



## **Anti-Corruption Policy and Procedures**

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## **1. Policy Statement**

Global CarbonTrace Inc. (hereinafter "Global CarbonTrace" or "the Company") adopts a Zero-Tolerance Policy towards all forms of corruption, bribery, and unethical influence. The Company is committed to promoting and upholding the highest standards of integrity, impartiality, transparency, and accountability in all its activities and interactions.

As a registry services provider headquartered in the Republic of Panama, Global CarbonTrace complies with national legislation, including the Penal Code and Law 33 of 2013, which governs transparency and anti-corruption mechanisms, as well as with international conventions such as the United Nations Convention against Corruption (UNCAC).

This Policy reflects the Company's ethical stance and supports an organizational culture that rejects misconduct and prioritizes responsible business conduct.

## **2. Purpose**

This Policy serves to establish a structured, enforceable, and transparent framework to:

- (a) Prevent and mitigate corruption risks across all operations.
- (b) Ensure clear and enforceable accountability mechanisms.
- (c) Encourage ethical decision-making at all organizational levels.
- (d) Uphold independence from external interests in registry-related decisions.
- (e) Protect the Company's reputation and credibility with all stakeholders.

This Policy is part of a broader governance system designed to ensure that Global CarbonTrace remains a trusted and impartial platform for the issuance, tracking, and retirement of environmental assets.

## **3. Scope**

This Policy is binding on:

- (a) All employees, officers, and directors of Global CarbonTrace.
- (b) Consultants, contractors, agents, and other third parties acting on behalf of the Company.

- (c) Any person or entity engaged in decision-making or operational functions affecting the registry system.

The scope includes all jurisdictions where the Company operates or provides services, directly or indirectly, and applies to all interactions with public officials, clients, project developers, auditors, and other stakeholders.

In particular, Global CarbonTrace ensures compliance with the following key anti-corruption laws of Panama:

*a) Penal Code of the Republic of Panama (Código Penal de Panamá)*

The Penal Code criminalizes active and passive bribery, corruption of public officials, embezzlement, and undue enrichment. Global CarbonTrace ensures its registry administrators, staff, and contractors are trained to recognize and avoid any action that could constitute criminal conduct under this law. Any interaction with public entities is reviewed and logged to ensure transparency.

*b) Law 33 of 2013 – Creation of the National Authority for Transparency and Access to Information (ANTAI)*

This law created the ANTAI and sets standards for transparency and integrity in public and private sector governance. Global CarbonTrace aligns its internal procedures—including transparency in procurement, conflict of interest disclosures, and open reporting channels—with ANTAI’s good governance principles. Reports submitted to ANTAI or public entities follow strict documentation protocols.

*c) Law 22 of 2006 (updated by Law 153 of 2020) – Public Procurement Law*

Although primarily for public entities, Global CarbonTrace aligns its supplier and third-party contracting procedures with the core principles of this law: transparency, competition, and fairness. All supplier selections follow a documented and auditable due diligence and risk assessment process.

*d) Law 23 of 2015 – Prevention of Money Laundering and Financing of Terrorism*

While primarily financial in nature, this law includes obligations on companies to conduct due diligence and report suspicious transactions. Global CarbonTrace ensures that all financial transactions and account openings on the registry platform are subject to Know Your Customer (KYC) checks and Anti-Money Laundering (AML) filters.

By adhering to these laws, Global CarbonTrace reinforces its commitment to ethical registry operations and avoids any legal exposure in Panama or internationally. where the Company operates or provides services, directly or indirectly, and applies to all interactions with public officials, clients, project developers, auditors, and other stakeholders.

#### **4. Objectives**

The principal objectives of this Policy are:

- (a) To prevent and prohibit any form of corruption, including active and passive bribery, kickbacks, illicit enrichment, or undue influence.
- (b) To ensure that the provision of registry services is free from external pressures, biases, or conflicting interests.
- (c) To establish preventative procedures and internal controls to identify and address conflicts of interest in real time.
- (d) To enforce accountability and sanction any breach of this Policy through disciplinary and legal mechanisms.
- (e) To implement continual improvement mechanisms, periodic reviews, and ethical performance indicators.

#### **5. Conflict of Interest Prevention and Management**

Global CarbonTrace acknowledges that unmanaged conflicts of interest can severely undermine the independence and credibility of registry services.

