

Strategy & Policy

Anti-Fraud, Bribery & Corruption

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climate-kicfoundation.org

Introduction

Climate-KIC International Foundation (Foundation) is an international non-profit organisation with the objective of contributing to the protection of nature and the environment, including enhancement of sustainability, by way of catalysing systemic change for climate action through innovation. As part of such mission, a robust approach to fraud prevention and anti-bribery and corruption matters is vital particularly given the Foundation's formal status as a public benefit/charitable organisation (known as ANBI or algemeen nut beogende instelling in the Netherlands). This Strategy & Policy Statement sets out the strategic priorities and other main considerations of Foundation in formulating the Anti-Fraud, Bribery and Corruption Policy (Policy), the details of the Policy itself and roles and responsibilities of those involved in implementing the Policy. It is important Foundation takes a proactive stance on fraud, corruption and bribery. Fraud, corruption and bribery may be punishable for individuals by imprisonment and/or a fine. As an employer, if we fail to prevent fraud, corruption and bribery we may face an unlimited fine, exclusion from tendering for contracts, substantial damage to our reputation and other consequences.

Strategy Statement & Priorities

We take a **zero-tolerance approach to fraud, corruption and bribery** and are **committed to acting ethically, professionally and with integrity and transparency** in all our relationships and dealings wherever we operate. In line with this strategy, we will:

- Enhance, promote and maintain a culture of zero tolerance to fraud, bribery and corruption; and
- Implement and enforce effective systems to actively prevent, detect and counter fraud, corruption and bribery.

Foundation has carried out an internal risk assessment in relation to fraud, corruption and bribery. The objective of such risk assessment was to identify the key fraud, corruption and bribery risks and produce a priority list as follows:

- Grant allocations and donations (including attempts to create "side agreements" – i.e. arrangements outside Foundation's standard processes and procedures);
- Conflicts of interest and impartiality of assessment;
- Use of Foundation funds by beneficiaries, award recipients or other counterparties;
- Time recording;
- Goods and services procurement; and
- Recruitment.

To address these risks, we have taken or will undertake the following steps:

- Finalise Foundation policies including Ethics Approach and Standards; Anti-Fraud, Corruption and Bribery Policy; Conflict of Interests and Gifts Policy; New Country Policy and Procurement Policy;
- Development of Foundation Risk Management Framework and policies around project assessment, grant allocation and donations;
- Ongoing review of risk assessment exercise; and
- Required training from time to time – both at all staff level and with specific focus groups.

Policy Statement

Foundation's zero tolerance of fraud, corruption and bribery means that **Foundation does not accept any level of fraud, bribery or corruption within the organisation or by any other individual or organisation receiving funding from or via us or representing Foundation.** Foundation and those working for or with us (including funders, donors, beneficiaries, award and prize recipients, suppliers, customers and others) must pursue the **highest standards of honesty and integrity** in the exercise of their duties. This needs to be visible to the whole Foundation community and our external stakeholders.

Foundation will uphold all laws and regulations relevant to countering fraud, corruption and bribery in all the jurisdictions in which it operates. Further, regardless of the guidelines and procedures set out in this or any other document, Foundation and those persons working for and with us each always have an overriding obligation to comply with applicable laws and regulations.

What is Fraud (or an Irregularity)?

As taken from the Convention for the Protection of European Communities' Financial Interests¹, **Fraud** includes:

- In respect of expenditure, as any intentional act or omission relating to:
 - the **use or presentation of false, incorrect or incomplete statements or documents**, which has as its effect the misappropriate or wrongful retention of funds from the EU's budget;
 - **non-disclosure of information** in violation of a specific obligation, with the same effect; and/or
 - the **misuse of such funds for purposes other than those for which they were originally granted.**
- In respect of revenue, any intentional act or omission relating to:

¹ Article 1(2) of Regulation (EC, Euratom) No 2988/95

- the use or presentation of false, incorrect or incomplete statements or documents, which has as its effects the illegal diminution of the resources of EU budget resources;
- non-disclosure of information in violation of a specific obligation, with the same effect; and/or
- misuse of a legally obtained benefit, with the same effect.

Therefore, for Foundation, the concept of fraud covers not only, any infringement of the financial interests of Foundation but also misbehaviour that may not have a direct effect on our financial interests – for example reputational impact, concealment of material facts, security breaches of IT systems, cyber fraud and conflicts of interest that has not been declared intentionally. Favouritism and collusion are also included in the definition of fraud.

What is Corruption? What is Bribery?

