

COMPREHENSIVE OVERVIEW

# Anti-Corruption

A detailed look at global regulations and practices





# ANTI-CORRUPTION POLICY

## Purpose

ECO is committed to operating ethically and responsibly in South Africa and globally. This Anti-Corruption and Anti-Bribery Policy reflects our zero-tolerance approach to any form of bribery or corruption and aligns with both South African law and international best practices. This policy ensures that all ECO staff, representatives, and stakeholders:

- Understand what constitutes corruption and bribery;
- Are aware of the legal and ethical responsibilities to prevent it;

Know how to report it safely and appropriately.

## Scope

This policy applies to:

- All ECO staff (employees, interns, contractors, volunteers).
- ECO board members and executive leadership.
- Third parties acting on ECO's behalf (auditors, suppliers, assessors, consultants, local partners).

Operations conducted both within South Africa and in any country where ECO works or collaborates.

## Policy Statement

ECO prohibits any form of bribery or corruption, whether active or passive, direct or indirect. This includes:

- Offering, promising, giving, soliciting, or accepting any bribe.
- Making or receiving facilitation payments, regardless of local customs.
- Providing or accepting inappropriate gifts, hospitality, or entertainment.
- Using donations or sponsorships to influence business decisions.
- Engaging in or ignoring collusion, fraud, nepotism, or abuse of power.

This applies in both South African and international contexts, and to public and private sector interactions.

## Legal Framework

ECO complies with the following anti-corruption laws and standards:

- South Africa's Prevention and Combating of Corrupt Activities Act (PRECCA);
- The Protected Disclosures Act (PDA), which supports whistleblower protection;
- The UK Bribery Act 2010;
- The U.S. Foreign Corrupt Practices Act (FCPA);
- ISO 37001: Anti-Bribery Management Systems;
- Relevant local laws in the jurisdictions where ECO operates.

Management and employees have a legal obligation under PRECCA (Prevention and Combating of Corrupt Activities Act (Act 12 of 2004)) to report corruption, and failure to do so may result in criminal liability.

## Definitions

Term	Definition	Example
<b>Bribery</b>	Offering, giving, receiving, or soliciting anything of value to influence a decision.	A certification applicant offers a "bonus" to an assessor to overlook gaps.
<b>Facilitation Payment</b>	A small payment made to a public official to speed up a routine process.	Paying an official to "fast track" a permit.
<b>Kickback</b>	Returning a portion of payment to someone in exchange for awarding a contract or deal.	A supplier inflates an invoice and agrees to give part of it back to ECO staff.
<b>Conflict of Interest</b>	When personal interests compromise professional decisions.	An auditor fails to disclose they are related to a client's board member.
<b>Third Party</b>	Any external person or organisation acting on ECO's behalf.	Contractors, field assessors, partner NGOs.

## Conflicts of Interest

All ECO personnel must:

- Disclose any actual or potential conflict of interest (e.g., personal relationships with clients, suppliers, or applicants).
- Avoid participating in decisions where impartiality may be compromised.

□ Example: An assessor assigned to a certification audit realises they previously worked for the applicant's organisation. They must disclose this and be reassigned.



## Due Diligence and Third Parties

ECO understands that the actions of third parties can significantly impact our legal and reputational risk. As such, we require robust due diligence procedures before entering relationships with any individual or organisation acting on our behalf.

### □ Who Requires Due Diligence?

- Auditors, assessors, or evaluators working on ECO certification projects;
- Suppliers and contractors.
- Local implementation partners and consultants.
- Any entity acting in a fiduciary, representative, or influential role.

### □ Due Diligence Process

#### 1. Pre-engagement checks, including:

- Background and reference checks.
- Online screening for corruption, fraud, or ethical concerns;
- Confirmation of legal status and licensing.

#### 2. Risk assessment, based on:

- Country corruption index (e.g., Transparency International CPI);
- Industry vulnerability (e.g., construction, customs, land use).
- Historical conduct of the partner.

#### 3. Certification of compliance:

- Signing ECO's Anti-Bribery Compliance Statement.
- Agreeing to anti-bribery clauses in all formal contracts or MoUs.

#### 4. Ongoing monitoring:

- Performance and behavior are reviewed periodically.
- Red flags (e.g., irregular invoices, inconsistent documentation) are investigated immediately.





## Responsibilities

Who	Responsibility
All Staff	Understand and comply with this policy; report any suspicions.
Managers	Promote a culture of integrity and monitor compliance within their teams.
Compliance Officer	Oversee implementation, maintain registers, provide training, investigate reports.

## Reporting and Whistleblower Protection

We strongly encourage employees, partners, and third parties to report any concern related to bribery, fraud, or corruption.

- ☐ Reporting Channels:
- Email: [info@environmentalcertificationorganisation.com](mailto:info@environmentalcertificationorganisation.com)
- All reports will be treated confidentially and investigated appropriately. ECO adheres to the Protected Disclosures Act (2000) to ensure that whistleblowers are protected from retaliation or victimisation.

