

# EarthRights International Policies:

## Fraud, Anti-Bribery, and Whistleblower

### Fraud

Each supervisor or staff member responsible for authorizing expenditures or responsible for budgetary oversight are responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation, or concealment of a material fact, for the purpose of inducing another to act upon it to their injury, or to the perpetrator's advantage. Budget managers and employees responsible for authorizing expenditures or responsible for budgetary oversight are required to be familiar with the types of improprieties that might occur within their area of responsibility and be alert to any indication of irregularity.

Actions constituting fraud may include, but are not limited to:

- Any dishonest or fraudulent act.
- Misappropriation of funds, securities, supplies, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Profiteering as a result of insider knowledge of organizational activities.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity.

If an employee suspects fraud or detects any irregularity, then the employee should follow the Whistleblower policy and report the irregularity to the employee's supervisor or through the following link: [www.lighthouse-services.com/earthrights](http://www.lighthouse-services.com/earthrights), which allows the employee to remain anonymous if necessary. If the Executive Director is implicated, concerns should be raised through the EarthRights Whistleblower Policy.

### Anti-Corruption and Anti-Bribery

Corruption is the misuse of office or power for private gain. Bribery is a form of corruption that involves offering, giving, receiving or soliciting, directly or indirectly, or attempting to do so, of anything of value to improperly influence the actions of another party for any business or other advantage or gain. Corruption in any form is against the core values of EarthRights and can have a serious impact on the effective implementation of its activities and operations. Corrupt acts not only divert resources from their ultimate purposes, but also undermine public trust and confidence in **EarthRights**.

It is EarthRights' policy to conduct all of our business in an honest and ethical manner. It is our goal to avoid acts which might reflect adversely upon the integrity and reputation of our organization. We are committed to upholding all laws relevant to countering bribery and corruption in each of the jurisdictions in which we operate.

Therefore, it is prohibited for EarthRights International, its directors, officers, employees, consultants or contractors to directly or indirectly:

- Give, promise to give, or offer a payment, loan, donation, gift, travel, entertainment, hospitality, or anything else of tangible or intangible value (“Anything of Value”) to a third party or otherwise as an inducement to do something dishonest or illegal to secure an advantage for the giver.
- Authorize a payment of a bribe on behalf of EarthRights.
- Engage in or permit a bribery offence to occur, with the expectation or hope that an advantage in business will be received, or to reward a business advantage already given
- Give, promise to give, or offer Anything of Value to a third party to "facilitate" or expedite a routine procedure regardless of whether it is considered “normal” practice.
- Accept Anything of Value from a third party if known or suspected that it is offered or provided with an expectation that a business advantage will be provided by the company in return.
- Threaten or retaliate against another employee or worker who has refused to commit a bribery offence or who has raised concerns under this policy.
- Engage in any activity that might otherwise constitute bribery or corruption or lead to a breach of this policy.

Individuals are not expected to resist bribery to the point of putting themselves or others at real risk of personal harm or injury. A payment under such circumstances is considered extortion rather than bribery. In such cases, however, EarthRights’ Internal Counsel must be contacted as soon as possible, and the payment and the circumstances in which it was made must be fully documented and reported within five working days.

### **Gifts and Entertainment**

EarthRights solicits and accepts gifts that are consistent with its mission. Donations will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities, without limitations. In the course of its regular fundraising activities, EarthRights will accept donations of money, real property, personal property, stock, and in-kind services. Certain types of gifts must be reviewed prior to acceptance due to the special liabilities they may pose for EarthRights.

Generally EarthRights staff are able to accept and make offers of gifts and entertainment of a nominal value when they are appropriate, i.e., when they are proportionate in the context; are not from third parties dealing with EarthRights, and do not create any sense of expectation or obligation on the recipient or the giver. However, when offers of gifts and entertainment are made or accepted in situations where they are inappropriate, they can look like, or may be, bribes. They can expose EarthRights to accusations of unfairness or even break the law and can put our reputation for ethical behavior at risk. Gifts and entertainment should never be used or allowed to influence business decision-making.

The following circumstances imply the giving or receiving of a gift or entertainment may be appropriate:

- The gift does not constitute an attempt to apply undue influence and does not create an undue obligation.
- The gift is given or accepted in the open rather than in secret.
- The gift is given to the organization or a group (department) rather than an individual.
- The value of the gift or entertainment is not excessive or abnormal in a social context.
- The timing of the gift or entertainment is not suspicious.

