

# **ANTI-BRIBERY, CORRUPTION & FRAUD PREVENTION POLICY**

Stichting Foundation Clean Energy  
and Energy Inclusion for Africa  
(CEI Africa)

Determined by the Board of CEI Africa on 31 January 2023

Approved by the Supervisory Council of CEI Africa on 31 January 2023

## Version Control

Document history		
Version No	Date	Description / amendments
1	31-01-2023	First version of the Anti-Bribery, Corruption and Fraud Policy

## 1. Objective

Stichting Clean Energy and Energy Inclusion for Africa (**CEI Africa** or '**the Foundation**') is keen to have a culture and values that require the highest level of personal and professional conduct by all parties CEI Africa engages with. Participating in behaviours or activities that are contrary to standards of proper conduct and to a culture of ethical business practices, as well as in breach of applicable laws and regulations, could have serious consequences for CEI Africa, its integrity and reputation. Bribery, Corruption and Fraud are serious violations of integrity and undermine trust in the economic and social growth of a community. They weaken democracy, further exacerbate inequality, poverty, social division and the environmental crisis<sup>1</sup>, and also undermine fair and competitive business, at domestic and international level. To ensure a formal and consistent approach to fighting any forms of malpractice, and to comply with a large duty of care to society in general, CEI Africa has established this Anti-Bribery, Corruption & Fraud Prevention Policy (hereinafter **this Policy**). It is based on the overarching commitment from CEI Africa to conduct its operations honestly and with integrity, as well as to promote a culture of ethical business.

## 2. Scope

This Policy serves as a minimum standard and adherence to it by all parties CEI Africa deals with is always mandatory (please see the definition of Staff in Section 4). The provisions of this Policy apply to CEI Africa Staff, as well as to consultants and advisors contracted by the Foundation Manager to provide professional services to CEI Africa and to external parties such as Contributors, Customers, Service Providers and suppliers, etc. In jurisdictions where local laws or regulations set stricter rules than those outlined in this Policy (e.g., where there is a lower legal threshold), then stricter rules will prevail. This Policy also aims to facilitate awareness of the topic covered in this Policy, so to help CEI Africa prevent and detect Bribery and Corruption as well as Fraud.

This Policy should be read in conjunction with the Gift and Hospitality Policy.

## 3. Framework

Dutch Criminal Code: articles 51, 177,178 and 328ter

Wolfsberg Guidance on Anti-Bribery and Corruption (**ABC**) Compliance Programme

FATF Reference Guide and Information Note on the use of the FATF Recommendations to support the fight against Corruption

UN Global Compact Principle 10: *Businesses should work against corruption in all its forms, including extortion and bribery*

## 4. Definitions and terms

<b>ABC</b>	Anti-Bribery and Corruption.
<b>Board</b>	The Management Board of the Foundation, responsible for the general affairs of CEI Africa as well as the realization of the Foundation objectives.
<b>Bribery</b>	Giving, offering, promising; or receiving, accepting to receive a financial or other advantage (in person or by CEI Africa as a company) in particular, but not limited to the connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith.
<b>CDD</b>	Customer Due Diligence
<b>Contributor</b>	A legal person or entity making funds available to CEI Africa, either drawn or undrawn, based on a grant or contribution agreement with CEI Africa.

<sup>1</sup> This wording is taken from Transparency International.

