**PRIVATE CAPITAL BELGIUM ESG TEMPLATE**

**DISCLAIMER:**

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**INSTRUCTION MANUAL**

* **There is a set of ESG templates for portfolio companies in a private equity context and a venture capital context. This set covers these for private equity portfolio companies.**
* **Each template covers a specific ESG topic indicated in the title of the template. The full set of templates includes the following documents:**
	+ **Employee Code of Conduct**
	+ **Suppliers Code of Conduct**
	+ **Anti-corruption & anti-bribery policy**
	+ **Anti-discrimination policy**
	+ **Whistleblowing policy**
	+ **Privacy policy**
	+ **Health & safety policy**
	+ **Environmental policy**
* **Fields marked in yellow are cross-references to templates with other topics in the Private Capital Belgium ESG template set.**
* **Fields marked in green require policy discretion from the portfolio company.**

**Anti-Corruption & Anti-Bribery Policy**

[***Portfolio company***] (the **Company**) is committed and expects from all people working for or in collaboration with the Company, to act lawfully and with integrity in every aspect of its business.

**Any form of corruption or bribery within the Company’s operations, whether committed by employees, partners, or any associated third parties is strictly forbidden.**

This commitment is a shared responsibility among all staff and collaborators engaged by the Company. All conduct required to ensure an effective implementation of this commitment is set out in this Anti-Corruption & Anti-Bribery policy (this **Policy**).

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| **Rules for all staff & collaborators of the Company** |
| Which persons within the Company are expected to know about this Policy and apply it? | See section 1 (Scope). |
| What conduct is forbidden? | See section 2 (Prohibited conduct) |
| What guidelines must be considered on accepting gifts, entertainment, and hospitality? | See section 3 (Gifts, entertainment, and hospitality) |
| When and how should forbidden conduct be reported? | See section 4 (Reporting mechanisms) |
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| **Rules for executive management within the Company** |
| What due diligence must be applied before the Company can engage business partners? | See section 5 (Due diligence) |
| What must be done to ensure awareness, control and sanctioning among staff and collaborators of the Company? | See sections 6 (Trainings and awareness program), 7 (Internal controls and monitoring) and 8 (Consequences and disciplinary actions) |

1. **Scope**

This Policy applies to all employees, contractors, consultants, and business partners associated with the Company. It covers all interactions, whether internal or external, and applies to the entire operations, both domestically and internationally.

Staff members are required to follow all trainings about this Policy and their own responsibilities.

1. **Prohibited conduct**

In general, the Company maintains a zero-tolerance policy for all forms of corrupt practices. Staff of the Company may not, directly or indirectly:

* offer, promise, (agree to) pay, give, accept or solicit anything of value to or from any third party to secure or reward an improper benefit or improper performance of a function or activity. ‘Anything of value’ means bribes, kickbacks, a financial advantage, or any other benefit, whether in cash or in kind, tangible or intangible. Examples include gifts, meals, entertainment, discounts, offers of employment or charitable contributions.
* engage in any conduct that creates even the appearance of improper activity or conduct.
* support or assist with facilitation payments (which are routine payments typically made to low-level government officials to expedite or secure a service or routine action), given their potential to contribute to corrupt practices.
1. **Gifts, entertainment, and hospitality**

Even though it is important to foster positive relationships with clients, partners and other stakeholders, it is also imperative to ensure that such engagements are aligned with the Company’s commitment to ethical business practices and do not compromise the integrity of the Company’s decision-making process. To this end, the following guidelines on accepting gifts, entertainment should be considered:

* Disclosure and approval: staff must disclose any offered gifts, entertainment, or hospitality to their immediate supervisor. Approval must be sought from the supervisor before accepting gifts or invitations that exceed the nominal value of EUR [■].
* Appropriate value: acceptable gifts, entertainment, or hospitality should be of modest and reasonable value. Staff should refrain from accepting gifts that may be perceived as extravagant or could create a sense of obligation.
* Frequency: staff should be mindful of the frequency of accepting gifts or invitations from the same source. Regular acceptance from a particular entity could be perceived as a conflict of interest.
* Business relevance: gifts, entertainment, or hospitality should have a clear business purpose and be relevant to professional relationships. Staff should avoid accepting items or invitations that are purely personal in nature.
* Record-keeping: staff are required to maintain accurate records of accepted gifts, entertainment, or hospitality. Records should include details such as the nature of the item, its estimated value, and the occasion.
* Refusal when appropriate: staff have the right to politely decline gifts, entertainment, or hospitality when accepting could be perceived as compromising our ethical standards. Refusals should be communicated diplomatically, emphasising the need to adhere to company policies.

