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Introduction

Ruwad alHoukouk FR is committed to conducting its operations with the highest standards of integrity, transparency, and accountability. We recognize that corruption and fraud pose significant threats to the achievement of our mission and the well-being of the communities we serve. This policy outlines our commitment to preventing and combating corruption and fraud and provides detailed guidelines and procedures to ensure compliance with applicable laws and regulations.

Definitions

- a. Corruption: Corruption refers to any abuse of entrusted power for personal gain or benefit, including but not limited to bribery, embezzlement, fraud, extortion, nepotism, money laundering, kickbacks, conflict of interest, or any other illegal or unethical activities.
b. Fraud: Fraud refers to intentional misrepresentation, deceit, or manipulation with the intent to gain an undue advantage, cause financial loss, or deceive others. It includes fraudulent financial reporting, misappropriation of assets, falsification of records, and any other fraudulent activities.
c. Personnel: Personnel refers to all employees, volunteers, board members, contractors, consultants, interns, donors, and any other individuals representing Ruwad alHoukouk FR .

Anti-Corruption and Anti-Fraud Principles

- a. **Zero Tolerance:** Ruwad alHoukoug FR has a zero-tolerance policy towards corruption and fraud in any form. We strictly prohibit our personnel from engaging in corrupt or fraudulent activities, and we encourage the reporting of any suspicions or instances of corruption or fraud.
- b. **Compliance with Laws and Regulations:** We are committed to complying with all Lebanese applicable laws and regulations related to corruption, fraud, and financial management. We expect all personnel to adhere to these laws and regulations.
- c. **Ethical Conduct:** We expect all personnel to maintain the highest standards of ethical conduct and to act with honesty, integrity, and fairness in all their dealings. This includes avoiding conflicts of interest, ensuring accurate and transparent reporting, and using their positions or authority for the benefit of the organization and the communities we serve.
- d. **Transparency and Accountability:** We are committed to transparency and accountability in our operations. We strive to ensure that our financial transactions, decision-making processes, and partnerships are transparent, well-documented, and subject to appropriate internal controls. Financial records and reports are maintained accurately and in accordance with applicable accounting standards.
- e. **Risk Assessment:** We regularly conduct comprehensive corruption and fraud risk assessments in our operations, including those associated with our programs, partnerships, fundraising activities, and financial management. We identify and evaluate corruption and fraud risks and take appropriate measures to mitigate these risks. We promote a culture of integrity and vigilance within the organization.

Prevention Measures

- a. **Code of Conduct:** Ruwad alHoukoug FR has developed a comprehensive Code of Conduct that outlines expected standards of behavior for all personnel. The Code of Conduct explicitly prohibits corrupt and fraudulent activities, and provides detailed guidance on ethical decision-making, including examples of situations that may involve corruption and fraud risks. The Code of Conduct should be easily accessible to all personnel and regularly communicated, emphasizing the organization's commitment to ethical conduct, integrity, and zero tolerance for corruption and fraud. It should also provide information on where personnel can seek guidance and clarification on ethical dilemmas and concerns.

The Code of Conduct includes the following elements:

- i. **Integrity and Honesty:** Personnel are expected to demonstrate integrity, honesty, and fairness in all their interactions and dealings, both within the organization and with external stakeholders.

ii. **Conflicts of Interest:** Personnel should avoid situations where personal interests conflict or appear to conflict with the interests of the organization. They are required to disclose any actual or potential conflicts of interest and follow appropriate procedures to manage and mitigate them.

iii. **Bribery and Kickbacks:** Personnel must not offer, solicit, or accept bribes, kickbacks, or any other form of improper payments or inducements. This includes gifts, entertainment, or hospitality that may influence or be perceived to influence business decisions.

iv. **Gifts and Hospitality:** Guidelines are provided to help personnel navigate situations involving gifts and hospitality, emphasizing that they should not accept or provide gifts or hospitality that could compromise their objectivity or create conflicts of interest. Restrictions on accepting gifts or hospitality from external parties, particularly those with whom the organization has business relationships, are clearly outlined.

v. **Whistleblowing and Reporting:** Personnel are encouraged to report any suspicions or instances of corruption, fraud, or ethical violations through the designated reporting channels. The Code of Conduct emphasizes the organization's commitment to protecting whistleblowers from retaliation and ensures confidentiality and anonymity as appropriate.

vi. **Confidentiality and Data Protection:** Personnel are expected to respect the confidentiality of sensitive organizational and personal information. They should handle data and information in compliance with relevant data protection laws and internal policies.

vii. **Fair Competition and Anti-Trust:** Personnel must comply with all applicable competition and anti-trust laws and avoid engaging in anti-competitive practices or agreements that restrict fair competition.

viii. **Political Activities:** Guidelines are provided to ensure that the organization's activities remain non-partisan and do not unduly influence political processes or favor any political party or candidate.

ix. **Responsible Use of Resources:** Personnel should use the organization's resources, including financial, material, and intellectual assets, responsibly and for legitimate purposes.