Corruption is the abuse of entrusted power or position for private gain. For example, favouring the funding of organisations or projects which involve persons or entities in which you have a personal interest such as a shareholding, management/advisory position or other relationship. The Conflicts of Interest & Gifts Policy is important for identification of situations where there is a risk of a conflict and/or corruption. Please also refer to 2013 research study "Identifying and Reducing Corruption in Public Procurement in the EU" as commissioned by the European Commission (via OLAF) as good source material.

A **bribe** is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

Examples:

Offering a Bribe

You offer to vote positively on a proposed donation to a certain organisation, but only if that organisation agrees to employ your niece (or you following your departure from Foundation).

This would be a bribery offence as you are making the offer to gain a personal advantage. It may also be an offence for the partner to accept your offer.

Receiving a Bribe

An IT supplier agrees to support your spouse's initiative, but makes it clear that in return they expect you to use your influence in our organisation to ensure a consulting contract.

It is an offence for a partner to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a Foreign Official

You arrange for the organisation to pay an additional payment to a foreign official to speed up an administrative process, such as a cost reporting review.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

Facilitation Payments and Kickbacks

We do not make, and will not accept, facilitation payments or "kickbacks" of any kind.

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official.

If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. If appropriate, you should also ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise those responsible for legal matters for the Foundation. Alternatively, you may report such suspicions or concerns via the independent third-party whistle blowing service. Contact details can be found in Annex 2 to this Policy.

Kickbacks are typically payments made in return for a business favour or advantage and may include any proposed payments to Foundation by third parties in order to secure additional funding.

All Foundation must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

Donations

We do not make charitable donations or contributions to political parties.

Hospitality and Gifts

Subject to the further terms of the Conflicts of Interest & Gifts Policy, this Policy does not prohibit reasonable and appropriate hospitality (given and received) to or from third parties and the giving or receipt of gifts, provided that this is done in accordance with normal business practices. However, for the avoidance of doubt, **in accordance with the terms and conditions of the Conflicts of Interest & Gifts Policy, all Foundation people must declare any gifts or hospitality received where the value of each such gift is more than €15 (or equivalent) or hospitality is more than €75 (or equivalent).**

Normal and appropriate hospitality and gifts would include where the hospitality or gift:

- Is not made with the intention of influencing a business decision, or to reward the provision or retention of business a business advantage, or in explicit or implicit exchange for favours or benefits;
- Complies with applicable law;
- Is given in our name, not in your name;
- Does not include cash or a cash equivalent (such as gift certificates or vouchers);
- Is appropriate in the circumstances (for example, it may be customary for small gifts to be given at Christmas time);
- Considering the reason for the gift, is of an appropriate type and value and given at an appropriate time;
- Is given openly, not secretly; and
- Is not offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of those responsible for foundation legal matters.

Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable.

The test to be applied is whether in all the circumstances the gift, hospitality or payment is reasonable and justifiable. The intention behind it should always be considered.

If you receive a gift that you are unable to refuse in person (e.g. an unexpected delivery) that does not meet the requirements of this Policy, immediately notify those responsible for people of legal matters for the Foundation can advise on actions appropriate to the situation. This may include but is not restricted to:

- Declaration and investigation of the gift;
- Engaging an internal or external third party to understand intent and conduct further action;
- Returning the gift;
- Where the gift cannot be returned, donation to an appropriate charity or other beneficiary that is not in conflict with this Policy; and/or
- Further investigation and action in accordance with this Policy.

What is Not Acceptable?

It is not acceptable for you (or someone on your behalf) to:

- Give (or promise to give) or offer a funding or other payment contract (including EIT grant allocations, procurement contracts), gift or hospitality or other advantage with the expectation or hope that a business or personal advantage will be received, or to reward a business or personal advantage already received;
- Give (or promise to give) or offer, a payment, gift or hospitality or other advantage to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- Accept payment, gift, hospitality or other advantage from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage (e.g. donation from Foundation, lucrative consulting contract) for them;
- Threaten or retaliate against another Foundation person who has refused to commit an act of fraud or corruption or a bribery offence or who has raised concerns under this Policy; or
- Engage in any activity that might lead to a breach of this Policy.

Role and Responsibilities

To whom does this Policy apply?

This Policy applies to all individuals working at all levels and grades for Foundation and for organisations controlled by Foundation. This includes board members, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us or for us, wherever located (collectively referred to as **Foundation people** and individually **Foundation persons** in this Policy).

