

Animal Welfare.  
Worldwide.



# Policy Against Fraud and Other Corrupt Practices

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## 1. TARGET GROUP

This Policy Against Fraud and Other Corrupt Practices applies to all employees, interns, and volunteers of FOUR PAWS, hereafter “colleagues”, as well as to all Board members and may be applied to other stakeholders depending on individual circumstances and the nature of their relationship with FOUR PAWS.

## 2. INTRODUCTION

FOUR PAWS is the global animal welfare organisation for animals under direct human influence, which reveals suffering, rescues animals in need and protects them. Beside the local presence, FOUR PAWS works with local authorities and strategic partner organisations on the ground to support efforts with animal rescue and care, veterinary public health services, and the protection of livelihoods.

Since its founding in 1988, the organisation has grown considerably, and with this expansion, its management practices and needs evolved. Due to the organisation’s global animal welfare activities, a comprehensive approach to anti-fraud and anti-corruption practices which takes into account both prevention and consequences is required.

This Policy Against Fraud and Other Corrupt Practices supports FOUR PAWS commitment to acting ethically and with integrity, and to earn and maintain the trust our donors put in our organisation and all our colleagues. FOUR PAWS Policy Against Fraud and Other Corrupt Practices outlines the principles which govern the organisation’s approach to fraud, bribery, corruption, and conflicts of interest, and describes the organisation’s aim to prevent, detect, and deal with conduct that violates this Policy.

FOUR PAWS Policy Against Fraud and Other Corrupt Practices demonstrates the organisation’s commitment to ensuring that all colleagues act with integrity while acting on behalf of FOUR PAWS, and to take accountability for their decisions and actions.

### **3. ANTI-FRAUD AND ANTI-CORRUPTION PRINCIPLES**

FOUR PAWS Policy Against Fraud and Other Corrupt Practices is based on the following principles:

#### **3.1. Zero Tolerance**

FOUR PAWS has zero tolerance for fraud and corruption and other corrupt practices.

FOUR PAWS is committed to preventing, identifying and addressing all acts of fraud and corruption within FOUR PAWS, through raising awareness of fraud risks, implementing controls aimed at preventing and detecting fraud and corruption, and enforcing this Policy.

#### **3.2. Compliance**

FOUR PAWS aims to abide by the strictest standards and to follow all regulations in place in the locations where it conducts activities or has any legal presence. All alleged incidents of fraud and other corrupt practices are to be reported within FOUR PAWS, and will be assessed and, as appropriate, investigated in accordance with local regulations and reported to the relevant authorities.

#### **3.3. Accountability**

FOUR PAWS is accountable to its donors, colleagues, partners, animals in its care and mission for holding the highest standards and practices.

Handling fraud and other corrupt practices properly, professionally and diligently is an essential part of creating a reliable and sustainable working environment.

Incidents of fraud and other corrupt practices may form the basis for violations of anti-corruption regulations and lead to criminal and/or disciplinary consequences for FOUR PAWS and colleagues at FOUR PAWS, and/or may result in compensation claims from external stakeholders.

#### **3.4. Genuineness**

FOUR PAWS aims to maintain an anti-fraud and anti-corruption environment and cultivate high ethical standards across all colleagues.

FOUR PAWS aims to foster a common understanding of measures to prevent fraud and other corrupt practices, to efficiently handle incidents and risks, and to maintain group-wide minimum standards and processes to avoid penalties, reputational damage and/or other forms of negative consequences for the FOUR PAWS brand, entities and colleagues.

## 4. ANTI-FRAUD AND ANTI-CORRUPTION SCOPE

### 4.1. Fraud and other corrupt practices

#### 4.1.1 Fraud

Colleagues at FOUR PAWS must not engage, nor collude, in any acts of fraud.

Fraudulent acts include, but are not limited to, embezzlement and theft, misappropriation or misuse of funds or the organisation's resources, fraudulent financial reporting, forgery of documents or signatures.

#### 4.1.2 Bribery

Colleagues at FOUR PAWS must not offer, or attempt to offer, bribes of any kind to private persons, organisations, or commercial entities, and must not accept, or attempt to accept, bribes.

They must not profit personally from their employment by FOUR PAWS apart from their salaries and other benefits provided by the organisation.

#### 4.1.3 Corruption

Colleagues at FOUR PAWS must not engage in, nor tolerate, any acts of corruption.

Promising, offering, authorising, giving or receiving a financial or other advantage to bring about an improper performance by government officials is strictly prohibited.

Facilitating payments are strictly prohibited, as are indirect payments to government officials through the use of partners.

Colleagues at FOUR PAWS must not engage in any other corrupt practices such as acts of Collusion to achieve an improper purpose, acts of Coercion to influence the actions or decisions of another person or acts of Obstruction to materially impede the exercise of contractual rights of audit, investigation and access to information.

#### 4.1.4 Unethical practices

Colleagues at FOUR PAWS must not behave in ways that are contrary to FOUR PAWS own or partners codes of conduct, such as those relating to conflict of interest, gifts and hospitality, post-employment provisions, abuse of authority and harassment.

