



# **Ecosystem Certification Organisation Natural Forest Standard**

## **Anti-Fraud, Bribery and Corruption Policy**

**v1.0**

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**Internal Policy Document**

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## Anti-Fraud, Bribery and Corruption Policy

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### 1. Purpose

Ecosystem Certification Organisation (ECO) has a zero-tolerance policy towards bribery and corruption. All persons - Trustees, Members, Staff, Associates, Advisors and any third parties acting on its behalf (“Involved Persons”) - involved with Ecosystem Certification Organisation and/or the Natural Forest Standard (NFS) are expected to maintain the highest level of integrity in all business exchanges. Offering or accepting a gift in exchange for taking action, or even just to influence someone to act, may violate anti-corruption laws which can result in criminal prosecution, regulatory action, and/or civil fines. Even where there is no improper intent, giving or accepting gifts can generate a sense of personal obligation on the part of the recipient. It may also give the impression to others that business dealings may be influenced by personal favours. It is the duty and responsibility of every Involved Person to behave ethically and follow all relevant laws in the countries where Ecosystem Certification Organisation operates its business. If they do not, they may face disciplinary action, up to and including dismissal.

## 2. Objectives

The objectives of this Policy are:

- to ensure that all legal and regulatory requirements under the Anti-Bribery Laws 2010 and the Fraud Act 2006 are complied with;
- to ensure that all ethical standards of ECO & NFS are met;
- ECO & NFS's interests are protected and are at the forefront of everything it does;
- to assist in ensuring that all persons involved with ECO NFS operate to the highest standard of integrity, accountability and trust; and
- to mitigate the risks of ECO & NFS breaching any of the Anti-Bribery Laws or Fraud Act.

## 3. Applicability & Scope

This Policy applies to all Involved Persons involved with Ecosystem Certification Organisation and/or the Natural Forest Standard and in all jurisdictions in which it operates or does business within.

### 3.1 Bribery

Examples of bribery relevant to ECO & NFS are:

- i. the receipt of cash, vouchers, gifts and hospitality or entertainment (outside of what would be considered reasonable);
- ii. ECO & NFS paying for travel and accommodation cost for a third party;
- iii. ECO & NFS receiving travel or accommodation free of charge from a supplier;
- iv. Loans at favourable business terms;
- v. Providing services free of charge or invoiced; or
- vi. The provision of information that offers a business or personal advantage.

Whether a provision of a particular item or service counts as a bribe depends upon the context and level of hospitality (etc) offered. The Bribery Act is not intended to prohibit reasonable and proportionate hospitality or business expenditure. Genuine hospitality or similar business expenditure that is reasonable and proportionate, in line with normal ECO & NFS policy and practice. Judgement is required and the decision depends upon level of hospitality provided and the level of influence the person receiving it had on the business decision in question.

### 3.2 Fraud

The key UK legislation in relation to fraud - Fraud Act 2006 ("Act"). The Act sets out the three ways in which fraud can be committed:

- Fraud by false representation which involves a person dishonestly making a false representation with the intention of making a gain for themselves or someone else or to cause loss or the risk of loss to another person. A false representation means any representation as to fact, law or to the state of mind of an individual which is untrue or misleading and the person making the representation knows that it is, or might be, untrue or misleading.
- Fraud by failing to disclose information which involves a person dishonestly failing to disclose information to another person which he or she is under a legal duty to disclose with the

intention of making a gain for themselves or someone else or to cause loss or the risk of loss to another person.

- Fraud by abuse of position which involves a person who occupies a position in which they are expected to safeguard, or not act against, the financial interests of another person dishonestly abusing that position with the intention of making a gain for themselves or someone else or to cause loss or the risk of loss to another person. A person can abuse their position even though their conduct consisted of an omission rather than an act.

Examples of fraud relevant to ECO & NFS are:

- Involved Persons colluding with suppliers and ordering and paying for goods or services that are not required and / or have not been delivered.
- Individuals creating false invoices, receipts, purchase orders or supplier identities.
- Involved Persons awarding a contract, or preferential terms, to a supplier in return for payments, personal discounts, commission or other benefits; or awarding a contract to a relative or other connected party.
- Fraudulently altering documents or contracts.
- Expense and/or payroll fraud.