Foundation people must ensure they have read and understood this Policy and act in compliance at all times. The prevention, detection and reporting of fraud, corruption and bribery are the responsibility of all those working for us, under our control and with us. All Foundation people are required to avoid any activity that might lead to, or suggest, a breach of this Policy.

Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct.

Record Keeping

We must keep financial records and have appropriate internal controls in place which will evidence the mission and business reason for receiving payments and making payments to third parties

including beneficiaries.

Subject to and in line with the further terms of the Conflicts of Interest & Gifts Policy, you must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to review. Conflicts of interest and gifts are currently declared in line with the relevant policy managed by those responsible for people and legal matters for Foundation. Access to completed forms is limited to those responsible for people and legal matters for Foundation.

You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policies and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as funders, donors, beneficiaries, award and prize recipients, suppliers, customers, start-ups and other business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments or other side agreements (i.e. those outside our normal processes and procedures).

How to Raise a Concern

All Foundation people are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing. You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with those responsible for people and legal matters for Foundation or via the independent third-party whistle blowing service.

What to do if you are a victim of fraud, corruption or bribery?

It is important that you tell those responsible for people or legal matters as possible if you suspect fraud or corruption or are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity. Alternatively, you may report the issue via the independent third-party whistle blowing service.

Protection

Foundation people who refuse to act in a fraudulent or corrupt manner or refuse accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in fraud, corruption or bribery, or because of reporting in good faith their suspicion that

an actual or potential fraud, corruption, bribery or other 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 those responsible for legal or people matters for Foundation or report via the third-party whistle blowing service immediately. If the matter is not remedied, and you are an employee, you should raise it formally using the appropriate grievance procedure.

Training and Communication

Regular training on this Policy will be made available across Foundation both at an all staff level and in target focus groups.

Our zero-tolerance approach to fraud, corruption and bribery must be communicated to all partners, suppliers, contractors, agents and business and other partners at the outset of our relationship with them and as appropriate thereafter.

Questions

Those responsible for legal matters for Foundation will deal with any queries on this Policy and its implementation. You are invited to comment on this Policy and suggest ways in which it might be improved.

Annex I to Anti-Fraud, Bribery & Corruption Policy

Further Potential Risk Scenarios: “Red Flags”

The following is a list of possible red flags that may arise during the course of you working for or with us and which may raise concerns under various anti-fraud, corruption and bribery laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for us, please report them promptly to those responsible for legal or people matters for Foundation or via the independent third-party whistle blowing service (note third parties includes partners):

- You become aware that a Foundation person or a third party engages in, or has been accused of engaging in, improper business practices;
- You learn that a Foundation person or a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or **has a reputation for having a "special relationship" with foreign government officials**;
- **You are preparing to engage (or become engaged) with individuals or organisations based in a country outside the EU and deemed a risk according to the Foundation New Country Policy (based on Transparency International)**;
- A potential beneficiary or other person **promises you an advantage if you secure or agree to approve certain grants, projects or other proposals – i.e. proposal to create side agreements outside of standard processes and procedures**;
- A Foundation person or a third party insists on receiving a commission or fee payment **before** committing to sign up to a contract with us, or **before** carrying out a government function or process for us;
- A Foundation person or a third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- A Foundation person or a third-party request that payment is made to a country or geographic location different from where the third party resides or conducts business;
- A Foundation person or a third party requests an unexpected additional fee or commission to smooth, facilitate or assist timely deployment of a service;
- A Foundation person or a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- A Foundation person or a third-party request that a payment is made to "overlook"

potential legal violations;

- You receive an invoice or payment request from a Foundation person or a third party that appears to be non- standard or customised;
- A Foundation person or a third party **insists on the use of side letters or agreements or refuses to put terms agreed in writing;**
- You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided; or
- A Foundation person or a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us.

Annex II to Anti-Fraud, Bribery & Corruption Policy Independent Third-Party Whistle Blowing Scheme



Navex Global is independent to Foundation and allows for Foundation people to make anonymous and confidential reports. You can submit a report online, via email or over the phone as below.

eWeb – Climatekic.ethicspoint.com

Phone:

- Austria: 0800 068737
- Belgium: 0800 76 541
- Denmark: 80 25 39 99
- France: 0 800 911699
- Germany: 08001808262
- Hungary: (80) 088 367
- Italy: 800 727 450
- Poland: 800000147
- Spain: 900 999 406
- Slovenia: 080 488854
- Switzerland: 0800 894 307
- The Netherlands: 0800 0229573
- United Kingdom: 0800 088 5277