☐ Reminder: Under South African law (PRECCA), failing to report suspected corruption may be a criminal offense for persons in positions of authority.

## **Monitoring, Review, and Enforcement**

ECO is committed to continuously improving its anti-corruption practices and ensuring compliance through structured oversight and accountability mechanisms.

### **MONITORING**

ECO will conduct regular and ad hoc monitoring to ensure compliance with this policy. This includes reviews of:

- . Gift and hospitality registers.
- . Procurement and contract documentation.
- . Whistleblower reports and case outcomes.
- . Training participation and completion records.
- . Third-party engagements and due diligence files.

Any discrepancies, red flags, or suspicious activity identified during these reviews will be investigated promptly.

### **POLICY REVIEW**

This policy will be reviewed at least annually, or more frequently if:

- . There are significant changes in applicable laws or regulations.
- . New risks emerge based on operations, geography, or projects.
- . A policy breach or incident highlights weaknesses in the existing framework.

Policy reviews will be conducted by a Compliance Officer and approved by senior management or the board, as appropriate.

### **ENFORCEMENT**

Breaches of this policy - whether intentional or due to negligence - may result in:

- . Internal disciplinary action (e.g., verbal/written warnings, suspension, or dismissal);
- . Contract termination or removal of third-party access.
- . Referral to law enforcement or regulatory authorities for investigation or prosecution.

All breaches will be documented, investigated, and addressed in line with ECO's Disciplinary Code and applicable legislation.

Example:

If a staff member knowingly accepts a bribe from a certification applicant, this would trigger an immediate internal investigation and likely dismissal. The matter would also be reported to the South African authorities as required under PRECCA.

## Commitment to a Corruption-Free Culture

ECO's core mission is to support environmental sustainability through credible, transparent, and ethical certification processes. Corruption in any form undermines this mission and will not be tolerated.

We believe that every employee, partner, and associate have a personal and professional responsibility to uphold the highest standards of integrity. A corruption-free culture is not achieved through policy alone but through:

- Leading by example at every level of the organisation.
- Open, honest conversations about ethical dilemmas.
- A willingness to question, report, and intervene where something appears wrong.
- Empowering staff and partners to make ethical decisions, even under pressure.

We expect and encourage everyone working with or on behalf of ECO to uphold this standard — to act, speak out, and remain accountable.

If you are unsure whether something constitutes corruption, seek advice from your manager or Compliance Officer. If you suspect wrongdoing, report it. ECO will always support those who act in good faith to protect our integrity.



For further information please contact the Policy Owner – [info@environmentalcertificationorganisation.com](mailto:info@environmentalcertificationorganisation.com)



# ANNEXURE A - WARNING FLAGS

The following is a list of possible warning flags that may arise during working with ECO and which may raise concerns under various anti-bribery and anti-corruption laws. This list is not exhaustive and is for illustrative purposes only. If you encounter any of these warning flags, you must report them promptly using the procedures outlined in the Whistleblowing Policy:

1. Becoming aware that a third party has a history or reputation for improper, unethical, or illegal practices.
2. A third party insists on cash payments or payments to offshore accounts unrelated to their business location.
3. Unwillingness by a third party to comply with ECO'S anti-bribery contractual clauses or audit rights.
4. Offers or demands of excessive gifts, hospitality, or entertainment that could influence decisions.
5. Requests for unusually high fees or commissions without justification.
6. Lack of transparency in invoicing, unclear business purposes, or refusal to provide documentation.
7. Undisclosed close relationships with officials or key decision-makers.
8. Requests to use unknown subcontractors or intermediaries without clear rationale.
9. Sudden or unexplained changes in payment instructions.
10. Overly familiar relationships between ECO staff and vendors/contractors that may suggest bias.

These indicators do not confirm corruption, but they warrant deeper scrutiny and immediate reporting.





# ANNEXURE B - DISCIPLINARY CODE SUMMARY

## Purpose

This Disciplinary Code forms part of ECO's commitment to maintaining the highest ethical standards and serves to enforce the Anti-Corruption Policy. It sets out the procedures and consequences relating to violations of the policy, ensuring a fair, consistent, and transparent approach to discipline.

## Scope

This Code applies to:

- All ECO staff members, regardless of contract type or location
- Board members, consultants, volunteers, and interns
- Any third party acting on behalf of ECO, including suppliers and implementing partners

## Breaches of Policy

Disciplinary action may be taken if an individual:

- Offers, gives, solicits, or accepts a bribe in any form
- Authorizes or condones corrupt practices by others
- Fails to report known or suspected bribery or corruption
- Falsifies documents to conceal bribery or corruption
- Fails to comply with mandatory due diligence requirements
- Engages in conflict of interest without disclosure
- Attempts to retaliate against a whistleblower

## Levels of Misconduct

Misconduct will be classified into the following:

Minor Misconduct:

- Failure to record gifts or hospitality
- Failure to attend anti-corruption training
- Unintentional breach of documentation procedures

Sanctions may include: verbal or written warnings, refresher training, or increased monitoring.

