



NEPCon Anti-Corruption Policy

1. Definitions

Fraud is a general term for dishonest, unethical or illegal act or practice.

Corruption is dishonest or fraudulent conduct by those in power, typically involving bribery.

Bribery is the act of giving money, goods or other forms of recompense to a recipient in exchange for an alteration of their behaviour to the benefit or interest of the giver that the recipient would otherwise not alter. Also the offering, giving, receiving, or soliciting of any item of value to influence the actions of an official or other person in charge of a public or legal duty is considered bribery. Under the UK Bribery Act 2010, a bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. The following are some simple examples of bribery:

- A client offers to pay some money or a gift to secure a positive audit outcome.
- A potential supplier offers money or a gift, in order to influence a tender process.
- A job applicant offers to pay to increase his/her chance of being offered employment.
- A government official asks a payment (in addition to legally prescribed fees) in order to secure the NGO registration of an organisation. More examples of bribery are included in Annex A.

Facilitation payments Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, and not to obtain or retain business or any improper business advantage. Facilitation payments tend to be demanded by low level officials to obtain a level of service which one would normally be entitled to.

2. Scope of the policy

This policy covers: bribes; gifts and hospitality; facilitation payments; political contributions; charitable contributions.

The policy applies to all individuals who perform work on behalf of NEPCon, including NEPCon employees, contractors and NEPCon board members (for simplification, referred to as employees elsewhere in this policy). In the context of this policy, third party refers to any individual or organisation with whom employees may come into contact during the course of their work for NEPCon.

3. NEPCon policy on fraud, corruption and bribery

The purpose of this policy is to establish controls to ensure employees behave ethically and with integrity and to ensure that NEPCon's business is conducted in a socially responsible and ethical manner and in compliance with all applicable legislation.

NEPCon has a zero-tolerance approach towards bribery, corruption and fraud. Any violation of this Policy may result in disciplinary measures, up to and including

termination of the contract in appropriate circumstances. Exceptional cases are detailed in this policy below. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. We are committed to implementing and enforcing effective systems to counter bribery, corruption and fraud. NEPCon is committed to uphold all laws relevant to countering bribery, corruption and fraud in all the jurisdictions in which we operate, including specific consideration for the UK legislation and the Bribery Act 2010.

NEPCon maintains Integrity Registry where specific cases as detailed below, are registered for transparency and possibility of monitoring. The Quality Manager is responsible for registration of relevant cases in the registry and informing the Executive director on any cases. NEPCon Executive Director is responsible to monitor the Integrity Registry periodically and to take appropriate actions when potential fraud, bribery or corruption is suspected, including informing NEPCon Board.

3.1. Bribery

Employees must not engage in any form of bribery, either directly or through any third party (such as an agent, distributor or as sponsor). Specifically, employees must not bribe a foreign public official anywhere in the world. Employees must not accept any bribes from third parties. Where the offer or receipt is intended for an employee's family or friends, or when bribery takes place through third parties, it is still considered to be a bribe.

3.2. Gifts and hospitality

Employees shall not receive or provide gifts or hospitality, which is above normal and reasonable levels, as defined below.

Employees must not offer or give any gift or hospitality:

- which could be regarded as illegal or improper, or which violates the recipient's policies; OR
- to any public employee or government officials or representatives, or politicians or political parties¹ (add footnote); OR
- which exceeds € 50 in value for each individual gift or € 200 in value for each hospitality event (not to exceed a total value of €1 000 in any financial year), unless approved in writing by the Quality Manager and registered in NEPCon Integrity Registry.

Employees may not accept any gift or hospitality from third parties if:

- it exceeds € 50 in value for each individual gift or € 200 in value for each hospitality event (not to exceed a total value of € 1 000 in any financial year), unless approved in writing by the Quality Manager and registered in NEPCon Integrity Registry; OR
- it is in cash; OR

¹ Exchange of gifts during public ceremonies and covering of costs in connection with relevant training activities, study tours and so on is not considered as bribery.

- there is any suggestion that a return favour will be expected or implied.

We appreciate that the practice of giving business gifts and hospitality varies between countries and regions and what may be normal and acceptable in one region may not be in another. There may thus be exceptional cases when gifts or hospitality above the limits defined previously in this policy are not appropriate to decline. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered. Any cases, when gifts above the limits detailed in this policy previously are accepted, shall be reported to NEPCon Quality Manager and registered in the NEPCon Integrity Registry.

