

DOCUMENT

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Tema:	Applies from 07/01/21
D – Preventive Policy against Corruption, Asset Laundering and Financing of Terrorism	Version: 2
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Date of review // _approval 06/15/21	

Version	Description of Changes	Date (1)
1	Fist version	V01. 01/15/2015
2	<ul style="list-style-type: none"> – Title update – Scope adjustment, including prevention of asset laundering and terrorism 	V02. 06/15/2021
(1) Institutional policies are approved by the Board of Trustees of Natura Foundation		

Procedures and other Related Documents		
Documentation Level	Code	Related Documents
	D	Code of Ethics
	D	Quality Handbook
Proceadure	P-SG-6	Client satisfaction and complains
Claims reports	F-SG-6.2	Claims reports

1. Introduction

As part of its principles and values, Natura Foundation includes **transparency**, on which we base our management of funds in terms of accountability and feedback with our donors, strategic partners and the interested society, by forwarding technical, administrative and financial information. Likewise, we value **responsibility**, on which we consciously make decisions, accept the consequences of our actions and are willing to be accountable for them.

In this sense, we have declared **zero tolerance** towards improper practices, among them illicit activities, corruption, fraud, extortion, piracy and asset laundering, all actions that together undermine society, governability and human rights.

The goal of the current policy is to adopt measures and practices that will prevent and dissuade prohibited and illegal practices within the context of the Foundation scope of action.

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2. Purpose

This Policy is part of the commitment by Natura Foundation to the quality of services its renders in order to:

- (i) Prevent corruption that might take place during the rendering of services and/or the performance by Natura Foundation. It includes all operational areas related to the Management and Administration of Resources, the Administration and Implementation of Projects, including activities related to strategic and supporting processes carried out by the Foundation.
- (ii) Have available guidelines that will orient the conduct and thus prevent possible acts of corruption. This policy applies to all those involved in the rendering of services supported by Natura Foundation, with special attention (without being exclusive) to implementing agencies, suppliers, consultants, beneficiaries, communities in the areas of work, donors, as well as the personnel and directors of Natura Foundation, within the framework of the direct relationship with Natura Foundation and the areas of knowledge and competence that Natura Foundation will need to attend.
- (iii) Prevent, both in Natura Foundation and the funds recipients, that the resources provided be used in asset laundering, terrorism or the financing of terrorism

3. Scope

This policy applies to any physical or juridical entity receiving donation funds through Natura Foundation, with special attention given to implementing agencies, suppliers, consultants, beneficiaries and communities in the work areas.

It also applies to the people responsible for the management of funds, with special attention to financial entities and donors as well as the personnel and directors of Natura Foundation, and any other physical or juridical entity that, although not receiving or managing donation funds, could directly influence or participate in decisions such as the governing structures of the funds, directive committees or oversight committees, among others.

4. Legal considerations

The binding commitments between Natura Foundation and the donors are those dictated by the donor agreements; these include, without being exclusive, contracts, working arrangements, letters and memorandum of understanding; they are applied within the framework of some of the types of administration offered by Natura Foundation (complete, intermediate, basic, green alliances or pro-bono); from them levels of responsibility are derived with respect to the management of resources and/or the project implementation.

Natura Foundation undertakes distinct obligations and commitments in accordance to the type of management that it carries out, to ensure that the resources are only used for the agreed purposes and in accordance with the terms and conditions established for each case, thus guaranteeing that it will not accept extraneous influences such as political drives or economic interests. These same dispositions are established in the agreements or other binding rules available to the Foundation, among them working arrangements, contracts, donation agreements and agreements for the rendering of services with the implementing partners of the managed funds.

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5. Scope of policy application

This policy takes into consideration corruptive practices that might take place during the administration and use of the donation resources, or during the rendering of services in the operational areas relating to Resources Management and Administration and Project Administration and Implementation.

Without being prescriptive, this policy includes corruptive practices in the use or allocation of funds such as:

- Direct diversion of resources towards inadmissible expenditures
- Fraud
- Actions directed to the use of funds outside the framework established for its implementation

Funds are understood to be all amounts in cash or any other modality that one or more donors or sources directly assign and disburse to Natura Foundation within the framework of some binding instrument, or for those funds that Natura Foundation disburse to a third party.

6. Description of the corruptive practices

These policies takes into consideration actions that constitute corruptive practices and that are hereafter described; they represent the most common of them but are not exclusive or unique; measures will be taken to confront similar events or claims described as corrupt:

- (i) *Bribery*: any act or omission that, as a function of its services, a physical or juridical entity, or whoever acts in its place, carries out that which is contrary to its duties, specially if offering, giving, receiving or asking for anything of value that would be capable of influencing decisions during the implementation of processes relating to a contract.
- (ii) *Extortion or Compulsion*: a threat to other person, or cause the same effect towards members of the family, in terms of his/her own person, honors and/or goods, hence influencing the decisions during the implementation of the corresponding contract regardless if the goal has been met or not.
- (iii) *Fraud*: Misrepresentation of data or facts with the purpose of influencing the bidding process during the implementing phase of a contract to the detriment of the borrower and the participants.
- (iv) *Collusion*: Actions geared towards obtaining artificial, noncompetitive, prices capable of depriving the contracting party or the donor the benefits derived from a free and open competition.
- (v) *Obstructive practice*: deliberate destruction, forgery, alteration or concealment of evidences important for an investigation; false declarations to investigators with the intent of substantially impeding an investigation referring to accusations of bribery, extortion or compulsion, fraud and collusion towards a person, with the purpose that

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such a person will not reveal what he/she knows about the pending issues, or that he/she carries out the investigation, with the purpose of substantially impede the exercise of contractual rights of the Donor to carry out audits or to have access to information.

