

Approved by order

No. 87/24 dated 06.11.2024

of the executive director

OF THE RELIGIOUS MISSION "CARITAS-SPES"
/CARITAS-SPES/ OF THE ROMAN CATHOLIC
CHURCH IN UKRAINE

Policy

**on countering corruption, fraud and money laundering
and the financing of terrorism**

Introduction

The policy is intended to reflect the commitment of the Religious Mission Caritas-Spes of the Roman Catholic Church in Ukraine (hereinafter referred to as the Mission) to high ethical standards in the management of financial resources, adherence to best practices in organisational management and strengthening of reputation.

The purpose of this policy is to establish controls to ensure compliance with all anti-corruption, anti-fraud, anti-money laundering and anti-terrorist financing regulations and to ensure that all projects and programmes are implemented in accordance with the highest ethical and social standards.

Section 1: Terms.

1.1. "Corruption" - the use by a person¹ of his/her official powers or opportunities related to them for the purpose of obtaining an unlawful benefit. Or acceptance of such benefit or acceptance of a promise/offer of such benefit for oneself or other persons or at one's request to other individuals or legal entities in order to induce this person to unlawfully use the official powers or related opportunities granted to him/her.

1.2. "Gift" - cash or other property, benefits, privileges, services, intangible assets provided/received free of charge or at a price lower than the minimum market price.

1.3. "Improper advantage" or "Bribe" - money or other property, advantages, benefits, services, intangible assets, any other benefits of an intangible or non-monetary nature that are promised, offered, provided or received without legal grounds.

1.4. "Fraud" - taking of another's property or the acquisition of a right to property by fraud or breach of trust.

1.5. "Acceptance of an offer, promise or receipt of an undue advantage by an official" - acceptance of an offer, promise or receipt of an undue advantage by an official, as well as a request to provide such an advantage for oneself or a third party for the performance or non-performance by such an official of any action using the power or position of authority granted to him/her in the interests of the person offering, promising or providing the undue advantage, or in the interests of a third party.

1.6. "Money Laundering (Legalisation [laundering] of the proceeds of crime)" - acquisition, possession, use, disposal of property in respect of which the actual circumstances indicate that it was obtained by criminal means, including the execution of a financial transaction, a transaction with such property, or the movement, change of form (transformation) of such property, or actions aimed at concealing, disguising the origin of such property or possession of it, the right to such property, its source, location, if these actions are committed by a person who knew or should have known that such property was directly or indirectly, in whole or in part.

1.7. "Terrorist financing" - the provision, collection or storage of any assets, directly or indirectly, for the purpose of using them or knowing that they will be used in whole or in part for any purpose by an individual terrorist or terrorist group (organisation), or for organising, preparing or committing a terrorist act, involvement in the commission of a terrorist act, public calls for the commission of a terrorist act, creation of a terrorist group (organisation), facilitation of a terrorist act, training in terrorism, crossing the state border of

¹ referred to in part one of Article 3 of the Law of Ukraine "On Prevention of Corruption" dated 14.10.2014 No. 1700-VII

Ukraine for terrorist purposes, conducting any other terrorist activity, as well as attempts to commit such acts.

1.8. "Nepotism" - means any of the following: **(a)** giving preference in work matters to family members or friends regardless of their competence, **(b)** showing favourable treatment through personal relationships rather than through a professional and objective assessment of skills and qualifications.

1.9. "Conflict of interest" – a situation when a person has a personal interest that affects or may potentially affect the impartial and objective performance of his or her official duties².

The specifics and details of the classification and/or qualification of the above terms are determined by the legislation of Ukraine, including the Criminal Code of Ukraine dated 05.04.2001 No. 2341-III³, the Law of Ukraine "On Prevention of Corruption" dated 14.10.2014 No. 1700-VII, as well as other legislation.

In the event that the legislation of Ukraine, as a result of amendments, provides for a different definition of the above actions, the above actions will be used in this policy in the sense of the current legislation.

