



Ecosystem Certification Organisation Natural Forest Standard

Anti-Money Laundering Policy

v1.0

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Internal Policy Document

Anti-Money Laundering Policy

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1. Purpose

Ecosystem Certification Organisation (ECO) has a zero-tolerance policy towards money-laundering. 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. 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.

The purpose of this policy is to ensure Ecosystem Certification Organisation (ECO) Natural Forest Standard’s (NFS) compliance with its anti-money laundering (AML) legal obligations; to set out the responsibilities of all persons involved - Trustees, Members, Staff, Associates, Advisors and any third parties acting on its behalf (“Involved Persons”) - with Ecosystem Certification Organisation and/or the Natural Forest Standard (NFS) in observing and upholding the requirements as set out in this Policy; and safeguard the reputation and interests of ECO NFS.

2. Objectives

The objectives of this Policy are to ensure that:

- ECO NFS complies with all relevant legal obligations;
- ECO NFS is able to identify and protect itself from being used for the purpose of money laundering;
- ECO & NFS's interests are protected and are at the forefront of everything it does;
- 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-Money Laundering laws and legal obligations.

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. All areas of practice must comply with the procedures designed to avoid the commission of any money laundering offences.

4. Definition

Money Laundering is the practice of cleaning up money that has, for some reason, been obtained illegally. Often there is a complex trail involved so that the practice cannot be easily identified or traced.

Money Laundering can occur in many ways. It may happen through internal forces, such as dispersing money through many different bank accounts to hide its origin; or can occur as an activity directed at the organisation via a third party, in which the organisation unwittingly becomes a "trading partner".

There are three groups of offences related to money laundering:

1. Knowingly assisting in concealing, or entering into arrangements for the acquisition, use and/or possession of, criminal property.
2. Failing to report knowledge, suspicion, or where there are reasonable grounds for knowing or suspecting, that another person is engaged in money laundering.
3. Tipping off, or prejudicing an investigation. Tipping off refers to the act of alerting someone that they are under investigation or that their financial activities are being scrutinised by law enforcement.

5. 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. ECO expects the same standards to be upheld by all of its Involved Persons. ECO NFS is committed to understanding the financial crime risks it faces and discharging its legal responsibilities proportionately and effectively. ECO NFS has a zero-tolerance approach to any activities which fall within the sphere of money laundering. ECO NFS is committed to protecting its interests and

reputation and will not engage in activities which may put such interests and reputation in jeopardy. All Involved Persons must familiarise themselves with and comply with this Policy and relevant processes. Failure to do so may result in disciplinary action which may lead to contract termination and may also result in criminal sanctions for the individual involved.

5.1 Policy Principles

ECO NFS shall:

- Involved Persons shall not act in any manner which goes against the principles of this Policy and associated procedure.
- Take steps to ensure it does not engage in money laundering;
- Establish procedures and controls to enable compliance with AML obligations;
- Ensure Involved Persons are trained and made aware of the law and their obligations;
- Be cognisant of the risk arising from transactions that have different AML regimes to the UK.
- Appropriate references to acceptable conduct and compliance with all aspects of this Policy will be communicated to all Involved Persons.
- Involved Persons shall disclose any breaches of this Policy to a member of the ECO Governance Board.

6. Responsibilities

ECO is responsible for ensuring that all Involved Persons are aware of and support this policy and that all incidents of suspected money laundering are reported to the Governance Board. ECO is also responsible for ensuring that all incidents of suspected money laundering are managed and investigated in line with this policy.

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 money laundering 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-money laundering matters.

ECO Governance Board shall be responsible for:

- The maintenance and review of this Policy and for informing all relevant business areas within NFS of the existence of, and need to comply with, this Policy;
- Maintaining appropriate means of recording and communicating changes to this policy; and
- Implementing any agreed changes or improvements in policy.

7. Procedure

ECO NFS shall perform reasonable due diligence on third-parties to determine and verify the identity of each third party with which it engages, including, but not limited to contractors, sub-contractors, project proponents, and validation/verification bodies.

8. Disclosure

If anyone knows, suspects or has reasonable grounds for thinking or suspecting that a person is engaged in money laundering or terrorist financing, they must report such matters to the ECO Board immediately. Disclosures should be written and include the following:

1. Details of the people involved,
2. Type of transaction,
3. The relevant dates,
4. Why there is a suspicion,
5. When and how activity is undertaken,
6. Likely amounts, and
7. All supporting evidence.

The recipient of the disclosure (a Director of ECO) will acknowledge receipt of the disclosure within a reasonable response period. The Director will consider the report and any other information available, and once they have evaluated the disclosure and/or any other information, they will determine if:

1. There are reasonable grounds for suspecting money laundering and steps need to be taken; or there is actual money laundering or terrorist financing;
2. Whether they need to report the matter to the National Crime Agency.

Disclosure reports will be evaluated by the ECO Board for final decision. All disclosure reports will be retained for a minimum period of 7 years.

9. Approval and Review

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