3.3. Facilitation payments

It is NEPCon policy not to pay any facilitation payments. We recognise that employees may be faced with situations where there is a risk to the personal security of an employee or his/her family and where a facilitation payment is unavoidable. In such cases payment can be made, keeping it to minimum possible level. However the person shall report the amount and circumstances to NEPCon Quality Manager for registration in NEPCon Integrity Registry.

3.4. Donations and support

NEPCon does not make political donations or contributions.

Charitable support and donations by NEPCon are acceptable. NEPCon only makes charitable donations which support the missions and vision of NEPCon and are ethical and legal. Any charitable donations made on behalf of NEPCon shall have prior approval from Executive Director, shall be registered in NEPCon Integrity Registry and shall be publicly disclosed.

4. If you suspect or have been victim of fraud, corruption or bribery

If employees are offered a bribe or in other ways are proposed to partake in corrupt or fraudulent behaviour, the employees must refuse and refer to this NEPCon policy. The only exception where payment may not necessarily be avoided is when health and security is seriously at risk. Employees shall also inform their line manager, the Executive Director or a staff appointed Board Member as soon as possible.

If employees become aware or suspect that any individual related to NEPCon or performing tasks on behalf of NEPCon, is or will potentially be engaged in fraud, corruption or bribery, it is the responsibility of the employee to inform relevant NEPCon staff about this. Employee may inform their line manager, the Executive Director or a staff appointed Board Member.

Any instances of actual or potential bribery are properly and promptly investigated, including:

- Confirming whether or not a bribery or other corrupt act has taken place, and to identify who was responsible.
- Confirm whether internal controls and anti-bribery procedures have worked in practice.
- Identify any improvements required to anti-bribery procedures.
- Determine the appropriate subsequent action, depending on the findings of the investigation. This may include disciplinary procedures and external reporting.

5. Protection of employees

Employees who refuse to accept or offer a bribe, or those who raise concerns or report known or potential wrongdoings, may be worried about possible repercussions. NEPCon encourages openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be unfounded. Proper consideration will be given to confidentiality of the individuals reporting possible cases of bribery or corruption. NEPCon is strongly committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future.

Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Human Resources Manager immediately. If the matter is not remedied, and you are an employee, you should raise it formally using NEPCon Dispute Resolution Policy.

Annex A – Examples of corrupt practices

Scenario 1

A major natural disaster has happened in a country where corruption is a huge problem. Emergency supplies that could save thousands of lives are being blocked by customs officials and the army. The army offers to provide "security" for transporting the supplies for a significant payment, and the customs officials require that "official transport" must be used and "emergency clearance permits" must be obtained, likewise for a significant payment.

Scenario 2

A NEPCon staff member regularly needs to pass a border checkpoint; by paying \$25 to the officials there is a "fast track" process. The money is regularly paid.

Scenario 3

NEPCon wishes to obtain a licence to operate in a country which should cost around \$200. The licence is continually blocked by an official who first asks for an extension to be built to an orphanage, which turns out to be his own house, and then demands a payment of \$10,000. The NGO feels time pressure from donors to start the project and the local manager wants to pay the bribe.

Scenario 4

NEPCon finds an NGO partner in-country that has excellent political connections and is highly effective at getting the job done. However, the NEPCon discovers that the politicians who set up the local NGO are also using it as a mechanism for raising donor funds that are channelled into their private bank accounts.

Scenario 5

NEPCon wants to expand its operations to three new districts in country X. It needs the permission of the ministry for rural development to do this. At the same time, it advertises a post of local Project Manager. A senior official in the ministry says it would normally take several months to process the application but he can expedite its approval if NEPCon were to offer his well-qualified son the Project Manager position.

About NEPCon

NEPCon (Nature Economy and People Connected) is an international non-profit organisation working to support better land management and business practices that benefit people, nature and the climate in 100+ countries around the world. We do this through innovation projects, capacity building and sustainability services. We focus on forest and climate impact commodities and related sectors, such as tourism.

We are accredited certifiers for sustainability schemes such as FSC™ (Forest Stewardship Council™), PEFC (Programme for the Endorsement of Forest Certification), RSPO (Roundtable on Sustainable Palm Oil), Rainforest Alliance Sustainable Agriculture and SBP (Sustainable Biomass Program). We also certify to our own LegalSource™, Sustainable Tourism and Carbon Footprint Management standards. A self-managing division of NEPCon promotes and delivers our certification services. Surplus from certification activities supports NEPCon's non-profit activities.

NEPCon is recognised by the EU as a Monitoring Organisation under the EU Timber Regulation.

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