x. **Compliance with Laws and Regulations:** Personnel must comply with all applicable laws, regulations, and policies related to their roles and responsibilities, including anti-corruption laws, anti-bribery laws, and regulations against money laundering.

xi. **Training and Compliance:** Personnel are required to familiarize themselves with the Code of Conduct and participate in relevant training programs to understand and uphold its principles. Compliance with the Code of Conduct is mandatory for all personnel, and violations may result in disciplinary action.

b. Training and Awareness: We provide regular anti-corruption and anti-fraud training and awareness programs to educate our personnel about corruption and fraud risks, relevant laws and

regulations, and the consequences of non-compliance. All personnel, including new hires and volunteers, are required to complete these training programs.

c. **Reporting Mechanism:** We maintain a confidential and accessible reporting mechanism for personnel to report any suspicions or instances of corruption or fraud. This mechanism ensures that reports are treated with the utmost confidentiality, and appropriate measures are taken to investigate and address reported cases. Whistleblower protection measures are in place to safeguard individuals who report in good faith.

d. **Due Diligence:** We conduct thorough due diligence on our partners, contractors, suppliers, donors, and other relevant entities to assess their integrity and anti-corruption measures before engaging in business relationships. We prioritize working with entities that share our commitment to anti-corruption and anti-fraud.

e. **Internal Controls:** We establish and maintain robust internal controls to prevent and detect corruption and fraud. These controls include, but are not limited to, proper financial management systems, segregation of duties, regular internal and external audits, monitoring of compliance with this policy and applicable financial regulations, and the implementation of effective anti-fraud mechanisms.

Anti-Fraud Mechanism

It is crucial for Ruwad alHoukouk FR to establish a strong culture of trust, openness, and accountability to ensure that personnel feel safe and supported when reporting concerns or wrongdoing. Clear communication and training on whistleblower protection measures are essential to ensure personnel are aware of their rights and the processes in place to address their concerns. The anti-fraud and anti-corruption mechanism include:

a. **Fraud Risk Assessment:** We conduct periodic fraud risk assessments to identify and evaluate potential fraud risks within our operations. This assessment includes reviewing financial processes, procurement practices, grant management, payroll systems, and other relevant areas susceptible to fraudulent activities.

b. **Fraud Prevention Procedures:** We implement specific fraud prevention procedures, including but not limited to:

i. **Strong Financial Controls:** Implementing internal controls and segregation of duties to prevent unauthorized access, fraudulent activities, and misappropriation of assets.

ii. **Fraud Reporting:** Establishing channels and procedures for personnel to report suspected or actual instances of fraud, ensuring confidentiality, protection against retaliation, and providing clear guidelines on reporting mechanisms.

- iii. **Whistleblower Protection:** Implementing policies and measures to protect whistleblowers who report fraud in good faith, including confidentiality safeguards and non-retaliation provisions.
 - iv. **Review and Monitoring:** Conducting regular reviews and monitoring of financial transactions, accounts, and processes to detect and prevent potential fraudulent activities. Conducting surprise audits and periodic assessments of high-risk areas.
 - v. **Vendor and Contractor Screening:** Conducting due diligence on vendors, contractors, and suppliers to assess their integrity, financial stability, and compliance with anti-fraud measures.
 - vi. **Anti-Fraud Training:** Providing **training** to personnel on fraud awareness, detection, and prevention strategies, including recognizing red flags, reporting procedures, and ethical behavior.
- c. **Investigation and Response:** Promptly investigating any reported or suspected instances of fraud, utilizing independent and impartial investigative procedures. Taking appropriate action to address confirmed cases of fraud, including disciplinary measures, legal action, restitution, and implementing corrective actions to prevent recurrence.
- d. **Continuous Improvement:** Regularly reviewing and updating the anti-corruption and anti-fraud policies and procedures to address emerging risks and changing regulations. Implementing lessons learned from fraud incidents to enhance prevention measures and controls.

Reporting and Investigation

All reports of suspected or actual corruption or fraud will be promptly and thoroughly investigated. The investigation will be conducted in a fair, impartial, and confidential manner, ensuring due process and protecting the rights of all parties involved. The results of the investigation will be communicated to the appropriate stakeholders, and appropriate actions will be taken to address any substantiated cases of corruption or fraud.