<b>Corruption</b>	The active or passive abuse/misuse of entrusted power of Public Officials (appointed or elected) and other persons (non-officials) for private financial gain or other benefits. This could be an action or an omission.
<b>Crowdlender</b>	Brokering of loans over an Internet services platform domiciled in an EU member state or EFTA member state or the United Kingdom ( <b>UK</b> ) between a customer (the borrower) and the lender, in accordance with the business models and definitions of regulation (EU) 2020/1503.
<b>Customer</b>	This definition refers to either a Contributor, an Investee, a Grantee, a Guarantee, or a Crowdlender, with any reasonable interpretations necessary due to specific context as a Contributor, an Investee, a Grantee, a Guarantee or a Crowdlender being applicable in relationship to CEI Africa.
<b>EFTA</b>	European Free Trade Association, an intergovernmental organisation of Iceland, Liechtenstein, Norway and Switzerland.
<b>EU</b>	European Union, an economic and political organisation between 27 European countries
<b>EU law</b>	Legislation approved by the European Parliament and the Council of the European Union.
<b>Facilitation payments</b>	Small, “under-the-table” payments aiming to expedite or secure the performance of routine governmental actions or administrative process.
<b>FATF</b>	Financial Action Task Force, the inter-governmental body whose purpose is the development and promotion of national and international policies to combat money laundering and the financing of terrorism.
<b>Financial crime</b>	Any kind of criminal conduct in the financial services or markets that include offences such as fraud or dishonesty, handling the proceed of crime, the financing of terrorism, market abuse, etc. In this definition, offence is to be intended as an act but also as an omission.
<b>Foundation Manager</b>	The entity responsible to render management services, to manage CEI Africa and its assets, and investments as well as to provide technical assistance by CEI Africa and grant activities of CEI Africa in accordance with the Foundation Management Agreement.
<b>Fraud</b>	Dishonest or reckless conduct that aims to make a gain or cause a loss (even if there is no actual victim or loss arising). Any intentional act, attempt or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain.
<b>Fraudulent practice</b>	Any act or omission, including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
<b>Grantee</b>	Developers of mini-grids who have been selected by CEI Africa and that enter into a grant agreement with CEI Africa.
<b>Guarantee</b>	A natural or legal person or entity benefiting from the promise by the Guarantor to fulfil contract obligations if another party fails to pay or perform.
<b>Investee</b>	Any party which CEI Africa lends money to (debt) or invests in (equity).
<b>PEP</b>	Politically Exposed Person as defined in Art. 2.1 of the Dutch Implementation Decree Wwft 2018.
<b>Public Official</b>	People who hold a legislative, administrative or judicial office (either appointed or elected); OR any person exercising a public function, including professionals working for a public agency, authority or a public enterprise (e.g., a state-owned enterprise or public utility); OR any official or agent of a public international organisation (OECD Glossary).
<b>Sanctionable Practice</b>	Any coercive, collusive, corrupt, fraudulent or obstructive practice which (i) is unlawful under EU, German, Dutch or other applicable law, and (ii) which has,

	<p>or potentially could have, a material legal or reputational effect on CEI Africa, its Borrowers, Contributors or outside parties.</p> <p><b>Coercive practice</b> means the impairing or harming, or threatening to impair or harm, directly or indirectly, any person or the property of the person with a view to influencing improperly the actions of a person.</p> <p><b>Collusive practice</b> means an arrangement between two or more persons designed to achieve an improper purpose, including to influence improperly the actions of another person.</p> <p><b>Obstructive practice</b> means deliberately destroying, falsifying, altering or concealing evidence material to the investigation or the making of false statements to investigators, in order to materially impede an official investigation into allegations of a Corruptive practice, Fraudulent practice, Coercive practice or Collusive practice; or threatening, harassing or intimidating any person to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or any act intended to materially impede the exercise of an authorized party's access to contractually required information in connection with an official investigation into allegations of the above-listed practices.</p>
<b>Service Provider</b>	A third party, such as an entity or an individual that provides services to CEI with the provision of the service(s) being governed by a service agreement between them. This also includes sub-contractors, when sub-contracting is allowed.
<b>Staff</b>	All those individuals employed by the Foundation Manager, with any form of employment agreement, who provide professional services to CEI Africa.
<b>Supervisory Council</b>	Supervisory entity of the conduct of management and on the general course of affairs of the Foundation.

## 5. Policy specifics

### 5.1 Roles and responsibilities

The **Board** of CEI Africa is ultimately responsible for the implementation of this Policy and for fostering an open and safe environment so that any violations of this Policy can be raised and dealt with. The Board is responsible for setting the “tone at/from the top” that demonstrates top-level commitment. The Board is also responsible for notifying the Supervisory Council if an investigation is required and about its status and outcome.

**The Compliance Officer**, under delegation of the Board, is responsible for periodically reviewing this Policy and its implementation; this is in principle done on an annual basis, or *ad hoc* if circumstances require to do so. Compliance is also responsible for providing support and advice about the provisions of this Policy, and any deviations from it, as well as for providing periodic training and awareness initiatives. The Compliance Officer provides reporting to the Board in relation to this Policy at least annually.