##### 4.1.4.1 *Conflict of Interest*

A conflict of interest arises when a person is involved in multiple interests and serving one of them could be of detriment to another.

Private or personal interests include any actual or potential advantage for the person, their families, their other relatives or their circle of friends and acquaintances.

Typically conflicts of interest may for instance arise between the following parties:

- FOUR PAWS and colleagues at FOUR PAWS: mostly in cases of colleagues having a secondary activity outside FOUR PAWS;
- One colleague and another: mostly in cases of private and/or family relationships;
- FOUR PAWS and other partners: mostly in cases connected to contractual relationships.

It is not possible to list all situations which could create a conflict of interest. Each situation must be assessed based on its particular facts. Frequently conflicts of interest can occur in connection with advantages offered individually (e.g. invitations, gifts or rebates).

FOUR PAWS distinguishes between disqualifying and potential conflicts of interest.

A conflict of interest is disqualifying when it exists at the present time.

A conflict of interest is potential when it will exist in the future (e.g. the companion of a colleague is submitting a tender for a service to FOUR PAWS), or if an impartial third party has reasonable doubts.

Most conflicts of interest can be solved by disclosure. Potential conflicts of interest often only require disclosure to be acceptable. Conflicts of interest which are actively disclosed demonstrate the good intentions and prevent labour law related consequences and further investigations.

Undisclosed disqualifying conflicts of interest should be handled according to the principles laid out in the anti-fraud and anti-corruption management scheme.

#### *4.1.4.2 Gifts and hospitality*

Providing or receiving acts of hospitality, including meals, are not considered fraud and other corrupt practices, if they are of minor value, in line with accepted business practices.

Examples of unethical gifts, received or given:

- Cash or cash equivalents;
- Gifts which are not given or received openly;
- Gifts or invitations which are intended to influence a pending decision process;
- Gifts or invitations which would cause embarrassment to you if it were made known to the press or to colleagues.

## 4.2. Stakeholders

In order to prevent fraud and other corrupt practices, FOUR PAWS is committed to applying strict anti-bribery, anti-corruption, and anti-fraud standards within its organisation.

### 4.2.1 FOUR PAWS

Colleagues at FOUR PAWS must adhere to anti-bribery, anti-fraud, and anti-corruption principles established by FOUR PAWS, and are asked to contribute through their own behaviour to a work environment which promotes ethical behaviours.

### 4.2.2 Third parties

The principles to prevent fraud and other corrupt practices apply within all FOUR PAWS entities, and towards third parties, such as FOUR PAWS suppliers, implementing partners or local authorities.

## 5. ANTI-FRAUD AND ANTI-CORRUPTION MANAGEMENT

The guiding principles of FOUR PAWS anti-fraud and anti-corruption management are the development of prevention measures, and the implementation of an anti-fraud and anti-corruption management scheme.

### 5.1. Prevention measures

#### 5.1.1 Awareness

FOUR PAWS aims to make all information related to anti-fraud and anti-corruption available to all colleagues and partners at all times.

FOUR PAWS intends to have all colleagues knowledgeable about anti-fraud and anti-corruption standards and to contribute through their own behaviour to a work environment which promotes the anti-fraud and anti-corruption principles.

FOUR PAWS fosters an anti-fraud and anti-corruption environment by encouraging an organisational culture of integrity, transparency and accountability, providing confidential ethics advice to all colleagues, including line managers, on appropriate standards of conduct and including fraud and corruption awareness components in its training programmes.

#### 5.1.2 Training

FOUR PAWS aims to train all colleagues on anti-fraud and anti-corruption topics as well as the prevention and handling of such cases.



FOUR PAWS intends to ensure that colleagues are periodically reminded about anti-fraud and anti-corruption practices and how to handle cases.

### 5.1.3 Prevention in operations

#### 5.1.3.1 *Design*

When developing programmatic activities, FOUR PAWS aims to ensure that the risk of fraud and other proscribed practices is fully considered in the design and implementation.

Special attention should be given to activities operating in complex environments where there is a higher risk of these practices occurring.

#### 5.1.3.2 *Due diligence*

FOUR PAWS frequently works with partners around the world.

FOUR PAWS strives to apply strict due diligence standards by implementation of rigorous selection procedures of potential partners.

#### 5.1.3.3 *Best practices*

FOUR PAWS aims to identify and implement best practices, such as these examples, to prevent incidents in all its entities:

- All contractual agreements in writing, signed and stored.
- Payments agreed upon in writing or contracts taking into consideration the market pricing for a given service in a given country.
- Payments following the 4 eyes principle.
- Partners documenting the work they do together with and on behalf of FOUR PAWS.

### 5.1.4 Management of risks

FOUR PAWS strives to identify, assess, and manage fraud risks within its operations through risk assessments.

Periodic risk assessments are intended to be undertaken, as well as internal audits, and such assessments should include known fraud risk factors, potential fraud schemes, control gaps, red flag identification and recommendation for remediation.

FOUR PAWS aims to review the risks assessments systematically and periodically, and adapt them, if necessary.

### 5.1.5 Internal control

FOUR PAWS is dedicated to a strong internal control system, where policies and procedures are enforced, internal controls are appropriately implemented, and all stakeholders are informed about fraudulent and other proscribed practices, and their consequences.