Section 2: general provisions.

2.1. The Mission shall strive to create an environment conducive to **(a)** the achievement of the Mission's core mission and to the prevention and combating of **(b)** fraud, corruption, money laundering, terrorist financing, obtaining of undue advantage and other prohibited practices in accordance with applicable laws and international instruments with legal force in Ukraine⁴. In this regard, the Mission expects all individuals and entities cooperating with the Mission to comply with the Mission's policies and codes (including, but not limited to, this Policy) and to take appropriate measures to prevent and counteract any Prohibited Activities.

The Mission points out that Prohibited Activities in any form are unacceptable. The Mission will maintain zero tolerance and in no way tolerate any Prohibited Acts in the work of the Mission and persons cooperating with the Mission. All forms of Prohibited Conduct violate the ethical norms and standards of the Mission and contradict the fundamental principles of the Mission.

2.2. In its activities and in accordance with the values, fundamental principles and Mission it seeks to achieve:

A) a culture of high ethical standards of activity of the Mission's staff in the implementation of projects and programmes;

B) compliance with the current legislation of Ukraine;

² The term is not intended to be identical to the terms "potential conflict of interest" and/or "actual conflict of interest" in accordance with Article 1 of the Law of Ukraine "On Prevention of Corruption" dated 14.10.2014 No. 1700-VII.

³ Hereinafter referred to as the "CCU".

⁴ The actions listed in subparagraph (b) are hereinafter referred to collectively as the "Prohibited Acts".

- C)** compliance with contractual and other obligations with partners and contractors;
- D)** compliance with the Mission's policies and procedures;
- E)** adherence to the principles of transparency and accountability to donors, partners, employees, and beneficiaries of the Mission.

Section 3: Scope of the Policy.

3.1. The Policy applies to any violations or suspected violations in relation to the legal relations that are the subject of this Policy, including the Prohibited Acts and other actions specified in the Policy.

All employees, volunteers, contractors, consultants, contractors, local partners of the Mission are obliged to act in accordance with the provisions of the Policy.

3.2. In addition to the Prohibited Acts, the Mission considers unacceptable **(a)** Nepotism or nepotism, **(b)** Conflict of Interest⁵, **(c)** violation of the rules for handling Gifts⁶.

The Mission adheres to high standards in the handling of Gifts. Mission employees are prohibited from accepting Gifts from beneficiaries, consultants, contractors, counterparties and other stakeholders of the Mission.

Section 4: Principles of Counteraction and Prevention of Prohibited Actions.

4.1. In their daily work, the Mission's staff, volunteers, consultants, contractors and partners are obliged to:

A) avoid actions and situations that could in any way be suspected of Prohibited Acts and/or Unacceptable Acts;

B) work or cooperate in such a way as to prevent the occurrence of Prohibited Acts and/or Improper Conduct to the maximum extent possible;

C) to ensure that all operational processes are clearly defined and transparently administered, assessing the risks of Prohibited Acts and/or Unacceptable Acts;

D) to work to promote the principle of zero tolerance and the eradication of Prohibited Acts and/or Unacceptable Acts.

E) Not to commit Prohibited Acts and/or Unacceptable Acts.

4.2. The Mission's management (Executive Director) is obliged to take measures to ensure that the Mission's activities are carried out in a manner that is consistent with the principles of the Charter:

A) preventing any occurrence of Prohibited Acts and/or Unacceptable Acts;

B) handling any complaints related to the Prohibited Acts and/or Unacceptable Acts.

Section 5: methods of preventing corruption, fraud, money laundering and terrorist financing.

5.1. The Mission shall use the following methods to prevent Prohibited Acts and/or Unacceptable Acts:

A) Training and familiarisation of employees, volunteers, consultants, contractors and partners with the provisions of this Policy;

⁵ This refers to cases in which the conflict of interest does not qualify as an offense under the law, but violates the ethical and moral standards of the Mission and/or the Mission's policies and regulations.

