

FRAUD AND CONFLICT OF INTEREST PREVENTION POLICY

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REVIEW CYCLE: ANNUALLY, OR UPON MATERIAL ORGANISATIONAL CHANGE

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Introduction

The ProTerra Foundation is a non-for-profit organisation with a long-standing history and experience of promoting social and environmental sustainability in the food and feed supply chain and segregated materials.

The Foundation envisages a world where all businesses contribute to the protection of biodiversity, conserve natural resources and ensure that workers and local communities are treated with dignity and respect.

ProTerra Foundation's mission is to promote a global network of businesses that support more sustainable production practices in the food and feed supply chains.,

Companies are facing an increasing number of challenges. The ProTerra Standards have been developed to promote social and environmental sustainability throughout the food and feed supply chains, to support stakeholders in their efforts to continuously improve their day-to-day practices and to help businesses in engaging and implementing the concept of sustainable development.

The ProTerra Foundation is committed to conducting its work in accordance with the highest standards of integrity, accountability, and transparency. As a non-profit organisation working to promote sustainable and socially responsible practices in agricultural and food supply chains, we recognise that trust is essential to achieving our mission.

Scope

This policy outlines the measures in place to prevent, identify, and address both fraud and conflicts of interest within the Foundation. It reflects our responsibility to ensure that all decisions and actions taken on behalf of the Foundation are made in the best interest of the organisation, free from improper influence or personal gain.

This policy covers individuals who have a duty of loyalty to the Foundation. This includes members of the Board of Directors, the Secretariat and the staff. In addition, the following individuals are included: members of committees, consultants or advisory groups that have the authority to make decisions for the Foundation or recommendations to the Board regarding specific actions.

Purpose and applicability

A **conflict of interest** is defined as a situation in which a person, such as an employee, or a member of a committee or group, has a private or personal interest that may appear to influence the objective performance of his or her official duties.

A conflict of interest can take various forms, including private engagements outside employment, financial interests, family and personal relationships, gifts, meals, vacations and other favours.

The purpose of this policy is to protect the integrity of the decision-making process of the ProTerra Foundation when persons in a position to influence a decision have a private interest in the outcome of the decision. It is essential for the ethical operation of the Foundation and the protection of public confidence that the Foundation does not offer special treatment to any person because of that person's relationship with it. The Foundation must handle conflict of interest situations professionally and ethically to avoid conflicts of interest that could damage the personal reputation and that of the ProTerra Foundation.

Fraud is defined as any act of deception intended to secure personal or financial gain through dishonest means. This includes, but is not limited to, the misappropriation or theft of funds or assets; the falsification of documents, invoices, or financial records; bribery, kickbacks, or the misuse of authority for personal benefit; or the concealment or failure to report knowledge of fraudulent activity.

Fraud is detrimental to our mission, damages our reputation, and diverts resources away from the people and communities we aim to support.

Principle

Individuals are required to act in accordance with their professional judgment for the sole benefit of the Foundation and to act in such a way that no conflict of interest or the appearance of such a conflict arises.

An individual should refrain from entering into specific transactions or any relationships that could potentially compromise their duty of loyalty and diligence to the Foundation.

Should the Foundation determine that a conflict of interest or appearance of such conflict exists, the person in question may be asked to correct or remedy the situation immediately.

Individuals in supervisory roles are required to actively avoid conflicts of interest in their area of responsibility, including ongoing or planned activities. Furthermore, they are required to recognise and document any conflicts of interest, as well as determine whether any reported conflicts exist.

The Foundation fosters an environment where concerns can be raised without fear of retaliation. Any individual who suspects fraud, corruption, or a serious conflict of interest is urged to report it through

the designated channels, which may include a confidential email address managed by the executive team or direct communication with a member of the Board.

All reports will be treated with the utmost seriousness, kept confidential, and investigated promptly. This policy and the relevant legislation provide comprehensive protection to whistleblowers against any form of retaliation.

Should a concern be raised, the designated investigation team will undertake the following actions:

- The initial assessment is to be conducted within seven (7) business days;
- If appropriate, a full investigation should be launched, with the aim of concluding within thirty (30) days;
- The findings should be communicated to the Managing Director and, when relevant, the Board;
- Recommendations for corrective actions should be proposed, which may include disciplinary measures, dismissal, reporting to law enforcement, or changes in policy or practice.

To ensure that this policy is understood and respected by all members of the organisation, new employees and board members are asked to read the company documents, including this policy, at the time of joining.

The policy is made publicly available and reviewed at least once per year.

Breach of this policy

Breaches of our policies and guidelines or local laws will result in remedial, corrective or disciplinary actions up to and including termination of employment.

Should you have any questions regarding ProTerra policies, please do not hesitate to contact us at: info@proterrafoundation.org