

oikos

cooperação e desenvolvimento



| Anti-fraud and corruption
policy

ANTI-FRAUD

ANTI-FRAUD AND CORRUPTION POLICY

1. SCOPE OF POLICY

Oikos – Cooperação e Desenvolvimento has a zero-tolerance position on fraud and corruption, seeking to prevent and respond in the best way to these cases. Corruption and fraud are treated equally in this policy, constituting illegal and unacceptable activities.

Oikos considers fraud and corruption as threats to projects, the organization's activity, commitments made to partners, sponsors and donors, and community development, taking funds and resources away from the intended objectives.

Oikos's activities depend on the effective and efficient use of the funds received and entrusted to it and are motivated by a sense of responsibility to its beneficiaries, donors, partners and other actors in the organization's activities. Oikos's activities follow local and international civil law in the field of combating fraud and corruption.

This policy sets forth the minimum standards and procedures that all employees, partners and third parties related to the organization's activities are required to follow. The policy mentions awareness raising, prevention, identification, presentation, reporting, investigation and final decision for fraud and corruption.

2. APPLICABILITY

This policy reflects the identity and values of OIKOS, as well as its commitment to honesty, responsibility in the strict observance of the law, and to maintaining high ethical and moral standards. This policy and these values apply to the entire organization and its internal environment (headquarters and field staff, volunteers, partners, and consultants). It should be a personal concern of each individual to protect and respect this policy, as well as to follow high standards of conduct, ethics, and personal and professional integrity in the exercise of their duties and in compliance with applicable laws and regulations.

In the event that any employee or third party related to the organization's activities raises a concern about practices of fraud and/or corruption in the workplace, Oikos encourages them to share it without fear of retaliation and with the assurance of protection against such reprisals.

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3. DEFINITIONS

Fraud

Fraud is understood as the intentional perversion of the truth, in order to obtain some benefit for one's own purpose or for third parties and may include activities such as the falsification of documents (material falsehood), deception (fraud), or ideological falsehood.

Corruption

Corruption is understood as an abuse of power as a way to gain personal and/or demonstrated advantage and may include actions such as bribery, passive corruption, granting or accepting undue advantages or benefits, or any other advantage for or from a third party, as an incentive to do something that is dishonest, illegal or a breach of trust within the normal business operations.

Money laundering

Concept that encompasses a process that conceals illegal revenues without compromising criminals who wish to benefit from them, relating to organized and transnational crime. The concept includes the possession, dealing in any way with the aforementioned, and/or hiding these crimes.

Anti-terrorism

Concept that encompasses a set of processes with the aim of reducing the risk of the organization's funds being directed to terrorist actions or for criminal and illegal purposes.

Bribes

Bribery means an offer or receipt of any gift, loan, fee, reward or any other advantage, to

or from any person or entity, as an incentive to engage in something that is dishonest, illegal or a breach of trust in the conduct of the activities. This practice can be presented in different ways, such as a direct request for monetary value, a request for a favour or something in kind, as well as an unusual offer of large dimensions, entertainment or hospitality.

Conflict of Interest

Conflict of interest means any situation in which the personal interests or interests of a third party may prevent or constrain an Oikos employee, partner or consultant, in his freedom to make the best decision in the best interests of the organization, funders or beneficiaries, thereby obtaining a favour or unfair competitive advantage.

Acceptance of Donations

All funds from individuals, companies, foundations or other donors are understood to be acceptance of donations. As funds are a fundamental aspect of the organization's activities, it is extremely important that there be a transparent and consolidated process of receiving funds, and that the origin of donations, received or potential, is carefully considered in light of the objectives and values of the organization. Donations may consist of cash, pro bono or offers in kind, shares, investments or any other type of asset. Donations may be undesignated or be designated for some project, campaign, or organization activity.

Whistleblower

An individual, who may be an employee of the organization or a third party, internally or externally to Oikos, who makes a reasoned complaint under this policy. The whistleblower makes the complaint for having become aware of the occurrence.

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Reporting Person

Individual responsible for producing a report with the facts and evidence of the allegation and complaint filed, including hearing the victim(s) and the accused party(ies). The Reporting Person may be the hierarchical superior himself or someone previously appointed by Oikos or appointed by the hierarchical superior himself.

Immediate Supervisor

An individual who holds a position in the organization with hierarchical responsibility functions over the person concerned, entailing the establishment of a relationship of dependency of functions and accountability of the person concerned to the individual who holds said position.



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4. PRINCIPLES

Oikos – Cooperação e Desenvolvimento is aware that fraud and corruption are a harmful global phenomenon, and it is crucial to promote their prevention and control them from within the organization. Oikos recognizes the prevalence of fraud and corruption, which are not only illegal, but also a threat to the organization's vision and objectives.

