizations and their websites, commercial products, brand names, or licensed process does not imply endorsement by the International Organization for Standardization or the United Nations Industrial Development Organization.

Contents

Foreword	5
Introduction	7
About this handbook	7
About management systems	9
About bribery	12
How to start	17
What does certification mean?	21
ISO terminology	22
ISO 37001:2016 requirements	23
Introduction	23
1. Scope of the standard	27
2. Normative references	29
3. Terms and definitions	31
4. Context of the organization	35
4.1 Understanding the organization and its context	35
4.2 Understanding the needs and expectations of stakeholders	37
4.3 Determining the scope of the anti-bribery management system	38
4.4 Anti-bribery management system	40
4.5 Bribery risk assessment	41
5. Leadership	47

5.1	Leadership and commitment	48
5.2	Anti-bribery policy	51
5.3	Organizational roles, responsibilities and authorities	52
6.	Planning	57
6.1	Actions to address risks and opportunities	57
6.2	Anti-bribery objectives and planning to achieve them	61
7.	Support	63
7.1	Resources	63
7.2	Competence	66
7.3	Awareness and training	70
7.4	Communication	71
7.5	Documented information	72
8.	Operation	75
8.1	Operational planning and control	75
8.2	Due diligence	76
8.3	Financial controls	81
8.4	Non-financial controls	82
8.5	Implementation of anti-bribery controls by controlled organizations and business associates	84
8.6	Anti-Bribery Commitments	86
8.7	Gifts, hospitality, donations and similar benefits	92
8.8	Managing inadequacy of anti-bribery controls	97
8.9	Raising concerns	99
8.10	Investigating and dealing with bribery	101
9.	Performance evaluation	107
9.1	Monitoring, measurement, analysis and evaluation	107
9.2	Internal audit	109
9.3	Management review	110
10.	Improvement	113
10.1	Nonconformity and corrective action	113
10.2	Continual improvement	114

Appendix I – Demonstrating conformity	117
Conformity assessment options	118
What to expect when becoming certified	120
Appendix II – Diagrams and templates	123
Appendix III – Comparison of ISO 37001 with other anti-bribery instruments	145
Appendix IV – Case studies	149
Bibliography	159
ISO documents	159
International conventions	160
Selected documentation	161

This document is a preview generated by EVS

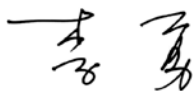
Foreword

Bribery is often viewed as a “necessary” evil that facilitates business and expedites work. This perception is not only wrong, it places a heavy burden on people, economies and society as a whole. Loss of business and fines resulting from bribery and fraud, and concomitant reputational damage, can be severely detrimental to companies, causing billions in lost revenue. This begs the question: Is your organization willing to work with a company that has been embroiled in a bribery scandal? Such organizations may face harsh penalties by regulatory bodies and studies show that employee morale suffers when individuals in their organization are found guilty of bribery.

Taking steps to deter unethical practices in the workforce is therefore essential to establish trust. ISO 37001:2016, *Anti-bribery management systems – Requirements with guidance for use*, is designed to help an organization implement and maintain a proactive anti-bribery system. Its flagship guidance presents globally recognized best practice to prevent, detect and deal with bribery at all levels of an organization. But the standard’s requirements go beyond the organization’s own operations, covering every aspect of its global value chain. To help with its implementation, technical committee ISO/TC 309, *Governance of organizations*, has developed a handbook that provides users of ISO 37001:2016 with advice on bribery and the different measures they can take to prevent it.

ISO 37001:2016 – Anti-bribery management systems – A practical guide contains detailed information, case studies and examples that bring clarity to the standard's requirements. Suitable for organizations of all types and sizes, this handbook is particularly useful for small and medium-sized enterprises.

Responding to the growing threat of bribery and corruption, the International Organization for Standardization (ISO) and United Nations Industrial Development Organization (UNIDO) have joined forces in publishing this handbook that will help users of ISO 37001:2016 create a culture of integrity and compliance in their workforce. We hope it will provide all the support you need to put in place robust controls and processes to protect your organization from the bribery risks it faces.



Li Yong

Director General

UNIDO



Sergio Mujica

Secretary-General

ISO

Introduction

About this handbook

This handbook provides guidance on developing and implementing an anti-bribery management system, based on the International Standard ISO 37001:2016, *Anti-bribery management systems – Requirements with guidance for use*. For brevity in this handbook, ISO 37001 refers to the 2016 version of the standard. The requirements and guidance contained within ISO 37001 have been developed to be applicable (and useful) to any type of organization, regardless of its sector, management structure, size, location, or products and services.

ISO 37001 defines “organization” as a person or group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives. This includes, for example: sole traders, companies, corporations, firms, enterprises, public authorities, partnerships, charities or institutions. It can also include parts or combinations of any of these entities, as well as potentially others. Examples of different organizational types can include: manufacturers, distributors, schools, law firms, financial institutions, foundations, public hospitals or local governments. While ISO 37001 can be applied to all these various kinds of organizations, this handbook has been developed to assist new, existing, and potential future

ISO 37001 practitioners, including those in small and medium sized organizations that do not have the same resources as larger organizations.