## 5.2. Anti-fraud and anti-corruption management scheme

FOUR PAWS anti-fraud and anti-corruption management scheme is based on detection, investigation and reporting.

### 5.2.1 Detection

The detection of fraud and other corrupt practices is a duty of all colleagues.

FOUR PAWS aims to facilitate the detection of fraud and other corrupt practices by communicating the reporting and management standards to everyone within the organisation and its external partners.

### 5.2.2 Investigation

FOUR PAWS strives that all allegations of fraudulent or corrupt acts received (whether anonymous or not) are recorded and responded to. If deemed necessary, investigations should be carried out.

The prime criterion is whether the allegation contains sufficient information to justify an investigation being carried out. In this context, an assessment by a competent person constitutes part of the investigation. All decisions made – including a decision not to take an investigation further – must be clearly documented.

Investigations are to be conducted in confidence to safeguard the integrity of the process and to protect the rights of those involved.

### 5.2.3 Reporting

All instances of fraud are expected to be reported to the appropriate authorities.

FOUR PAWS intends to take necessary response measures and might need to take disciplinary actions. This may include an external investigation and/or audit.

## 5.3. Continuous Improvement

FOUR PAWS commitment to anti-fraud and anti-corruption includes monitoring and reviewing the organisation's anti-fraud and anti-corruption management scheme. Prevention measures are intended to be reviewed systematically and periodically. The adequacy and effectiveness of the prevention measures and the FOUR PAWS anti-fraud and anti-corruption management scheme are regularly evaluated, and adapted, if necessary.

FOUR PAWS commits to systematically update its standards and procedures against fraud and other corrupt practises to achieve operational excellence.

## 6. IMPLEMENTATION

### 6.1. Accountability

#### 6.1.1 Board

FOUR PAWS Board is the ultimate accountable body for providing leadership on all matters concerning the fight against fraud and other corrupt practices. It reviews the organisation's prevention measures and the anti-fraud and anti-corruption management scheme.

#### 6.1.2 National Boards

FOUR PAWS National Boards are accountable for the monitoring of the implementation of the Policy Against Fraud and Other Corrupt Practices.

### 6.2. Responsibility

#### 6.2.1 Directors Country and Site Managers

The responsibility for the implementation of the prevention measures and the anti-fraud and anti-corruption management scheme within a particular location where FOUR PAWS operates lies with the highest ranked staff member in the location (e.g. office, sanctuary, representation office), notably the that colleagues are briefed on the organisation's principles and measures to fight fraud and other corrupt practices.

The responsibility for the implementation of the prevention measures and anti-fraud and anti-corruption management scheme for VIER PFOTEN International lies with the Chief Executive Officer.

They are required to investigate allegations of fraud and other corrupt practices and document all verified incidents of fraud, bribery, corruption, and conflicts of interest.

#### 6.2.2 Colleagues

All colleagues commit to act according to the present Policy and have a clear responsibility to react as soon as corruption is reasonably suspected. A suspicious course of events is reason enough to react.

Any colleague or partner who is aware of potential corruption within the organisation, but does not report it, may be viewed as being in breach of their obligations, and become subject to their own disciplinary actions.

## **7. CONSEQUENCES OF BREACHING THE POLICY AGAINST FRAUD AND OTHER CORRUPT PRACTICES**

Breach of this Policy Against Fraud and Other Corrupt Practices may constitute an infringement of applicable laws resulting in civil or criminal liability and may have an adverse effect on FOUR PAWS and other colleagues.

In case of non-compliance with the provisions of this Policy Against Fraud and Other Corrupt Practices, FOUR PAWS will take necessary response measures and might need to take disciplinary actions, up to and including termination of contractual relationship with FOUR PAWS or, if necessary, report the incident to the relevant authorities.

Any colleague found to be involved in fraudulent and/or corrupt activities, or who has been negligent in the exercise of their supervisory duties will be subject to disciplinary action, including potential dismissal (termination of their employment). If warranted, FOUR PAWS will also initiate civil and/or criminal proceedings against those individuals involved.

## **8. REPORTING OF MISCONDUCT**

Colleagues must immediately report acts of bribery, fraud, corruption, or conflicts of interest, whether deliberate or accidental, to their line manager or other relevant function within the organisation appointed to receive and handle such reports. The Compliance and Integrity line is always an option to report potential misconduct or legal breach. Should a line manager be involved in the suspected breach of this Policy, incidents must be reported to their superior or through the Compliance and Integrity line. Should other relevant function within the organisation appointed to receive and handle such reports be involved in the suspected breach of this Policy, incidents must be reported to their superior. Colleagues at FOUR PAWS must not prevent any other colleague or any other affected individual from reporting a suspected breach of this Policy.

FOUR PAWS will not retaliate against colleagues who report a presumed breach of this Policy Against Fraud and Other Corrupt Practices in good faith no matter the outcome. Should colleagues choose to knowingly make false allegations, FOUR PAWS may take disciplinary action. FOUR PAWS provides colleagues with instructions on how to confidentially report a suspected breach of this Policy.



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