





## INTRODUCTION

The fraud and corruption prevention policy is based on the principles and values that have underpinned the existence of Inesc, such as the practice of ethical principles, impersonality, morality, always valuing transparency in the use of the resources the Institute administers. This mechanism is aimed at reducing to a minimum the possibilities of fraud and corruption within the Organization, thus ensuring that the funds and assets obtained are protected against losses caused by possible undesirable situations.

This policy applies to all associates, employees, consultants, suppliers of goods and services and partner organizations during the development of joint actions and/or projects.

Fraud is considered to be any act that involves a deliberate, misleading, dishonest distortion, through schemes and manipulation of the truth or abuse of trust in relation to both material and immaterial assets to realize profit or obtain personal benefits.

Tax fraud occurs through non-compliance with tax obligations by individuals or organizations, such as avoiding payment of mandatory taxes or improperly obtaining public benefits.

In short, fraud is criminal deception or the use of false statements to derive unfair benefit.

Corruption is considered the effect of corrupting someone or something with the purpose of gaining advantages through means considered illegal or illicit, such as bribery (giving money or gifts to others in exchange for one's own benefit). Corruption consists of offering, giving, requesting or accepting an incentive or reward that may unduly influence a person's actions.



## **1. Policy Objectives**

The goals of the fraud and corruption prevention policy are:

- Ensure that financial resources are used solely for the intended purposes, in line with Inesc's strategic plan and the approved projects;
- Promote a culture of honesty and openness among employees, consultants, service providers, partners and Inesc's management team;
- Ensure that vulnerable populations are not harmed or exploited by members, associates, employees, service providers and partners, through acts of fraud or corruption;
- Ensure that Inesc's members and public can safely and confidently raise and report their concerns regarding unethical conduct and possible cases of fraud and corruption.

## **2. Justification**

Inesc has based its work on good management practices that inhibit the occurrence of fraud and corruption. However, we understand that we must join society's efforts to prevent the occurrence of:

- conduct of a financial nature that includes criminal acts such as embezzlement,<sup>1</sup> money theft and distortion of accounting figures;
- misuse of resources, which may include theft and cybercrime in which a computer or network is the source and tool, the objective or the place of the crime, for instance, unauthorized access, data suppression, electronic fraud, etc.;

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<sup>1</sup>Embezzlement means the theft of an organization's resources for one's private use, with the involvement of one or more people.



- use of improper means, such as bribes,<sup>2</sup> illicit remuneration or payments for process facilitation by one person to induce another to act or refrain from acting in the exercise of their functions, with the aim of obtaining or maintaining undue benefit;
- any act or omission, including the misrepresentation of facts and circumstances that deliberately or negligently deceives or attempts to deceive any party with the aim of obtaining a financial or other benefit, to evade an obligation;
- illicit acts or the threat thereof, such as bodily harm or property damage, to obtain an undue advantage or evade an obligation;
- collusion with respect to undue procurement or contracting activities;
- any attempt to hide or disguise any of the foregoing statements;
- obstruction of justice;
- distribution of benefits and/or illicit commissions, reductions, discounts for personal benefit;
- abuse or misuse of power;
- extortion (the act of obtaining something by force, through threats or excessive demands);
- favoritism (unfairly favoring a person or group, to the detriment of others);
- nepotism (the favoritism that some show towards their family members, granting them positions or privileges).

Inesc's fraud and corruption prevention policy is a mechanism to curb the fraudulent and corrupt use of funds by Inesc's members, managers and

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<sup>2</sup>Bribery implies that a person, organization or institution improperly provides goods or services in exchange for some type of undue compensation. At least two parties take part in it.



employees, maintaining its reputation as an organization that will not admit, under any circumstances, abuse of position to personal or organizational benefit.

### **3. Fraud and Corruption Prevention Actions**

Actions that must be undertaken by Inesc to promote a culture of good management practices:

- 3.1 Promote a culture of collective participation in the fight against fraud and corruption and maintain ethical standards in its administration;
- 3.2 Require that Inesc's members and professionals be an example, ensuring compliance with legal requirements, regulations, financial standards, codes of ethics, procedures and practices;
- 3.3 Apply the principles of ethics, impersonality, morality, publicity and solidarity to their practice, acknowledging that we must be accountable to Inesc's target audience and also to those who support the Institute's actions;
- 3.4 Reaffirm and pursue its commitment to transparency, the primacy of the public interest and internal democratic participation, recognizing them as essential components of the organization's management;
- 3.5 Ensure that contracts and agreements with professionals and service providers comply with the provisions of this policy;
- 3.6 Facilitate mechanisms for members and professionals, as well as consultants, suppliers and external individuals or organizations who provide, use or receive services, to raise their concerns, ensuring that all queries, complaints and reports posed will be considered and investigated in a fair, equitable and responsible manner.



Complaints must be sent via the Contact Us link on Inesc's *website* or directly via the *email* [falecominesc@inesc.org.br](mailto:falecominesc@inesc.org.br), as set forth in Inesc's Code of Ethics and Responsibilities.

Brasília/DF, May 9, 2024

Inesc Board of Directors