#### Serious Misconduct:

- Knowingly failing to report a known breach
- Colluding in fraudulent or unethical activity
- Non-disclosure of a personal or financial interest in a transaction

Sanctions may include final written warning, reassignment, or suspension.

#### Gross Misconduct:

- Offering or accepting a bribe
- Tampering with investigations
- Engaging in systemic corruption
- Retaliating against whistleblowers

Sanctions may include immediate dismissal, termination of contract, legal action, and reporting to law enforcement.

#### Disciplinary Process

All allegations of misconduct will be handled through a fair and transparent process:

1. Reporting: Reports can be made confidentially via the Whistleblowing Policy.
2. Preliminary Assessment: An Ethics Officer or designated investigator will conduct an initial assessment.
3. Formal Investigation: If warranted, a formal investigation will be launched.
4. Right to Respond: The accused party will have the opportunity to respond to allegations.
5. Decision and Sanction: Based on the evidence, a disciplinary panel will recommend action.

All parties will be treated fairly, and records will be kept confidential.

#### Appeal Rights

Any individual subject to disciplinary action has the right to appeal. Appeals must be submitted in writing within 10 working days of the decision. A separate and impartial panel will review the matter.

#### Protection of Whistleblowers

ECO maintains a zero-tolerance stance on retaliation. Any attempt to intimidate or punish individuals for reporting concerns will itself be treated as gross misconduct and may result in termination or legal action.

#### Continuous Review

This Disciplinary Code will be reviewed annually or following a significant policy breach to ensure continued relevance and effectiveness.

# ANNEXURE C - GIFT & HOSPITALITY REGISTER TEMPLATE

## Purpose:

This register ensures transparency in the giving or receiving of gifts and hospitality, helping to protect individuals and ECO from allegations of improper influence or bribery.

## When to Use:

All employees, board members, and associates must declare any gift or hospitality:

- Received or given in connection with ECO business
- With an estimated value exceeding ZAR 3000
- That may be perceived to create a conflict of interest

## Process:

1. Complete the Gift and Hospitality Register immediately after giving or receiving any such item.
2. Submit to your line manager or the Ethics Officer for review.
3. Await approval before retaining the gift or confirming further engagement.

## Example Register Entry:

Date	Recipient	Giver	Description	Value	Purpose	Approved By
2025-04-01	J. Smith	Green Energy SA	Dinner at a sustainability panel	R450	Courtesy post-panel discussion	R. Mokoena

## Important:

Gifts and hospitality must never be used to improperly influence decisions, secure business, or gain unfair advantage.

When in doubt, it is better to report than not to report.



# ANNEXURE D - DUE DILIGENCE CHECKLIST

## Purpose:

To ensure that all third parties acting on behalf of ECO are reputable, ethical, and compliant with anti-bribery standards. Due diligence must be carried out before engaging any partner, contractor, or supplier

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## When to Conduct:

- Before entering new partnerships or contracts
- During renewals of long-term engagements
- If red flags arise or circumstances change

## Due Diligence Checklist:

### 1. Identity Verification

- Full legal name and business registration
- Ownership structure and shareholder information

### 2. Background Review

- Financial solvency and creditworthiness
- Litigation history, especially related to fraud, bribery, or corruption
- Sanctions or watchlist screening (domestic and international)

### 3. Compliance and Integrity

- Existence of anti-corruption and ethics policies
- Willingness to adopt ECO's anti-bribery terms and conditions
- Any previous involvement in legal/regulatory investigations

### 4. Reputation & References

- Media and public record checks
- Professional references and business history

### 5. Risk Factors

- Operating in high-risk jurisdictions
- Working with public officials or government entities

## Outcome:

If any red flags are identified, the matter must be escalated to senior management. Enhanced due diligence or legal advice may be required before proceeding.





# ANNEXURE E - WHISTLEBLOWER REPORT FORM

## Purpose:

To provide a confidential mechanism for reporting suspicions of bribery, fraud, corruption, or unethical conduct involving ECO activities.

## Who Can Report:

- ECO employees and contractors
- Volunteers, interns, board members
- External stakeholders with direct knowledge of misconduct

## Reporting Channels:

- Submit this form via the anonymous ethics email portal
- Deliver a printed version in a sealed envelope to the Ethics Officer
- Verbally report to a designated senior staff member who will document it on your behalf

## Whistleblower Report Form

1. Your Name (optional): \_\_\_\_\_

2. Date of Report: \_\_\_\_\_

3. Department/Location (if applicable): \_\_\_\_\_

4. Nature of Concern: (e.g. bribery, misuse of funds)

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5. Individuals Involved:

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6. Dates and Locations of the Incidents: \_\_\_\_\_

7. Summary of Incident (facts only):

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8. Supporting Documents (if applicable): \_\_\_\_\_

9. Have you previously reported this issue? If yes, to whom? \_\_\_\_\_

10. Preferred Contact Method (optional): \_\_\_\_\_

## Confidentiality & Protection

Your report will be treated in the strictest confidence. ECO prohibits retaliation against anyone who reports concerns in good faith.