⁶ Hereinafter, all actions specified in this subclause 3.2. are referred to as "Unacceptable Acts".

B) Inclusion of clauses in the Mission's contracts obliging the Mission's contractors and subcontractors to comply with the policies, regulations, codes and procedures adopted and used by the Mission⁷;

C) Ensure that all income and expenses, as well as receipts, invoices and supporting documents, are recorded;

D) Implementation and enforcement of internal financial control;

E) Restriction and strict control of access to confidential information;

F) Conducting a systematic internal audit to verify financial activities and compliance with approved policies, regulations, codes, procedures adopted and used by the Mission;

G) Establish clearly defined staff functions and reporting lines;

H) Awareness of staff to recognise signs of Prohibited Acts and/or Unacceptable Acts;

I) Procurement in accordance with the Mission's procedures, regulations and policies;

J) Adherence to a clear payment authorisation matrix in accordance with the procurement procedure.

Section 6: liability.

6.1. Mission staff members shall comply with the provisions of this Policy in the course of their work and avoid actions that may lead to the commission of Prohibited Acts and/or Unacceptable Acts.

In case of proven violation of the provisions of this Policy by the Mission's employees, such employees may be brought⁸ to disciplinary responsibility as provided for by the Labour Code of Ukraine of 10.12.1971 No. 322-VIII. The conditions, procedure for bringing to disciplinary liability, types of disciplinary liability shall be determined in accordance with the Labour Code, taking into account the provisions of the Internal Labour Regulations.

6.2. Individuals, volunteers, consultants, contractors, counterparties and partners with whom the Mission enters into civil and/or other agreements shall comply with the provisions of this Policy⁹ when cooperating with the Mission. Violation of the provisions of the Policy by these persons will be grounds for termination of contractual relations with these persons¹⁰.

6.3. Persons who have committed acts that include acts of corruption, fraud, money laundering and terrorist financing, obtaining unlawful benefits, as well as other acts that constitute crimes within the meaning of applicable law, shall be liable in accordance with the applicable law.

Section 7: notifications.

7.1. All employees, volunteers, consultants, contractors, contractors and partners of the Mission are obliged to report Prohibited Acts. Reports of violations of the Policy shall be determined and submitted in accordance with the Complaints and Feedback Procedure of RM "Caritas-Spes" of the RCC in Ukraine. Each employee must be trained and familiarised with this mechanism when hired by the Mission. The procedure is also available on the Mission's website.

⁷ The terms of this clause shall apply if the relevant counterparty has agreed to include such a clause in the contract and shall not apply if the relevant counterparty has not agreed to include such a clause in the contract.

⁸ In cases where it is provided for in accordance with the Labor Code of Ukraine.

⁹ Provided that the respective counterparties have agreed to comply with the provisions of this policy by including a respective clause in the contract, a memorandum is concluded between the counterparty and the CSU.

¹⁰ If the relevant agreement provides for such grounds for termination of the contractual relationship.

7.2. The Mission's management (Executive Director) shall monitor the compliance of the Mission's employees with the terms of this Policy.

Section 8: Final provisions.

8.1. The prevailing force of the legislation over the Policy: if any terms of the Policy contradict the current legislation (including due to changes made to the legislation after the approval of the Policy), the terms of the legislation shall prevail over the terms of the Policy and the Mission shall apply the terms of the legislation.

8.2. The term of the Policy: The Policy shall be effective from the date of its approval by the order of the Executive Director of the Mission and shall remain in force until terminated by the order of the Executive Director of the Mission.

8.3. Changes to the Policy: changes to the Policy are made by approving a new version of the Policy or setting out the relevant terms of the Policy in a new version. The Policy shall be revised no later than 24 months from the date of approval.

**Executive Director of the
OF THE RELIGIOUS MISSION "CARITAS-SPES" /CARITAS-SPES/.
OF THE ROMAN CATHOLIC CHURCH IN UKRAINE
Fr. Vyacheslav Hrynevych SAC**