The following circumstances imply the giving or receiving of the gift or entertainment may be inappropriate:

- The timing, nature, or circumstances of the gift means it could be perceived as an attempt to influence a business decision.
- The value of the gift is excessive in the circumstances.
- The receiver feels obligated, or the giver feels entitled.
- Gifts or loans from existing suppliers or prospective suppliers while a tender process is underway
- Gifts or loans to staff involved in supplier selection decisions (e.g., procurement officer or member of procurement committee)
- Entertainment involving gambling, anything of a sexual nature, or exploitation of others.

If any staff or board member is offered an inappropriate gift, they should politely decline it and inform their manager.

### **Recordkeeping**

Employees must help to ensure that corporate books and records (which include virtually all forms of business documentation) accurately and fairly reflect, in reasonable detail, all transactions and dispositions of assets. No undisclosed or unrecorded fund or asset may be established or maintained for any purpose. No employee shall participate in falsifying any accounting or other business record, and all employees must respond fully and truthfully to any questions from EarthRights' internal or independent auditors.

### **Reporting**

Anyone who wishes to report suspected bribery is considered a Whistleblower under EarthRights' policy and should promptly report the suspected or actual actions to their supervisor or through the following link: [www.lighthouse-services.com/earthrights](http://www.lighthouse-services.com/earthrights). If the alleged violation involves the conduct of the Executive Director, the violation should be reported in writing to the Chair(s) of the Board. Board members acting as Whistleblowers should report to the Board Chair(s) unless the alleged violation involves the conduct of the Chair(s), in which case the Board member should report to any member of the Executive Committee. There will be no retaliation against any person who makes a good faith report of an actual or possible violation of this Policy.

### **Policy Violations**

Failure to comply with this policy may result in civil and criminal penalties for EarthRights International and the individuals involved and is grounds for disciplinary action against such individuals, up to and including termination of employment or termination of any other relationship with EarthRights.

## **Whistleblower Policy**

### **Reporting Responsibility**

It is the responsibility of all Board members, officers, volunteers and employees to promptly report violations or suspected violations of law or ethical obligations in accordance with this Whistleblower Policy. Any person who makes a report of such violation or suspected violation is a "Whistleblower."

## **No Retaliation**

No Board member, officer, volunteer, or employee who in good faith reports a violation or suspected violation pursuant to this policy, or who participates in good faith in an investigation of a violation pursuant to this policy, shall suffer retaliation or adverse employment consequence. Anyone who retaliates against a Whistleblower who reported a violation in good faith, or retaliates against anyone who participated in an investigation in good faith may be subject to discipline, up to and including suspension and termination of Board or employee status. Any employee who has reason to believe that he or she has been subject to retaliation for making a report or participating in an investigation under this Policy should immediately report such alleged retaliation to the Director of People and Culture or, if the employee considers Director of People and Culture to be involved in retaliation, they will contact the Deputy Executive or Executive Director. Alleged retaliation by the Executive Director should be reported to the Chair(s) of the Board. Any employee who retaliates against another employee for making a report or participating in an investigation under this Policy will be subject to disciplinary action, up to and including termination of employment.

## **Reporting Violations**

The Whistleblower should promptly report the suspected or actual violation of law or ethics to their supervisor. If the Whistleblower would be uncomfortable or otherwise reluctant to report to their supervisor or if that action is taken but does not correct the perceived violation, the Whistleblower can make a report online using the following link: [www.lighthouse-services.com/earthrights](http://www.lighthouse-services.com/earthrights). If the alleged violation involves the conduct of the Executive Director, the violation should be reported in writing to the Chair(s) of the Board. Board members acting as Whistleblowers should report to the Board Chair(s) unless the alleged violation involves the conduct of the Chair(s), in which case the Board member should report to any member of the Executive Committee.

## **Acting in Good Faith**

In reporting violations or suspected violations, responding to allegations of violations, and providing information in an investigation, all individuals should act in good faith. Acting in good faith means that the individual has reasonable grounds for believing a violation of the policy has occurred and has not made unsubstantiated reports or statements maliciously or knowing them to be false. Anyone not acting in good faith may be subject to discipline, up to and including suspension or termination of the Board or employee relationship, or other legal means to protect the reputation of the Organization.

## **Confidentiality**

Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## **Handling of Reported Violations**

All reports will be promptly investigated and appropriate corrective action shall be taken if warranted by the investigation. Any employee or Board member who is determined, after an investigation, to have violated applicable legal or ethical standards shall be subject to discipline, up to and including suspension and termination of Board or employee status. Any report pursuant to this policy shall be brought to the attention of the Board Chair(s) (unless it involves the Board Chair(s), in which case another member of the Executive Committee shall be informed).