All **Staff**, as defined in section 4 of this Policy, are responsible for complying with all elements of this Policy and for familiarising themselves with how rules and principles described in this Policy apply – in general and in relation to their specific function within CEI Africa. When in doubt about the best course of action, they should seek guidance from the Compliance Officer or a member of the CEI Africa Board.

### 5.2 Policy Statements and Anti-Bribery and Corruption Principles

Bribery, whether committed in the Netherlands or abroad, is a criminal offence, carrying potential custodial sentences and inevitable reputational harm. CEI Africa has a **zero-tolerance** policy towards Bribery and Corruption. This zero-tolerance approach is endorsed and supported by the highest level

of management at the Foundation level, including the Board of CEI Africa, the Supervisory Council and the Foundation Manager.

The **only exception** to this approach can be made if the personal safety of an individual is in danger or is perceived to be in danger.

Bribery does not have to involve cash, or an actual payment exchanging hands and can take many forms such as a gift, lavish treatments during a business trip, tickets to an event, or also immaterial advantages including sexual exploitation and abuse. The types of Bribery that may take place are to (this list is not conclusive):

- Secure or keep a contract;
- Gain any advantage over a competitor in a tender;
- Bribe a local, national or foreign official to secure a contract or investment service;
- Turn a blind eye to a health safety issue or poor performance of a Service Provider;
- Falsify an inspection report or obtain a certificate.

CEI Africa's approach to Bribery also embeds the following points:

- CEI Africa or its Foundation Manager does not provide or accept gifts, hospitality or benefits of any type, if they can appear or be perceived as an attempt to obtain an illegitimate advantage;
- Forms of hospitality are always appropriate, in line with reasonable standards and customary practices, and with the nature of the commercial relation, wherever they take place;
- Facilitation payments are strictly prohibited;
- Donations<sup>2</sup> to political parties are not a common practice;
- Commercial Relations that involve Politically Exposed Persons (**PEPs**) are typically considered high-risk and subject to enhanced due diligence and ongoing monitoring;
- Falsifying or concealing any records or accounts that relate to CEI Africa business is strictly prohibited.

CEI Africa is aware of the risk of being subject to Corruption related incidents. This could happen in certain jurisdictions where CEI Africa maintains commercial interests (e.g., where Investees, Grantees, and other parties might be located). Some of these countries suffer from pervasive Corruption, and government officials can engage in Corruption with impunity.<sup>3</sup> This means that Public Officials might abuse their position and power in their everyday interaction with ordinary citizens when they try to access basic social services (e.g., hospitals, police departments, job market, communication, etc.).

CEI Africa does not tolerate direct or indirect payments or solicitation of bribes to Public Officials in any form.

As mentioned, a report on the effectiveness of the implementation of this Policy (i.e., if and how many reports were received and whether the internal process was adequate and efficacious) is submitted at least annually by the Compliance Officer to the Board and the Supervisory Council.

### **5.3 Tone from the Top**

CEI Africa's approach to the prevention of Bribery, Corruption and Fraud is strongly supported by the Board of CEI Africa and its Supervisory Council, and includes steps such as:

- Active involvement of the CEI Africa Board in developing prevention practices, in accordance with the risk assessment and appetite of the Foundation;

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<sup>2</sup> Employees' private donations and commitment are not covered by the Policy, as long as they do not create any conflicts of interest with their duties at CEI Africa (e.g., donations cannot be perceived as a way to obtain an illegitimate benefit or advantage), nor can they raise an integrity risk or concern.

<sup>3</sup> This is also because the ABC framework is in place but often poorly enforced.

- Provision of clear guidance on what constitutes a reasonable and proportionate course of action during normal business and what could, instead, be perceived as an undesirable action;
- Participation in training with the view of creating **knowledge** and **awareness** and strengthening an Anti -Bribery, Corruption and Fraud prevention culture;
- Prompt and appropriate actions when a Bribery or Fraud related incident or breach is identified;
- Open commitment and support to a culture of compliance.

Other standard prevention measures are the:

- Establishment of a proportionate Policy, aiming to provide clear guidance and orientation;
- Implementation of a risk assessment on a regular basis to ensuring the effectiveness and appropriateness of the current measures in place to deal with relevant events in relation to the business conducted by the Foundation;
- Completion of due diligence before the establishment of a commercial relation;
- Provision of training and awareness initiatives, so to be able to detect and identify red flags;
- Periodic monitoring and review of this Policy and of relevant records and accurate practices for keeping records up to date.