Reporting Procedures:

- a. **Clear Reporting Guidelines:** Ruwad alHoukoug FR provides clear guidelines to personnel on how to report suspected or actual instances of fraud. These guidelines should include instructions on using the designated reporting channels, emphasizing the importance of providing detailed and accurate information to facilitate effective investigation.
- b. **Whistleblower Protection:** Ruwad alHoukoug FR assures personnel that they will be protected from retaliation for reporting fraud in good faith. The reporting procedures should clearly state that whistleblowers will not face any adverse actions, such as termination, demotion, harassment, or discrimination, as a result of their report. This includes emphasizing the organization's non-retaliation policy and the confidential and anonymous reporting options available.

c. **Reporting Form or Template:** Ruwad alHoukoug FR may provide a standardized reporting form or template to guide whistleblowers in providing relevant information about the suspected or actual fraud. The form may include fields for describing the incident, identifying individuals involved, providing supporting evidence, and specifying the time and location of the occurrence.

d. **Supporting Documentation:** Ruwad alHoukoug FR encourages whistleblowers to provide any supporting documentation, such as emails, invoices, financial records, or other evidence related to the reported fraud. Instructions should be given on how to securely submit and protect the confidentiality of such documents.

e. **Acknowledgment of Receipt:** Upon receiving a whistleblower report, Ruwad alHoukoug FR acknowledges the receipt to the whistleblower. This acknowledgment assures the whistleblower that their report has been received and is being taken seriously. The acknowledgment may include a unique reference number for future communication or inquiries related to the report.

f. **Timely Response and Investigation:** Ruwad alHoukoug FR ensures that all reports of fraud are promptly and thoroughly investigated. The investigation process follows established procedures and involves designated individuals or committees who are independent, impartial, and free from conflicts of interest. Whistleblowers should be informed of the estimated timeframe for the investigation and any updates or outcomes once the investigation is concluded.

g. **Confidentiality and Data Protection:** Ruwad alHoukoug FR emphasizes the importance of maintaining confidentiality throughout the reporting and investigation process. Only authorized individuals involved in the investigation have access to the information provided by the whistleblower. Data protection measures are implemented to safeguard the whistleblower's identity and the information provided.

h. **Whistleblower Support:** Ruwad alHoukoug FR offers support and assistance to whistleblowers throughout the reporting and investigation process. This support may include access to legal advice, counseling services, or protection measures to mitigate any potential adverse consequences arising from their report. Whistleblowers should be provided with information on available support resources and contact

Whistleblower Protection Measures

a. **Confidential Reporting Mechanism:** We maintain a confidential and secure reporting mechanism to enable personnel to report suspicions or instances of corruption, fraud, or ethical violations. This reporting mechanism can include various channels such as a dedicated email address, hotline, or online reporting system. The organization ensures that the reporting mechanism is easily accessible, well-publicized, and widely known to personnel.

b. **Confidentiality and Anonymity:** We are committed to protecting the identity and confidentiality of whistleblowers. All reports received through the reporting mechanism are

treated with the utmost confidentiality. Whistleblowers have the option to remain anonymous, and mechanisms are in place to ensure their identity is not disclosed unless required by law or with their explicit consent.

c. **Non-Retaliation Policy:** We have a strict non-retaliation policy, which prohibits any form of retaliation against whistleblowers who report suspicions or instances of corruption, fraud, or ethical violations in good faith. This policy covers protection against any adverse actions, including but not limited to termination, demotion, harassment, or other forms of discrimination. The organization communicates this policy clearly to all personnel and emphasizes the consequences of violating it.

d. **Confidentiality Obligations:** All personnel involved in the handling of whistleblower reports, including those responsible for receiving, assessing, and investigating reports, are bound by strict confidentiality obligations. They are trained on the importance of maintaining confidentiality throughout the process and are reminded of the consequences of breaching confidentiality.

e. **Independent Investigation:** Whistleblower reports are promptly and impartially investigated by ad-hoc designated individuals or committees within the organization. These individuals or committees should be independent, have the necessary expertise, and be free from any conflicts of interest related to the reported matter. The investigation process follows fair procedures and principles of natural justice, ensuring that the rights of all parties involved are respected.

f. **Reporting and Feedback:** Whistleblowers receive acknowledgment of their reports and are provided with periodic updates on the status and outcome of the investigation, within the limits allowed by confidentiality obligations and legal requirements. This helps foster trust and confidence in the reporting process.

g. **Whistleblower Support:** We provide support and assistance to whistleblowers throughout the reporting and investigation process. This may include access to legal advice, counseling services, and protection measures to mitigate any potential adverse consequences arising from their report.

h. **Continuous Monitoring and Evaluation:** We continuously monitors the effectiveness of our whistleblower protection measures and periodically evaluates their implementation. Feedback from whistleblowers and lessons learned from reported cases are used to improve the reporting mechanisms and overall protection framework.

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Disciplinary Measures

Violation of this Anti-Corruption and Anti-Fraud Policy may result in disciplinary action, up to and including termination of employment or partnership, in accordance with applicable laws and regulations.

Review and Updates

This Anti-Corruption and Anti-Fraud Policy will be regularly reviewed and updated to ensure its continued relevance and effectiveness. Changes to the policy will be communicated to all personnel, and necessary training and awareness programs will be conducted to ensure understanding and compliance.

Conclusion

By adhering to this anti-corruption policy and following the procedures outlined herein, Ruwad alHoukoug FR strives to foster a culture of integrity, transparency, and accountability. We encourage all personnel to actively participate in preventing and combating corruption and to report any suspicions or instances of corruption promptly. Together, we can make a significant impact in creating a corruption-free environment and upholding the values and mission of our organization.