This handbook is organized in the following sections to enable readers to reference key sections as needed, or to read through as preferred:

About management systems	Describes what management systems are about and why an organization should have one.
About bribery	Provides an overview of bribery and why organizations should implement measures to prevent and detect bribery in their operations, if it occurs.
How to start	Practical advice on different options to introduce an anti-bribery management system into an organization, or update an existing one.
ISO 37001 Requirements	Central section of the handbook to help readers better understand specific requirements of ISO 37001, together with examples and suggestions on how to meet these requirements.
Appendix I	Short description of the various assessment options and of certification.
Appendix II	Diagrams and templates for elements of ISO 37001.
Appendix III	Comparison of ISO 37001 with the main internationally recognized anti-bribery tools.
Appendix IV	Case studies to illustrate practical questions that arise when implementing ISO 37001.
Bibliography	List of documents relevant to ISO 37001 including ISO documents, international conventions and documented resources that are helpful when implementing ISO 37001.

About management systems

A management system defines the manner in which an organization manages its business in order to achieve its objectives. The system consists of the management structure, the planning, processes, resources and documented information that are used to achieve the organization's set objectives as they relate to topics. These include: product or service quality, operational efficiency, environmental performance, health and safety in the workplace and, in the case of ISO 37001, preventing, detecting and responding to bribery.

A management system standard specifies good management practices, without referencing any particular type of product or service (unlike product and service standards).

The complexity and level of investment in the system depends on each organization's context. For smaller organizations, it can simply mean having strong leadership from the business owner, providing a clear definition of what is expected from each individual employee and how they contribute to the organization's overall objectives, without the need for extensive documentation. Larger businesses operating, for example, in highly regulated sectors, can need extensive documentation and controls in order to fulfill their legal obligations and meet their organizational objectives.

Management systems should not result in excessive bureaucracy and paperwork, or lack flexibility, and should not be a significant financial burden. Expenditures relating to implementing and maintaining a management system should be considered an investment that helps the organization achieve its objectives. In the case of ISO 37001, this can take the form of preventing and managing financial, legal, reputational, competitive, operational, or other risks that, if left unchecked, could exceed the costs of establishing, implementing, maintaining, reviewing and improving an effective anti-bribery management system.

What is an ISO 37001 anti-bribery management system?

ISO 37001 specifies a series of measures not only to help organizations address their bribery risks but also to prevent, detect and respond to bribery. These include: adopting an anti-bribery policy, appointing a person to oversee anti-bribery compliance, training, risk assessments and due diligence on projects and business associates, implementing financial and commercial controls, and instituting reporting and investigation procedures. Last but by no means least, it requires leadership, consisting of active support and engagement by top management and the governing body (if there is one over top management).

Rather than introducing something completely new, ISO 37001 is building on measures that have been developed over the years to help organizations to prevent, detect and respond to bribery. Organizations that have already implemented anti-bribery measures will thus find that these measures conform to ISO 37001 with little or no adjustment.

Management systems standards are the result of consensus among international experts with expertise in global management, leadership strategies, and efficient and effective processes and practices. In the case of ISO 37001, more than 100 experts representing more than 50 countries and liaison organizations worked over three years to develop a consensus on anti-bribery measures, reflecting accepted good anti-bribery practices that has been widely accepted by ISO member bodies.

ISO 37001 uses the same structure as other ISO management system standards, such as ISO 9001:2015 for quality management systems, and ISO 14001:2015 for environmental management systems, and the measures required by ISO 37001 are designed to be easily integrated with existing management processes and controls.

Why have one?

ISO management system standards help organizations improve their performance by specifying repeatable steps that organizations can implement to help achieve their goals and objectives. Such standards also enable an organization to create an organizational culture that engages in a continuous cycle of self-evaluation, correction and improvement of operations and processes, through heightened personnel awareness, and management leadership and commitment.

The benefits of an effective management system to an organization include:

- ▶ More efficient use of resources and improved financial performance.
- ▶ Improved risk management and protection of people and the environment.
- ▶ Increased capability to deliver consistent and improved services and products, thereby improving the organization's competitiveness, and increasing value to customers and all other stakeholders.

The specific benefits provided to an organization by implementing ISO 37001 are:

- ▶ Identifying and managing the bribery risk and related risks, such as reputational risk
- ▶ Setting minimum requirements and supporting guidance for implementing or benchmarking an anti-bribery management system
- ▶ Providing assurance to the governing body, management, investors, personnel, customers, regulators and other stakeholders that an organization is taking reasonable steps to prevent, detect and respond to bribery
- ▶ Demonstrating that an organization has taken reasonable steps to prevent, detect and respond to bribery and put in place well recognized good-practice anti-bribery controls. This is important when there is an investigation into alleged or suspected corrupt practices, e.g. activities which provide benefits such as a reduction or exoneration from administrative or judicial punishments
- ▶ Reducing the risk of bribery occurring in relation to the organization's activities
- ▶ Strengthening the organization's reputation, brand and contributing to its sustainability
- ▶ Last but not least, establishing a culture of transparency and integrity