If a member of Staff becomes aware of, or suspects any violation (or potential violation) of this Policy, or any other Sanctionable practices, they are required to proactively and promptly report their concern(s) to the Compliance Officer, to a member of the CEI Africa Board or directly to the Supervisory Council.

#### **6. ABC related risks**

CEI Africa assesses ABC related risks of external parties (e.g., Customers, Service Providers, etc.) as part of the general risk management framework. A risk-based approach compliance helps CEI Africa achieve:

- The prevention of ABC related incidents;
- The provision of a potential defence of liability or otherwise a plea in mitigation where ABC issues arise;
- Compliance with any applicable regulatory or legal requirements (e.g., to establish and maintain effective and appropriate financial crimes systems and controls in place).

In this control environment, internal and external factors are identified and assessed, in light of the controls and mitigations in place that could reduce their impact. The following types of risk are identified, monitored and mitigated:

- Risks related to Staff
  - Members of Staff could be involved in Bribery-related events
- Risks related to dealing with Public Officials in certain jurisdictions
- Risks related to external parties, as mentioned above and in the list of Definitions and Terms (Customers, Service Providers, etc.)
  - They could be involved in Bribery or Corruption related events, causing breaches of integrity and reputational harm to CEI Africa
  - They could launder the proceeds of Bribery (e.g., criminal property) when returning funds to CEI Africa for a repayment of a loan
- Risks related to Services Providers
  - Service Providers could not be transparent when engaging with CEI Africa
  - Service Providers could work with subcontractors that are selected as the result of an improper external influence, and not because of their performance

At the Foundation's level, the likelihood and potential for Bribery, or unreasonable levels of hospitality and gifts to be offered to or received are considered minor. These measures aim to mitigate the above-listed risks and include:

- Internal governance, including the CEI Africa's Board's commitment to initiatives related to ABC risks prevention;
- Robust and merit-based recruitment and selection process, which qualified targets and eligible parties;
- A robust CDD process on Customers and Service Providers, that includes the prevention of financial crime as a key indicator, and on-going monitoring of their performance;
- A set of key policies that includes this Policy, the Conflicts of Interest Policy, the Compliance Policy and the Procurement Policy.
- Periodic reviews of these policies and monitoring of their effective implementation;
- Monitoring overflows of payments, to ensure correctness of wire transfers' details;
- Periodic training and awareness initiatives provided to all Staff.

In line with a risk-based approach to the prevention and detection of any forms of Bribery and Corruption, CEI Africa periodically assesses its own activities, products and services, as appropriate, to identify inherent risks and adopt policies, procedures and controls which are proportionate to the identified risks. The risk mapping in relation to Bribery and Corruption includes scenarios and compliance issues that are likely to occur, as described above. This exercise aims to fully understand the risks faced by CEI Africa, where controls in place to mitigate those risks are weak or insufficient, and where root cause analysis and remedial actions are needed.

#### **7. Anti-Bribery and Corruption and due diligence**

As part of CEI Africa approach to the prevention of financial crime, the appropriate level of due diligence is performed on all new and existing Customers and Services Providers, etc.: their actions could expose CEI Africa to legal liability as well as to reputational and integrity risks. CEI Africa takes reasonable steps to ensure all the parties it deals with have appropriate processes in place and that they do not offer, promise, pay, solicit, request or agree to receive a bribe in any forms as an acceptable practice. Legal agreements with these parties contain provisions relating to compliance with applicable laws and regulations (breach of which would be a reason for termination).

During the due diligence process risks related to Bribery and Corruption are identified and assessed. Risks related to Bribery and Corruption are assessed before establishing a commercial relation using indicators such as:

- Are Bribery and Corruption risks taken into account within the general Risk Management Framework of the organisation?
- Does the organisation maintain an ABC Policy with a (clear) description of the measures in place as well as clear roles and responsibility?
- Does the organisation offer specific ABC training?
- Are there negative records about the organisation, in relation to breaches of laws and integrity?

In relation to Service Providers, CEI Africa would typically use standard contract clauses which include:

- Anti-Bribery wording, or the request not to commit a Sanctionable Practice;
- A termination clause for acts of Sanctionable Practices (I.e., which also includes Bribery and Corruption).