Oikos's principles are to prevent and combat fraud and corruption:

- Respecting the right of persons to be protected against the practice and consequences of corruption. This protection applies, regardless of sex, skin colour, religion, culture, education, political affiliation, social status or nationality;
- Ensuring transparency with respect to all decision-making processes, the planned and actual use of resources, as well as the targets and their implementation;
- Ensuring the confidentiality of sensitive data and information, and guaranteeing the protection of personal data;
- Respecting the local civil and criminal codes in all Oikos activities, whilst following internal rules and regulations;
- Reserving the right to refuse participation in activities on suspicion of involvement in fraud and corruption;
- Promoting the right and responsibility of all employees and third parties involved in the organization's activities to report any activities or incidents involving

corruption or suspicion they may be witnesses to or victims of;

- Promoting training actions and the recycling of information and data, with the review of processes in planning and evaluation meetings, based on examples and real cases;
- Oikos's activities and economic management, as well as those of its partners and supported projects, are regularly audited by an independent third party. This requires suitable accounting and financial means, full financial reports, as well as the submission of an annual financial statement, which will be reviewed and certified by an independent auditor. All internal control mechanisms are also subject to inspection.

5. COMMITMENTS

- It is not permitted to give or receive bribes - directly or indirectly - whether in cash or other incentive, to or from a person or entity, public or private. All gifts (accepted or offered) must be reported to the corresponding hierarchical superiors. No gifts from suppliers (works, goods or services) are permitted. Excluded from this point are offers that support a better informed and more efficient decision-making, made for that sole purpose and registered by the organization.
- Participation in meals, galas, shows or other events sponsored by suppliers should be an exception, carefully scrutinized and communicated to the hierarchical superior, in order to ensure that it does not constitute a

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compensation to the employee(s) or the organization as a whole.

- Official and business relationships should not be used to gain personal benefits. In order to avoid conflicts of interest, work should be strictly separated from private life. However, in the event or prospect of a conflict-of-interest situation, the superiors should be informed immediately. If the situation cannot be resolved satisfactorily, it must be taken to the Governing Board or, if the situation involves members of the Governing Board, it must be taken to the Supervisory Board.
- People in decision-making positions are only allowed to hire close friends, family members or relatives if these persons pass a transparent selection process, in which they themselves do not participate in the evaluation panel of the candidates, with the hierarchical superiors participating in the decision making, in which the final decision is clear and justified. Hiring direct family members is strongly discouraged.
- All available resources (financial, personnel, assets) should be used in a manner oriented towards the social objectives of the organization and with the greatest possible efficiency and cost-benefit ratio. If at any time the rules of efficiency and effectiveness are violated, the hierarchical superiors should be informed to analyse and investigate the situation.
- The organization's internal control systems shall be appropriate and ensure that procedures are carried out in accordance with the law, local regulations and contractual procedures in place in the organization. They also ensure that corrupt and corrupting behaviour is prevented. These systems include independent monitoring carried out by OIKOS's internal finance department. Oikos's Executive Board is controlled and monitored in the same way by the Governing Board and the latter's actions by the Supervisory Committee (Fiscal Board) and the General Meeting.
- Oikos's activities and economic management, as well as those of its partners, as part of the projects supported, are regularly audited by an independent third party. This requires adequate accounting and financial means, full technical and financial reports, as well as the submission of an annual financial statement, which will be reviewed and certified by an independent auditor. Internal control mechanisms are also subject to inspection.
- All incidents or suspected fraudulent and corrupt activity shall be reported immediately, following the guidance of this policy for allegations and the filing of complaints;
- All activities or suspicions of fraud and corruption will be duly investigated, evaluated, and analysed by Oikos for the protection of all the employees and the organization, in every case making an assessment of the potential damage to the credibility and reputation of the organization. The investigation shall follow the points set out in this policy and be shared with the competent authorities if necessary; all employees should be aware of the appropriate process for prevention, awareness raising, resolution or notification of a

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donor, in relation to fraud and corruption activities, where applicable;

- Donations or participation in partnerships that may have a negative impact on the organization's mission, present an unacceptable risk to the organization's reputation, represent a financial risk or violate the organization's code of conduct and ethics are not accepted;
- In order to prevent conflicts of interest, any personal benefit that may arise in the performance of the function must be reported and expressly authorized, and the resources of the organization should not be used for personal interests;
- In all contractual relations, Oikos protects its independence as a way of preventing fraud and corruption. In cases where Oikos is the contracting entity, this policy shall appear in the contract as an annex, or, alternatively, in clauses of total intolerance for situations of fraud and corruption, whether in the contracts in question or in other cases in which the contractor has been found guilty, including the possibility of contractual termination for just cause;
- Whenever necessary, private donors shall be asked to indicate the source of their resources.

6.

RESPONSIBILITIES

All employees and third parties related to the organization's activities

share the obligation to prevent, raise awareness to and respond to suspicions or activities of fraud and corruption. Everyone must follow a code of ethical conduct, and it is their responsibility to follow the principles and commitments set out in this policy. In the event of a conflict of interest, all employees and third parties related to the activities of the organization shall recuse themselves in order to prevent fraud and corruption, and shall withdraw from decision-making or ensure that their interest does not influence the decision-making process in question. All those working with the beneficiary communities should also contribute to the monitoring of the policy.

Managers, supervisors and human resources managers

must ensure that all employees and third parties related to the activities of the organization understand and follow this policy, as they are responsible for recruitment and training.