These guidelines aim to strike a balance between maintaining positive business relationships and upholding the commitment to ethical conduct. Staff are encouraged to seek guidance from their immediate supervisor if there are any uncertainties regarding the acceptance of gifts, entertainment, or hospitality.

1. **Reporting mechanisms**

Staff should remain vigilant in watching for, avoiding, and reporting to senior management any questionable transactions that may violate this Policy. “Turning a blind eye” to or ignoring suspicious actions on the part of staff is not a defence to criminal liability. Below are some examples of ‘red flags’ that may signify a heightened risk of corruption or bribery for guidance:

* rumours regarding unethical or suspicious conduct by an employee or government official;
* unnecessary third parties, multiple intermediaries or suggestions to use a particular intermediary;
* request for payment to a second third party rather than the consultant or sales agent;
* requests for payments in a country other than where the third party resides or services were performed;
* requests for payment in cash;
* requests for unusually large commissions or other payments, or payments that appear excessive for the service rendered;
* requests for reimbursement of expenses that are poorly documented; or
* incomplete or inaccurate information in required disclosures

Suspected instances of corruption or bribery must be reported to the responsible manager (verbally and/or via e-mail) or through the procedure set out in the [Whistleblowing Policy].

Reports will be treated with the utmost seriousness, and a thorough investigation will be initiated promptly. Individuals making reports will be kept informed of the progress and outcome of the investigation to the extent allowed by law.

To ensure the protection of whistleblowers, the Company guarantees confidentiality, anonymity, and immunity from retaliation. Any form of retaliation against individuals reporting in good faith will be met with appropriate consequences, including disciplinary action and, if warranted, legal recourse.

1. **Due Diligence**

Before engaging with potential business partners, whether suppliers, distributors, or collaborators, an appropriate due diligence must be conducted. This process includes a comprehensive assessment of their business practices, ethical standards, and adherence to anti-corruption laws. This due diligence process will also encompass regular reviews to ensure continued compliance with ethical standards. In cases where concerns arise, appropriate remedial actions will be taken to mitigate risks and uphold our commitment to ethical business conduct.

Before engaging with business partners, agents, or third parties, due diligence will be conducted to assess and mitigate corruption risks.

1. **Training and Awareness Programmes**

Periodic training programmes will be conducted to educate staff members about this Policy and their own responsibilities.

Staff will be informed about the consequences of non-compliance.

1. **Internal Controls and Monitoring**

The Company must organise an internal control that is aimed at identifying any irregularities or signs of potential corruption, such as audits, financial reviews, and risk assessments, designed to act as early warning systems. The detection mechanisms are not only reactive but also preventive, aiming to identify vulnerabilities before they can be exploited. Regular monitoring of these internal processes will ensure their effectiveness.

In addition to detection, the Company prioritises prevention. This involves ongoing training programmes, awareness campaigns, and regular communication to reinforce the importance of ethical conduct. Through these measures, all staff members are empowered to recognise and resist situations that may lead to corrupt practices.

The Company is committed to staying ahead of evolving threats and adapting its prevention measures accordingly. This includes regular updates to the internal controls based on the latest industry standards, legal requirements, and best practices in anti-corruption and anti-bribery efforts.

1. **Consequences and Disciplinary Actions**

The Company will determine and apply appropriate actions in all instances of violations of this Policy, including:

* a range of disciplinary actions (in case of minor offences)
* termination of employment or business relationships (in case of serious offences)
* reporting to the authorities (in case of criminal offences), etc.
1. **Approval, amendments and entry into force**

This Policy has been issued and approved by [the Board of Directors/Management/other governing or supervisory body] who is responsible for the adequacy and appropriate overall implementation of the Policy.

Additions, revisions, amendments and abolishment of this Policy are to be approved by [the Board of Directors/Management/other governing or supervisory body]. This Policy will enter into force upon its adoption by [the Board of Directors/Management/other governing or supervisory body].