##### **5.1 Conflict Prevention**

The Company confirms that robust and preventive policies are in place to ensure that registry administrators, whether internal or external, do not hold financial, commercial, or fiduciary interests that may influence their impartiality or decision-making capabilities.

These policies include pre-engagement screenings, due diligence on appointments, periodic declarations, segregation of roles, and transparency obligations.

##### **5.2 Conflict Identification and Isolation**

Where potential or actual conflicts do arise, Global CarbonTrace ensures that:

- (f) They are promptly disclosed through established channels.
- (g) The Compliance Officer conducts a documented review and risk assessment.
- (h) Measures are taken to isolate the conflicted party from the affected decision-making process.
- (i) Recusal protocols and alternative personnel assignments are activated.

### 5.3 Declaration Requirements

All individuals subject to this Policy must:

- (a) Declare conflicts upon onboarding and annually thereafter.
- (b) Submit an updated declaration immediately upon becoming aware of any new or evolving conflict.
- (c) Cooperate fully with any investigation or review initiated by the Compliance Officer.
- (d) Non-compliance with these obligations constitutes misconduct and is subject to sanctions.

## 6. Gifts, Hospitality, and Sponsorships

The offering or receipt of gifts, entertainment, travel benefits, or sponsorships poses a risk of undue influence.

To mitigate this risk, Global CarbonTrace:

- (a) Prohibits the acceptance or offering of any gift, benefit, or favor that could affect or appear to affect impartial decision-making.
- (b) Requires disclosure and prior written approval for any gift or hospitality with a value exceeding USD 80.
- (c) Requires registration of such benefits in the Gifts and Hospitality Register.
- (d) Bans all gifts or hospitality offered to public officials unless explicitly authorized and compliant with local laws.

- (e) Employees and agents must immediately report any suspected misuse of hospitality or promotional benefits.

## **7. Facilitation Payments**

Facilitation payments are considered a form of bribery and are strictly prohibited under this Policy.

If any employee, agent, or contractor is solicited for an unofficial payment:

- They must request written justification and an official receipt.
- They must report the request immediately to the Compliance Officer.
- In cases involving threats to safety, health, or liberty, the incident must still be documented, and a post-event investigation initiated.

All facilitation payment cases are investigated within 30 days and reported to compliance officer with appropriate remedial and legal action.

## **8. Reporting and Whistleblower Protection**

Global CarbonTrace provides a safe and confidential Ethics and Compliance Channel for the reporting of concerns related to corruption, misconduct, or conflict of interest.

Key guarantees include:

- Anonymity of the whistleblower, where requested.
- Non-retaliation against individuals reporting in good faith.
- Prompt investigation and feedback on reported issues.
- Oversight by the Compliance Officer, with escalation to the Board when required.

All reports are logged, investigated, and resolved in accordance with the Company's internal investigations protocol.

## **9. Compliance Oversight**

The Compliance Officer is responsible for ensuring the implementation and effectiveness of this Policy.

Responsibilities include:

- Conducting initial and periodic corruption risk assessments.
- Reviewing all conflict-of-interest disclosures.
- Maintaining all compliance registers and procedural documentation.
- Providing quarterly and annual reports to the Board of Directors.
- Proposing policy updates in line with evolving legal and ethical requirements.

The Compliance Officer acts independently and reports directly to the Board.

## **10. Training and Awareness**

The Company ensures that:

- All staff receive initial and annual anti-corruption training.
- Training materials cover real-life case scenarios and registry-specific risks.
- Specialized modules are developed for registry administrators and compliance-sensitive roles.
- Attendance and completion are tracked and reported to the Board.

All third-party service providers are also subject to anti-corruption orientation before engagement.

## **11. Sanctions and Disciplinary Measures**

Any breach of this Policy may result in:

- Immediate suspension or dismissal.
- Termination of contracts or engagements.
- Referral to Panamanian or international authorities for legal prosecution.
- Civil or criminal liability depending on the severity of the violation.

Enforcement is guided by the principles of proportionality, impartiality, and due process.

## **12. Recordkeeping**

Global CarbonTrace maintains detailed records of:

- Conflict of interest declarations,
- Gifts and hospitality reports,
- Facilitation payment incidents,



- Training attendance,
- Compliance audits and investigations.

All records are maintained securely for a minimum of five years and may be made available to auditors or regulators upon legitimate request.