The following considerations also apply:

- There is a legitimate need for the services/goods that they provide;



- Accordingly, engaging with a Service Provider is never used to create an incentive or to reward/secure an improper business advantage;
- The services and goods are priced at market value;
- The selected Service Providers have an undisputable reputation, with no negative news or court records appearing in media search.

Records of all agreements with external parties are accurate and detailed, so that the amount involved, and the purpose of a transaction are clear. No account or payment is kept off-book, and the layers of approvals involved prevent artificial, deceptive, or misleading entries.

If relevant gaps between the expected standards and the current practice are identified following the establishment of a commercial relation, an active engagement between CEI Africa and the relevant party then takes place to fill those gaps and maintain the commercial relation within an acceptable risk. Should this effort become unfeasible, then the commercial relation will be considered for termination.

## 8. Fraud Prevention

This section of the Policy sets forth the CEI Africa approach to the prevention, mitigation and reporting of fraud related events. A fraudulent practice is any act or omission, including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

As with other forms of financial crime, CEI Africa

- **Acknowledges** that it has an adverse impact on individuals, markets, and communities
- **Takes responsibility** for contributing to the protection of its stakeholders, and society in general from financial crime
- **Complies** with all the applicable requirements and has **zero-tolerance** of regulatory breaches
- Has **zero appetite** in conducting business with individuals/entities that are somehow engaged in criminal or unethical activities
- **Is committed** to the **highest standards** of integrity, efficiency and conduct of business

The business departments are the first line of protection in preventing and/or detecting fraud. Nevertheless, it is acknowledged that fraud can take place at all levels of the Foundation.

Likely examples of **internal fraud** that could materialize during the Foundation operation refer to:

- Expenses and invoices claims
- Theft of Intellectual property and strategic information
- Accounting and/or financial statement: (i.e., financial statements and/or other documents are intentionally altered or presented in such a way that they do not reflect the true value or financial activities of the Foundation. This can involve accounting manipulations, fraudulent raising of finance, etc.)

Likely examples of **external fraud** include:

- Procurement fraud (i.e., illegal conduct involving the purchase of services, goods or assets for the affected organisation, or involving bid/tender processes)
- Tax fraud (i.e., an illegal practice whereby an organization intentionally avoids paying its real tax liability)
- Investment fraud. This type of fraud can occur in the Crowdfunding (**CL**) window or in the Smart Outcome or Result-Based Financing (**RBF**) window

### 8.1 Crowdfunding Window

CEI Africa's crowdlending window invests in two ways: through the crowdfunding platforms (financing a portion of a campaign or being a co-lender) and through contracting directly with Investees/Borrowers. Possible scenarios for investment fraud within the CL window include:

- CFO Fraud / misrepresentation. This can be on different levels, for example (this is not an exhaustive list):
  - Misrepresentation of someone who pretends to be a representative of Investees/Borrowers towards a Crowdlender/CEI Africa to change their banking details so to receive (part of) the loan/investment disbursements;
  - Misrepresentation of someone who pretends to be a representative of a Crowdlender/CEI Africa towards Investees/Borrowers and attempts to change the banking details of the Crowdlender/CEI Africa to receive (part of) the repayments of loans / investments;
  - Intercompany: Misrepresentation of someone who pretends to be CFO of Parent Company/finance manager of local Operation Company (OpCo) of an Investee/Borrower that attempts to change banking details of either the Parent Co or OpCo;
- Ghost company that applies for funding of a Crowdlender or CEI Africa.

These risks are mitigated through the implementation of robust CDD verification procedures and the full adherence to certain eligibility criteria. A **“call-back” procedure**, triggered upon receiving drawdown notices with altered banking details, verify the identity of the requester and also to confirm the legitimacy of the request is completed before any changes are made.

## 8.2 Smart Outcome Window

In relation to the RBF process flow, a fraud could arise in relation to the qualification round of eligible companies (i.e., eligible for receiving funds). In addition, ghost companies could apply for the anticipated line of credit.

In order to prevent or mitigate a potential situation from arising, CEI Africa has established robust due diligence and verification of the eligibility criteria, including the verification of the connections (for the minimum portfolio size). In relation to the Smart Outcomes component, when considering funding to a local company, the RBF facility analyses what has been the impact on people, economy, environment (not only the installation of mini-grids or the number of connections) as well as the effective and productive use of energy equipment (i.e., solar panel).

