

ANTI-BRIBERY & ANTI-CORRUPTION POLICY

Procedure ID	Title	
1001	Anti-Bribery and Anti-Corruption Policy	
Revision	PREPARED by	Date PREPARED
1.0	JDF	11/03/2023
Standard used (if Any)	APPROVED By	Date APPROVED
NA	LBU	17/03/2023

NA = not applicable

Address	Remylaan 4C, PO Box 3, 3018 Wijgmaal Leuven, Belgium
Name	Private Stichting Nicole Foundation

Procedure ID Key: 1000 General Governance; 2000 Board of Directors; 3000 Compliance; 4000 Finance & Accounting; 5000 Foundation Personnel; 6000 Operations; 7000 Fund raising; Marketing & Communication

Section 1. Purpose

The purpose of this Anti-Bribery & Anti-Corruption (ABAC) Policy is to prevent Bribery and Corruption and protect NICOLE Foundation's integrity and reputation.

In addition to our ABAC Policy, further relevant guidance is available in our Whistleblower, Gift and Conflict of Interest Policies as well as our Code of Conduct.

This policy is leading, but stricter local laws or regulations will prevail.

Section 2. Scope

This policy has been developed to address the conduct of all NICOLE Foundation staff, including all directors, officers, employees & volunteers as well as partner organizations that we work with on our projects.

Section 3. Definitions

Anything of value includes but is not limited to tangible and intangible goods as well as other items or benefits of economic value. These include, but are not limited to, extravagant hospitality with regard to travel costs, vacation and holidays and memberships and gift certificates. These are illegal, and they are a breach of trust.

A bribe is an inducement or reward offered, promised or provided in order to gain a commercial, contractual, regulatory or personal advantage.

Bribery is the offering, promising, giving, accepting, authorizing or soliciting of anything of value to, by, from or for a person or entity in order to obtain or retain a business or other advantage.

Corruption means an abuse of entrusted power or influence for personal gain or that of family, friends or acquaintances. This can manifest itself in Bribery, facilitation payments, nepotism, extortion, deception, collusion, embezzlement, kickbacks, trading in influence and/or conflicts of interest.

Bribery includes but is not limited to:

1. Both public Bribery involving government officials and private Bribery involving the commercial sector.
2. Both direct and indirect Bribery, including the use of intermediaries, agents, (sub)contractors or other third parties to channel bribes to or from others.
3. Kicking back a portion of a contract payment or other benefit to another party (or receiving a kickback).
4. Facilitation payments, a form of active Bribery consisting of typically small, unofficial payments made to secure or expedite the performance of a routine or necessary action, to which the person making the payment has or believes to have a legal or other entitlement. The payment does not need to be monetary in nature; it can be of any value, and may include goods, services or information.

Foundation Partners are entities and organizations in the public and private sector, including volunteers, non-governmental organizations, donors, sub-consultants and local agents/representatives that the NICOLE Foundation is working with to achieve its goals.

Government refers to all levels and subdivisions of governments, i.e. local, regional, national, administrative, legislative, executive, or judicial, and royal or ruling families.

Government officials are defined broadly as:

- Any officer or employee of a government or any department, agency, or instrumentality of a government (which includes public enterprises, and entities owned or controlled by the state);
- Any officer or employee of a public international organisation (for example, the World Bank or United Nations);
- Any officer or employee of a political party, or any candidate for public office;
- Any person defined as a government or public official under applicable local laws (including anti-Bribery and Corruption laws) and not already covered by any of the above; and/or
- Any person acting in an official capacity for or on behalf of any of the above.

We extend the definition of government official to any person with close family members who are government officials with the capacity, actual or perceived, to influence or take official decisions affecting NICOLE Foundation activities.

Money Laundering is the concealment of the origin of illegally obtained money, typically by means of transfers involving foreign banks or legitimate businesses.

Section 4. General principles

In conjunction with the NICOLE Foundation's values of Partnership, Effectiveness, Credibility and Accountability we are fully committed to conducting business with high standards of ethical conduct and integrity. Corruption, Bribery, and other fraudulent activities are unethical, unacceptable and inconsistent with our core values and are illegal in most countries. For the NICOLE Foundation none such activities are acceptable.

In addition, NICOLE Foundation staff must act and report whenever they come across Bribery and Corruption in their course of work, even if the NICOLE Foundation is not directly involved or party to the relevant agreement.