## 4. Policy Statement

ECO insists on honesty, integrity and fairness in all aspects of its business and expects the highest standards of professionalism and ethical conduct to be maintained in all its activities and prohibits bribery, fraud and corruption. ECO expects the same standards to be upheld by all of its Involved Persons. ECO will not engage in bribery or corruption in any form and is averse to activity which risks breaches in this area whether it involves corporate entities, private individuals or public officials.

### 4.1 Policy Principles

- Involved Persons shall not act in any manner which goes against the principles of this Policy and associated procedure.
- Involved Persons must never use gifts or hospitality to influence the business decision-making processes or cause others to perceive an influence.
- ECO expects its Involved Persons to comply with Anti-Bribery Laws and the Fraud Act and, where appropriate, this Policy when performing services for, acting on behalf of or otherwise representing NFS.
- Appropriate references to acceptable conduct and compliance with all aspects of this Policy will be communicated to all employees.
- Involved Persons shall disclose any breaches of this Policy to a member of the ECO Governance Board.

## 5. Responsibilities

All Involved Persons are expected to act with honesty and integrity in everything that they do and to remain vigilant in their work to help to identify possible instances of fraudulent or corrupt behaviour by both internal and external parties.

All Involved Persons are responsible for:

- Reading, understanding, and complying with this Policy.
- Their own ethical and professional conduct generally.
- Obtaining advice and guidance where necessary.
- Reporting all breaches of this Policy and/or any ethical or professional misconduct whether committed personally or by others as soon as possible.
- ECO is responsible for providing guidance, advice and training to all Involved Persons in relation to anti-bribery, fraud and corruption matters.

ECO is responsible for ensuring that all Involved Persons are aware of and support this policy and that all incidents of fraud, bribery or corruption are reported to the Governance Board. ECO is also responsible for ensuring that all incidents of fraud, bribery or corruption are managed and investigated in line with this policy.

## 6. Definitions

**6.1 Bribery** is the receiving, offering or promising of a financial or other advantage, in order to induce a person to act improperly in the performance of their functions, or to reward them for acting improperly or where the recipient would act improperly by accepting the advantage. Bribery includes any facilitation payments (also known as “back-handers” and “grease payments”) and kickbacks.

An advantage includes money, gifts, fees, hospitality, services, discounts, and the award of a contract or anything else of value.

A person acts improperly where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

**6.2 Corruption** is the abuse of an entrusted power or position for personal gain.

The key piece of legislation underpinning the UK’s bribery and corruption laws is the Bribery Act 2010 (“**Act**”). The Act contains the following offences:

- i. A general offence covering offering, promising or giving a bribe.
- ii. A general offence covering requesting, agreeing to receive or accepting a bribe.
- iii. A distinct offence of bribing a foreign public official to obtain or retain business.

Bribery and corruption have a strong international element. The Act applies to acts in foreign countries if the act or omission in question would have amounted to an offence if it had occurred within the UK. Therefore, wherever in the world an Involved Person is representing ECO NFS, strict

compliance to the Act and this Policy must be adhered to. The risk of bribery and corruption can be higher in certain jurisdictions, and it is important to be alert to bribery and corruption issues especially in higher risk countries. Many other jurisdictions have implemented anti-bribery and corruption legislation which must be considered when operating/ working in a foreign country or with a foreign entity.

**6.3 Anti-Bribery Laws means:**

- the Act;
- any applicable trust law relating to bribery and corruption; and
- any other applicable anti-bribery and corruption laws.

**6.4 Fraud** is a form of corruption and means dishonest behaviour (including making a false representation or abusing a position of trust) intended to make a gain for yourself or another, or to cause loss to another or to expose another to a risk of loss.

## 7. Approval and Review

<b>Policy Name</b>	Anti-Fraud, Bribery and Corruption Policy
<b>Approved by</b>	ECO Board of Directors
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