In addition, it should be noted that the mini-grid sector is still a small sector which allows the verification of the reputation of any company applying for funding. Plenty of information about potential applicants for funding is available in the sector and this is a protection from fraud and fraudulent organizations. In this perspective, a potentially fraudulent organization could also be a company that does truly operate in the sector but is using equipment that was not verified and tested (i.e., does not meet technical criteria).

The Monitoring and Evaluation (M&E) process and the Verification Procedure also provide protection from potential fraud (i.e., through the verification and appraisal that the equipment meets certain technical criteria).

The approval process that is completed before the payment of grants also considers (and addresses, when needed) risks of potential fraud for the Foundation.

Financing agreements include reference to appropriate instruments (i.e., including negotiation of settlements, etc.) that enable CEI Africa to ensure compliance with applicable financial crime prevention legislation and with the expectation of professional and ethical conduct when establishing legal framework with entities applying to CEI Africa funding. An entity that is found to have engaged

in any criminal or unethical conduct, with regards to the topics covered in this Policy, would be excluded from accessing CEI Africa fundings.

### **9. Reporting and Investigation Procedure**

As soon as the suspicion of wrongdoing arises and/or is detected, it is mandatory to report the suspicion to and discuss it with the Compliance Officer at CEI Africa. It is key that suspicions of wrongdoing are handled with the utmost discretion, confidentiality and professionalism. It is acknowledged that an early detection of possible compliance and integrity concerns would prevent CEI Africa from entering into business relationships or performing activities which could expose it to serious financial and reputation risks and contributes to the overall integrity and transparency of the economic environment in which the Foundation operates.

The Compliance Officer will promptly inform the CEI Africa Board that a report has been received. Depending on the situation, the Compliance Officer – in consultation with the CEI Africa Board – will recommend the best course of action, keeping in mind the interest of the stakeholders involved. As part of the investigation process, the Compliance Officer will assess the materiality of the concern, its seriousness and impact and possible mitigation and remedies. If needed and depending on circumstances, the CEI Africa Board will consult with the Legal Counsel. In addition, and to the best course of the investigation, an *ad hoc* and *super partes* Committee might be created by the CEI Africa Board, for the decision on how to handle the case and proceed with the investigation. External reporting to the relevant authorities by the CEI Africa Board, and/or notification to the parties involved will be also considered, as advised by the Legal Counsel.

The Compliance Officer will keep in mind regulatory aspects as well as reputational issues associated with supporting a Bribery, Corruption or Fraud investigation. Integrity and compliance concerns are promptly reported to and discussed with the CEI Africa Board. The Compliance Officer, or the Board and the Supervisory Council will decide how to proceed once the outcome of the investigation is defined.

Part of the responsibilities of the Compliance Officer at CEI Africa is to ensure the correct implementation of this Policy, to provide appropriate guidance when suspicious cases are reported and act as the first point of contact in relation to the issues covered in this Policy.

It is critical that incidents related to Bribery and Corruption, as well as to Fraud, are prevented or reported, as soon as suspected or detected. Failure to report will result in disciplinary actions.

#### **9.1 Confidential and anonymous reporting**

CEI Africa recognizes that the decision to report a Suspicion of wrongdoing can be a difficult one to make. The Foundation encourages all relevant parties to raise their concerns through the reporting mechanism included in this Policy. If required so by the individual(s) reporting a concern, their identity is kept confidential, unless the following circumstances apply:

- CEI Africa is legally required by the applicable law to disclose information regarding a reported concern to an external party who is legitimately authorised (e.g., to obey a court order, or information request from a public authority, such as the police, etc.);
- A criminal offence must be reported to the relevant authorities;
- The investigation process reveals the source of the information and a statement by the individual may be required as part of the evidence;
- It is strictly necessary to know the identity of the individual(s) reporting a concern (e.g., safety or vital interests).

CEI Africa also offers the possibility of reporting a suspicion **anonymously** by contacting the Compliance Officer via an anonymous message sent to:

The attention of the Compliance Officer at Triple Jump  
Mensinghe 78  
1083 HG Amsterdam  
The Netherlands

Anonymous reporting, however, implies some disadvantages, such as that the investigation cannot take place based on hearing both sides, nor could the Compliance Officer put questions to the anonymous reporter.