Bribery and Corruption – whether involving Government Officials or commercial entities – can be direct or indirect through third parties like agents, sub-consultants and consortium partners. For

example, a payment to a relative of a Government Official that is expected to benefit the Public Official can be held to violate the anti-Bribery laws in the same way and to the same extent as a payment that is given directly to the Government Official. The same is true of offers, promises or payments that are provided through intermediaries such as sub-consultants, consortium partners and agents/representatives.

No one at the NICOLE Foundation may, directly or indirectly, request or accept improper payment or other types of improper compensation or a promise thereof, nor may anyone at the NICOLE Foundation, directly or indirectly, offer or provide or promise any payment or other types of compensation that can be regarded as improper to individuals, organizations, companies or persons closely related to them.

Further on, no one at the NICOLE Foundation may provide anything of value for someone who represents the NICOLE Foundation in a certain matter and thereby promote the giving or taking of a Bribe or handling under influence.

Within the NICOLE Foundation, Facilitation Payments are considered Bribes even though in some countries, Facilitation Payments are legal.

Most countries around the world have laws prohibiting Bribery and other forms of Corruption such as Money Laundering. The applicable legislation in the respective country of operation set the minimum standards required by the NICOLE Foundation, however all staff should be aware that some laws (including the U.S. Foreign Corrupt Practices Act and the U.K.'s Bribery Act) are wide-ranging and apply to activities by persons and entities outside of those countries.

The penalties for breach of laws concerning Bribery and Corruption are often severe and may involve civil or criminal penalties (including imprisonment).

NICOLE Foundation staff and volunteers should take appropriate steps in relation to mitigate the risk of conducting business with Foundation Partners who may be involved in the offering, promise, making, requesting, or accepting of Bribes, even if such conduct is legal or permitted under applicable law or local practice.

Engaging a Foundation Partner constitutes a risk to the NICOLE Foundation caused by Bribery and Corruption by the Foundation Partner when acting on the NICOLE Foundation's behalf or for the NICOLE Foundation's benefit and can expose NICOLE Foundation to civil and criminal penalties as well as reputational damage. A Foundation Partner that violates the anti-bribery laws also can present a risk to individual NICOLE Foundation directors, officers, and employees — particularly the directors, officers and employees who are managing NICOLE Foundation's relationship with the Foundation Partner.

The general rule is that no Foundation Partner should be permitted to do anything on NICOLE Foundation's behalf or for NICOLE Foundation's benefit that NICOLE Foundation may not legally do itself.

The NICOLE Foundation has procedures for engagement and retention of Foundation Partners, which ensure that potential Foundation Partners can be relied upon to provide products or services to NICOLE Foundation without violating any of the Anti-Bribery Laws.

When third parties such as Foundation Partners are engaged with, their integrity must be proactively assessed before entering into agreements or other types of cooperation with such parties. Regardless of the type of remuneration that is paid to the Foundation Partner, such fees shall to the largest extent possible be based on objective grounds and correspond to a reasonable and fair remuneration for the assignment. Fees or similar may only be provided as payments to a bank in another country than the country in which the agent/partner is active/registered in exceptional cases and only for commercial reasons.

Section 5. Examples of Bribery and Corruption

- Promising, giving, being promised or given something of value in return for approving a contract (e.g., expensive football tickets in exchange for an approval or returning a favor by setting up a business opportunity with a family member).
- Requests for political or charitable donations to an entity associated with a particular individual.
- Requests for free products or services that benefit a particular individual.
- Gifts and entertainment, including business meals, provided to government officials or third parties (e.g., customers and suppliers) prior to or during business negotiations and interactions.
- Any unwillingness by an agent, customer or business partner to adhere to anti-Corruption laws where applicable.
- A government official's recommendation to the NICOLE Foundation of an agent or third party with which the official has a close relationship.
- Undocumented payments or payments for goods or services that cannot be substantiated.
- Unqualified or inexperienced agents or other Foundation Partners.
- Excessive or unusual payment requests (e.g., one single invoice amount being requested to be paid to multiple entities or individuals based in several countries, a request for an invoice to be paid to another entity or individual, payments in cash).
- A common example of a facilitation payment is where a government official is, in an improper and non-transparent manner, given money or goods to perform (or speed up the performance of) an existing duty, e.g. obtaining permits or licenses, processing visas, scheduling inspections, providing utilities, cargo handling, etc. Exception could be made when someone is threatened to be put in jail or has been kidnapped.

Section 6. Organizational Measures

Combating Bribery & Corruption

Overarching principles to combat Bribery and Corruption will revolve around four pillars: awareness raising and empowerment, prevention, detection and sanctions.