7. Preventive measures to avoid corruption in the use of the funds provided

In order to comply with this policy, the physical or juridical entities specified in the section "Scope of Policy Application" will adopt all relevant measures to prevent practices of bribery, extortion or compulsion, fraud, collusion or obstructive practices regarding the use of funds contributed by Natura Foundation under any donation scheme, agreement, accord or similar, but not exclusively, including the following:

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- To adopt accounting and administrative practices, as well as adequate institutional mechanisms, to guarantee that the funds are only used for the agreed purposes
- To ensure that all representatives, recipients, partners and/or actors related to the contributed funds get to know the current policy
- To immediately notify Natura Foundation about any accusation of known fraud and corruption with respect to the use of contributed funds
- To include in the agreements with each one of the grant recipients the necessary provisions in order to comply with this Policy, particularly with respect to what is established in the handbook for the use of funds, in those cases where these handbooks are provided for specific cases which, in any case, will be an integral part of the agreements or instruments that will formalize the contribution made by Natura Foundation.
- To allow Natura Foundation to inspect all accounts and records and other documents relating to the contributions made that must be kept and that could be subjected to audits by Natura Foundation
- To suspend any contract, agreement, accord or similar with one or many providers, fund recipients or equivalent if Natura Foundation states that this is unadmissible in accordance with the provisions regarding corruptive practices; in that case, the restitution of such funds by the recipient will be put into effect
- To fully cooperate with the representatives of Natura Foundation, or the person designated by it, in any investigation regarding accusations of fraud and corruption related to the use of contributed funds
- In the case of a fund recipient not being admissible in the manner outlined in the corruptive practices, all necessary and adequate measures will be taken to duly comply with such declaration by means of, among other, the following procedures: exercise the right to resolve (finalize) beforehand, suspend the contract between Natura Foundation and the contractor or demand the restitution of all the donation funds implicated in corruption practices

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- The recipient of funds contributed by Natura Foundation will comply with the obligation of facilitating to Natura Foundation, at the first request and immediately, all the information and/or documents being asked for to comply with his/her obligations, to prevent money laundering and terrorism financing, and to carry out continuing monitoring for such an end.

If Natura Foundation rules that one of the physical or juridical entities referred to in the preceding section has incurred in practices of bribery, extortion or compulsion, fraud, collusion or obstructive practices with relation to the use of the funds, it will adopt timely and adequate measures to correct those practices when they occur or, failing that, to investigate and/or inform the relevant entities or authorities.

8. Corrective measures and sanctions in cases of corruption

In accordance with the purposes of this policy, the Foundation will have the right to adopt the following measures:

- (i) To impose sanctions on any recipient of funds; among the sanctions are particularly included (but not exclusively) the declaration that such a person or entity as unfit to receive the funds granted by Natura Foundation or to participate in any other way in the preparation or implementation of projects or the participation in any other project financed in part or as a whole, if at any moment there is evidence that such a person or entity has participated in practices of bribery, extortion or compulsion, fraud, collusion or obstructive practices
- (ii) To undertake administrative or legal actions geared towards disqualifying physical or juridical entities specified in the section “Scope of Policy Application” if at any moment it is ascertained that such a person or entity has participated in practices of bribery, extortion or compulsion, fraud, collusion or obstructive practices

9. Prevention measures against asset laundering, terrorism and financing of terrorism

Asset laundering is seen as a commercial or financial operation to hide the origin of illicit funds making them look as legal among other, illegal or illicit activities that involve money laundering are terrorism, drug trafficking, fraud, bribes, contraband and theft.

We abide by the current Panamanian legislation concerning the prevention of assets laundering. This regulation must be known by all Natura Foundation partners, members of the Board of Trustees, members of committees, suppliers or contractors, implementing agencies and donors, in accordance with the declaration that in that sense appears recorded in the agreements and contracts.

Any action that could constitute assets laundering in the terms spelled out in the relevant laws applicable and the present policy will be the subject of investigation and imposition of disciplinary actions as appropriate.

In any case, when the conduct of the person(s) to which this policy could be applied leads to the commission of an offense, Natura Foundation will inform the relevant authorities of this fact.

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The recipient of funds provided by Natura Foundation will comply with the following obligations:

- To provide Natura Foundation, when first requested and immediately, all the information and/or documents required to comply with his/her obligations in order to prevent money laundering and the financing of terrorism, and to carry out the continuous monitoring needed for that purpose
- To carry out a declaration of their own funds or of the funds of third parties which with they work:
 - a) Does not have funds which are wholly or partially of illegal origin and that the funds are not related to drug trafficking, corruptive actions, organized crime or terrorism
 - b) Does not participate in and will abstain from having or acquiring assets of illegal origin related to corruptive actions, organized crime or terrorism
 - c) Does not participate in and will abstain from participating in the financing of terrorism