CEI will therefore endeavour to engage an external ombudsperson to receive anonymous hints. This will also enable an exchange of information between the Whistleblower and the Compliance Officer.

#### **10. Monitoring and Sanctions for non-compliance**

The Compliance Officer of CEI Africa periodically assesses CEI Africa's adherence to the provisions of this Policy, and with applicable rules and regulations. Should a breach be identified, prompt action is taken by the Foundation. Any relevant matter related to this Policy is reported to the Board or the Supervisory Council of CEI Africa.

Violation of any elements of this Policy could result in civil and criminal penalties against CEI Africa and could also subject a culpable member of Staff to prosecution, criminal fines and imprisonment. Regardless of any criminal and civil sanctions, failure to comply with any elements of this Policy could be ground for disciplinary actions against a member of Staff, including suspension or termination of employment.

Records related to the topic covered in this Policy are retained by the Compliance Officer for five years following the creation of the record.

#### **11. Review of Policy**

This Policy is reviewed periodically, and at least on an annual basis, unless specific circumstances require an ad hoc review, such as a regulatory development, a change in CEI Africa business or strategy, or an event in the industry such a fine for deficiencies in ABC measures.

The Compliance Officer will submit the revised version of this Policy to the Board of CEI Africa and the Supervisory Council for final approval. Once this is done, the new version of the Policy is circulated across the relevant parties and, if required, training is organized to address substantial changes in the Policy and its application.

**Annex 1 – Potential red flags for recognising Bribery and/or Corruption**

**Annex 2 - Potential red flags for recognising Fraud**

**Annex 3 – Reporting Form**

**Annex 1 – Potential red flags for recognising Bribery and/or Corruption Examples (not exhaustive)**

**Internal flags**

- Showing an unusual amount of interest in an investment of procurement contract;
- Not declaring connections with a bidder (e.g., family member or friend) and other actual or perceived conflicts of interest;
- Undisclosed outside business interests or front companies owned by the contracting party;
- Not reporting low quality of service, under-performance, late deliveries, etc.;
- Accepting excessive offers of gifts, benefits or hospitality;
- Releasing confidential information;
- Requests for approval of a significantly excessive budget or unusual expenditures;
- Expense patterns that do not appear reasonable.

**Customers**

- Requests for payments to charities, or sponsorship, in exchange for business contracts;
- Refusal to provide written assurances about compliance with all ABC policies and legal requirements in the country;
- Failure to cooperate with the due diligence investigation or refusal to answer questions or make representations and warranties;
- Refusal/hesitation to accept audit and objectionable practices clauses in contracts;
- Requests for anonymity or insistence that a specific identity remains confidential or that the relationship remains secret;
- Refusal to disclose the source of wealth of beneficial owners, directors, officers, or other principals (in case of PEPs and others as described in the Compliance Policy).

**Service providers and suppliers**

- Not declaring connections with another bidder (e.g., same names, contact details);
- Showing inadequate financial resources;
- Refusal/hesitation to accept audit and objectionable practices clauses in contracts;
- Submitting bids that vary significantly from others.

**Annex 2 - Potential red flags for recognising Fraud Examples (not exhaustive)**

**Internal flags**

- Accounting practices that are never subject to external scrutiny
- Continuous and excessive submission of expense claims
- Submitting business cases for procurement without a clear organisational benefit and need
- Use of business funds for personal reasons

**External flags**

- Unusual or frequent requests to change bank account details and being reluctant to provide evidence
- Investees or external entities being untruthful about a specific event
- Causing damage intentionally (i.e., to equipment) and pretend it was an accident

### **ANNEX 3 – Reporting Guideline**

When reporting a suspicion of wrongdoing in relation to the topic covered by this Policy, or a violation of the Policy, the following details should be provided (please provide as much as relevant information as possible):

- The background history and nature of the event(s):
- What happened?
- Who was involved? Names of the person(s), parties and/or businesses involved
- Where did it happen?
- When did it happen? (approximate data and location of the event(s))
- Why did it happen, for what purpose? (if known)
- How did it happen?
- Possible witness(es) to the event(s)
- Any documents or other available evidence to support the information provided (e.g., written Memo, reports, invoices, emails, text messages, voice mails, etc.)