Awareness raising and empowerment entail training of Foundation staff as well as its Partners and the requirement for volunteers acting with or on behalf of the Foundation to underwrite this and other related Policies. The NICOLE Foundation has a culture of non-tolerance and will act accordingly in speech and actions.

Prevention is an essential element of the ABAC Policy and entails the development and application of rules and procedures underlying this Policy (as well as other Policies such as Conflict of Interest, Gift Policies) and the Foundation Values. The NICOLE Foundation requires that adequate books and records of business transactions are maintained. This applies, for example, to the proper registration of expenses claimed by Foundation staff and volunteers and registration of gifts and entertainment exchanges with third parties.

Detection is closely related to prevention procedures and requires solid and regular internal controls, audits, and complaints and whistleblower mechanisms. Employees, foundation partners and/or any third party should report any issue, violation or concern related to this policy to the Foundation Compliance Officer. For more information, please refer to our Whistleblower Policy.

Any exchanges of gifts or entertainment must always be reasonable, appropriate and proportionate and within the boundaries of our Gifts Policy. NICOLE Foundation staff and partners may not give or

accept any gifts or entertainment that might appear to improperly influence their or anyone else's business decisions.

We refer to the NICOLE Foundation's Partner Screening Policy.

The NICOLE Foundation is committed to complying with all applicable laws relating to business ethics when performing assignments, also referred to in NICOLE Foundation's Code of Conduct, and subsequently in this Policy. All Foundation Partners (sub-consultants, consortium partners and agent/representatives) are therefore assessed every 12th month for every assignment and agreement. Yet it is worth mentioning that the NICOLE Foundation is always ultimately responsible to our project beneficiaries for all actions taken by our Foundation Partners.

Thus, a Business Ethics Assessment is performed as part of the general Partner Screening process.

Bribery and Corruption are more prevalent in some countries than others and therefore doing business with individuals or organizations in certain countries increases the likelihood of misconduct such as Bribery arising. Different assessment routines may therefore be applicable for different countries, dependent on each country's perceived risk-level according to Transparency International's Corruption Perception Index (CPI) rankings.

An agreement with a Foundation Partner can only be established once a Foundation Partner screening according to the NICOLE Foundation's routines is approved.

Any new arrangement that has been agreed by the NICOLE Foundation and a Foundation Partner should be confirmed in a written contract. Every such contract must contain appropriate anti-bribery provisions.

All records generated pursuant to this policy and in the management system procedures, including Foundation Partner Business Ethics Assessments, checklists, forms and certificates, should be maintained for at least five years, unless otherwise required by law or instructed by the Compliance Director.

Particular attention should also be paid to situations where a third party represents the NICOLE Foundation in its dealings with a governmental authority. A specific example of such a situation is where an individual or organization is engaged by NICOLE Foundation to provide services or to negotiate on NICOLE Foundation's behalf with authorities.

The NICOLE Foundation's assessment of Foundation Partners includes:

- Ascertaining what anti-bribery and corruption policies, programs and compliance regime the third party has in place;
- Making third parties aware of NICOLE Foundation's Code of Conduct and Anti-Bribery and Corruption Policy;
- Formally agreeing to abide by NICOLE Foundation's policies as a prerequisite for cooperation; and
- More extensive background checks including screening of ownership of the potential third party, where cooperation is perceived to be high risk.

Section 7. Responsibilities

The Compliance Director of the NICOLE Foundation is primarily accountable for its Anti-Bribery and Corruption efforts and is responsible for reporting the results of compliance with these policies on a regular basis to the Board of Directors. All officers and directors are responsible for ensuring that they, their employees, project teams and volunteers and their Foundation Partners are familiar with and

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comply with these policies. The NICOLE Foundation will not consider a lack of understanding as a valid reason for inappropriate or incorrect behavior.

Furthermore, all Foundation officers and directors are responsible to ensure that those within the scope of the policies have relevant knowledge and understanding appropriate to their activities and the associated risks.

All staff and volunteers are obligated to familiarize themselves with the contents of the policy and to follow it at all times. This includes an obligation to, as soon as practically possible, report any request for an improper payment or an indication of an improper payment.

All NICOLE Foundation staff and volunteers should report knowledge or suspicion of Bribery and Corruption which may be in conflict with these policies or the spirit of these policies to his or her project manager, the NICOLE Foundation's Compliance or Operations Director.

Revision status	Reason?	By	Date of revision
1.0	First edition	JDF	17/03/2023