



## Anti-Corruption Policy

### 1. **PURPOSE**

Reach for Change strives to create a workplace where each employee achieves the highest business and personal ethical standards. Our continued commitment to improve the lives of children places us in the frontlines of the fight against corruption. According to Transparency International some of the countries where Reach for Change operates are among countries with high levels of corruption. We are aware of the risks we face by our operations and are committed to minimize them.

The purpose of this Policy is to establish controls to ensure Reach for Change employees act ethically and with integrity and to ensure that Reach for Change's operations are conducted in a socially responsible and ethical manner and in compliance with all applicable legislation.

Individual donor requirements and/or applicable host country law take precedence over this Policy in instances where there is a Policy conflict or there are additional requirements beyond what is specified in this Policy.

### 2. **SCOPE**

This policy applies to all Reach for Change operations.

### 3. **POLICY STATEMENT**

All Reach for Change activities must be done in an open and ethical manner that contributes to sustainable and fair business practices and minimizes the risk of corruption.

### 4. **DEFINITION OF CORRUPTION**

Corruption is in this Policy defined as: the misuse of entrusted power for private gain. Corruption is in this Policy used as an overarching term including several different forms of misuse of power including, but not limited to, bribery, extortion and fraud. For the purpose of this Policy it is important to understand that corruption does not only include activities regarding money, but also the provision of services in order to gain advantages.

### 5. **RESPONSIBILITY AND REPORTING**

Reach for Change Managers are required to enforce this Policy and ensure that personnel which they are responsible for, are aware of, understand, and adhere to the requirements of this policy.

All Reach for Change employees are obliged to report any known or suspected corruption within Reach for Change to their manager. If the case is related to the manager, the employee should contact a member of the management team. If an employee is uncertain whether a situation constitutes corruption the manager should still be informed. Anonymous reports can be submitted in accordance with the Whistleblower Policy.



Any manager who receives a report of suspected corruption is obliged to perform an analysis of whether the case potentially constitutes corruption using the Corruption Report Analysis Form, see appendix I. If it upon analysis is concluded that the case does not constitute corruption, the form should be signed by, at minimum, one (1) supervisor and archived. If the case upon analysis is deemed actual or potential corruption it must be reported to the management team together with the analysis form. Reports received by the management team must be further investigated by management, the Board of Directors, internal audit, or through the disciplinary process and if appropriate be referred to the Police or other law enforcement authorities.

## **6. FORMS OF CORRUPTION PROHIBITED UNDER THIS POLICY**

A) **Abuse of power:** A Reach for Change employee must not seek to influence any person or institution for private purposes by using their official position or offering them personal advantages. Reach for Change facilities, services or financial resources may not be used for private purposes. Managers must not use their power to get personal favors or services done by employees. Reach for Change personnel is prohibited from offering advantages to any Change Leader, or staff member of any company or partner organization, for the purpose of influencing such person or company in any dealings whether directly or indirectly.

B) **Extortion:** Extortion is defined as the unlawful use of one's position to obtain money through coercion or threats. Any unlawful or unethical actions that are undertaken to gain advantages that would not have been gained otherwise are considered extortion. A Reach for Change employee must never use their professional status for private gain. Relations to suppliers/Change Leaders/corporate partners or other parties must not be used to gain reduced price on for example equipment, services, consultant support or travelling for private use.

C) **Fraud and embezzlement:** Fraud and embezzlement are internationally illegal acts and must not be used as methods to gain personal or professional advantages or property in relation with Reach for Change, partner organizations or any other stakeholder. Fraud is defined as the intentional perversion of truth in order to induce another to gain personal advantages or unlawful funds. It is also an act of deceiving or misrepresentation. Examples of fraud include, but are not limited to, false documentation, submitting false qualifications and misusing funds. Embezzlement is defined as the misappropriation of property or funds legally entrusted to someone in their formal position as an agent or guardian.



D) **Bribery/Kickback:** Bribery is defined as the act of offering someone money, services or other valuables, in order to persuade him or her to do something in return. Hence, bribery includes seeking to influence a decision-maker by giving some kind of extra benefit to that decision maker rather than by what can legitimately be offered as part of a tender process. A kickback is the return of a sum already paid or due as a reward for awarding businesses or contracts. Bribery or kickback must never be a part of Reach for Change operations when it comes to, for example, the search and selection process or fundraising. However, scholarships or financial help offered to a Reach for Change employee to attend local/overseas conferences, conventions or product trial activities must not be considered an act of corruption if:

- The acceptance of the activity benefits the organization as a whole
- The organization or the person will not feel obliged to do something in return for the offeror
- Acceptance will not give rise to any actual or perceived conflict of interest between Change Leaders or partners and Reach for Change
- The person attending the activity is the most qualified Reach for Change employee to do so

E) **Nepotism:** Nepotism is favoritism towards friends, family or other personal relations in recruitment, procurement, program delivery or other situations, rather than on an evaluation of abilities or suitability. Reach for Change operations should always be based on objectivity and transparency. Any conflict of interest that could be perceived as nepotism must be reported and managed in line with our Conflict of Interest Policy.