Country coordinators or representatives

must prevent fraud and corruption in the projects implemented in the country under their responsibility. Country coordinators must ensure that the policy is culturally

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appropriate among the community, developing mechanisms to implement and monitor its effectiveness, including raising awareness on fraud and corruption prevention among project beneficiaries and employees and third parties related to the organization's activities. Country coordinators should also ensure that complaints and subsequent investigations are carried out, following the necessary disciplinary measures.

Any employees and third parties related to the activities of the organization that consider themselves to be witnesses to or victims of [fraud or corruption], in view of the above or in accordance with Portuguese law or that of the country of operations, **shall immediately report this to their immediate supervisor.**

7. COMPLAINT AND INVESTIGATION

In the event of a justified initial suspicion and/or confirmed irregularities, a full investigation shall be initiated by the persons in charge. If the funds entrusted to Oikos – Cooperação e Desenvolvimento are or may be involved in suspicious activities or irregularities, the organization has an obligation to initiate such an investigation. Accusations do not have to be formalized or proven, but solid reasons and justifications must be provided. The investigation should follow the plan listed below:

- When there is a well-founded suspicion, any employee and/or third party involved in the activities of the

organization shall lodge a complaint or raise the suspicion of irregularities with their direct supervisor. In the event that the supervisor is suspected of direct or indirect involvement, the complaint must be made to the next higher superior staff member.

- At the level of the Head Office, once the accusation is received, the supervisor shall inform the Chief Financial Officer or the Executive Director of the complaint. In the event that the situation involves the Chief Financial Officer and/or the Executive Director, the accusation shall be communicated to another member of the Governing Board or to the Supervisory Board.
- At the delegation level, once the accusation is received, the supervisor must inform the Administration and/or Country Representative. The Country Representative is responsible for informing the Head Office, through the Chief Operating Officer.
- In the course of the submission of the complaint, full details of the suspicion and/or accusation in question shall be collected and the supervisor shall draw up a report. The report will receive additional notes from the Chief Financial Officer and/or Executive Director, in the case of the Head Office, or by the Administrator and/or Country Representative, in the case of the Delegations.
- At the head office level, the report is brought to the Executive Board for analysis and decision-making.
- At the delegation level, the report is brought to the Executive Board through the Director of Operations, for analysis

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and decision-making. After verification by the Executive Board, the conclusions of the report and the measures to be taken, as well as a description of the reputational and/or fiduciary risks to the organization, will be communicated to the Governing Board.

- The measures to be taken may include:
 - Internal investigation by identified personnel, depending on the type of charge. The survey may be formal or informal, depending on the reasons and justifications presented;
 - In the case of a formal investigation, legal advisors should be consulted first regarding the reasoning, proceeding in strict compliance with the law.
 - In principle, the investigation is carried out with internal resources, unless it is not possible for reasons such as lack of availability, technical incapacity or suspected involvement.
 - At the level of the Head Office, external auditors may be engaged in the process.
 - At the delegation level, external auditors and/or staff at the head office may be engaged, participating in the investigation process on the ground or providing support at the level of the Head Office.
- The person in charge of the investigation is appointed by the Executive Board and a line of communication for the case is proposed by that body after ratification by the Governing Board.

8. FINAL DECISION

The close of the investigation shall be reported to the Executive Board, in the case of the Head Office, and to the Executive Board through the Chief Operating Officer or the Chief Financial Officer, in the case of delegations.

- At the level of the Head Office, the Executive Board shall decide on new measures and/or sanctions based on the outcome of the investigation;
- At the delegation level, the Executive Board, together with the Administrator and Country Representative, will decide on new measures and/or sanctions based on the outcome of the investigation.

In any case, the Executive Board shall keep the Governing Board informed, and this body may invoke for itself the responsibility for making a final decision or requesting the intervention of the Supervisory Committee. In the event of a crime has been confirmed by the investigation carried out, the guilty party is expected to replace and/or compensate for the damage done to the organization as a result of his actions and behaviour.

If necessary and possible, measures shall be taken in accordance with the civil law of the applicable national jurisdiction and provided for in the contractual tie governing the employment relationship of the accused official(s) or the business relationship with accused partners and suppliers. In accordance with the labour law and the results of the investigation, measures should

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be taken that are appropriate to the situation, including issuing warnings or carrying out dismissals without prior notice, and prosecuting the guilty parties, making the appropriate accusations. Any corrective actions should be taken immediately with respect to the causes and errors that led to the confirmed irregularities.

Oikos reserves the right to immediately terminate business relations and suspend assistance, if necessary, in the case of partners, suppliers, sponsors or beneficiaries who:

- do not participate and/or cooperate in clarifying the charges;
- do not participate and/or cooperate in the removal and elimination of the confirmed charges or deficiencies;
- do not participate and/or cooperate in initiating consequences based on civil law, labour law or criminal law, if applicable.



Oikos – Cooperação e Desenvolvimento is a Non-Profit Association, internationally recognized as a Non-Governmental Organization for Development. We believe in a world without poverty or injustice, where human development is equitable and sustainable at both local and global levels. For this reason, we have assumed the mission of eradicating poverty and reducing inequalities so that all people may enjoy the right to a dignified life.

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