F) **Gifts:** A Reach for Change employee must not give or receive, directly or indirectly, any gift or other favor that may influence the exercise of their function, performance of duty or otherwise possibly harm Reach for Change or our customers.. Gifts include, but not limited to: services, travel, entertainment, material objects or favors. Cash gifts should never be accepted. In order to respect local traditions and conventional hospitality minor gifts are accepted. All employees are expected to show good judgment and when in doubt, consult a superior. As a guidance no gift should exceed the value of \$50 or local currency equivalent, but local regulations apply. Country Managers are responsible for ensuring compliance with local standards.

If an employee feels obliged to reciprocate an advantage by returning to the offeror a favor, then the gift should always be declined. Acceptance of entertainment, in the specific case of Change Leader activities or Corporate Partners activities should be accepted only if the activities are related to the core of Reach for Change operations. For instance: launching of new products or activities by partners or Change Leaders, press conferences, and when by the employees judgment, it is not offered with the intent of influencing business decision-making. All staff must be seen to act with complete honesty and integrity, and must not put themselves in a position where they could be accused of acting improperly. All gifts received must be reported to at minimum one (1) supervisor and if possible shared with staff. All gifts given must be business related, comply with local laws and regulations and be accurately reflected in books and records.



H) **Travel expenses:** Travel expenses should not be inflated, duplicated or presented as fictitious invoices and unnecessary travels are not permitted. All employees are expected to make travel decisions with ethical fiber and a cost-efficient and environmentally friendly perspective. Any travel expenses must be approved by, at a minimum, one (1) supervisor as regulated by Reach for Change's Bill of Authority.

G) **Double-dipping:** Double-dipping is the act of seeking or accepting funds from more than one donor for (parts of) the same project. Reach for Change is fully committed to avoid double-dipping. Each project must be budgeted and monitored in a transparent manner and the accounting processes for each project be kept separate.

## **7. RISK MANAGEMENT AND SEGREGATION OF DUTIES**

The key mechanism for managing the risk of corruption at Reach for Change is our segregation of duties, as set out in our Bills of Authority. All decisions made regarding procurement, benefits, employment and partner agreements are regulated by our Bills of Authority and must accordingly always be approved by, at a minimum, one (1) supervisor. Any processes or decisions sensitive to corruption may never be handled by a single employee.

All managers are further required to evaluate risks for corruption on a continuous basis and take risk mitigating actions where required.

## **8. DISCIPLINARY ACTION**

Reach for Change has a zero-tolerance approach to corruption. If a reported case of suspected corruption upon investigation by the management team or board of directors is deemed of serious consequence and/or malicious intent it will result in disciplinary action, up to and including dismissal for cause, and if appropriate be referred to the Police or other law enforcement authorities.

## **9. REFERENCES AND ASSOCIATED POLICIES**

- Corruption Report Analysis, Appendix I
- Whistleblower Policy
- Policy on Conflict of Interest
- Procurement Policy
- Bill of Authority
- Reach for Change Code of Conduct

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This policy was adopted by the Reach for Change Board at the Board meeting on December 2nd 2020. This policy is to be applied until further notice. It's the CEO's responsibility to invite the Board to initiate changes to it whenever needed.



## APPENDIX I Corruption Report Analysis

|              |               |              |
|--------------|---------------|--------------|
| <b>Name:</b> | <b>Title:</b> | <b>Date:</b> |
|--------------|---------------|--------------|

### 1. Describe the incident/situation and any relevant context.

### 2. Could the situation be perceived as:

**- Abuse of Power? (YES \_\_\_\_ NO \_\_\_\_ )**

*Attempting to influence any person or institution for private purposes by using an official position or offering personal advantages.*

**- Extortion? (YES \_\_\_\_ NO \_\_\_\_ )**

*Unlawfully using one's position to obtain money through coercion or threats.*

**- Fraud? (YES \_\_\_\_ NO \_\_\_\_ )**

*Intentional perversion of truth in order to gain advantages or funds.*

**- Embezzlement? (YES \_\_\_\_ NO \_\_\_\_ )**

*Misappropriation of property or funds legally entrusted to someone in their formal position as an agent or guardian.*

**- Bribery? (YES \_\_\_\_ NO \_\_\_\_ )**

*Offering someone money, services or other valuables, in order to persuade him/her to do something in return.*



**- Kickback? (YES \_\_\_ NO \_\_\_ )**

*Returning a sum already paid or due as a reward for awarding businesses or contracts.*

**- Nepotism? (YES \_\_\_ NO \_\_\_ )**

*Favouring friends, family or other personal relations in recruitment, procurement, program delivery or other situations, rather than basing the decision on an evaluation of abilities or suitability.*

**- Gifts? (YES \_\_\_ NO \_\_\_ )**

*Giving or receiving, directly or indirectly, a gift that may influence the exercise of their function, performance of duty or otherwise possibly harm Reach for Change or our customers.*

**- Misleading Travel Expenses? (YES \_\_\_ NO \_\_\_ )**

*Inflating, duplicating, fictitious, or unnecessary travel expenses.*

**- Double-dipping? (YES \_\_\_ NO \_\_\_ )**

*Seeking or accepting funds from more than one donor for (parts of) the same project.*

**3. Comment (Optional)**

| Date | Name | Signature |
|------|------|-----------|
|      |      |           |
|      |      |           |