



# **COMPLIANCE GUIDELINES OF CARBON STANDARDS INTERNATIONAL**



# Table of content

<b>COMPLIANCE GUIDELINES OF CARBON STANDARDS INTERNATIONAL (CSI)</b>	<b>3</b>
<b>Preamble</b>	<b>3</b>
Scope	3
Aim	3
1. Anti-Bribery and Anti-Corruption Policy	4
Definition	4
1.1. Types of bribery	4
1.2. Types of corruption	4
1.3. Permitted conduct	5
1.4. Core Principles of Carbon Standards International	5
1.4.1. Zero Tolerance Policy	5
1.4.2. Reporting & Whistleblower Protection	5
1.5. Preventive action	6
1.5.1. Signing the statement	6
1.5.2. Bookkeeping	6
1.5.3. Training & Awareness	6
1.5.4. Monitoring & Auditing	6
2. Whistleblower Policy and Integrity Assurance	7
Aims	7
2.1. Reporting, Procedure and Investigation	7
2.1.1. What type of conduct should be reported?	7
2.1.2. Reporting	7
2.1.3. Preliminary Assessment	8
2.1.4. Investigation	8
2.1.5. Further Process	8
2.1.6. Records	8
2.2. Monitoring and Review	8

# Compliance Guidelines of Carbon Standards International (CSI)

## Preamble

Carbon Standards International (CSI) maintains the highest standards of transparency, integrity, and accountability. The Compliance Guidelines set out the general code of conduct and form an integral part of the corporate culture. They summarize the most important rules that apply to personnel, partners, and third parties in order to prevent bribery, corruption, and other forms of misuse within the organization and throughout its supply chain.

## Scope

This policy applies to including but not limited to:

- All employees, managers, the Board of Directors and executive leadership
- All business partners, including:
  - Suppliers
  - Consultants
  - Agents
  - All Registry users
- Affiliated stakeholders, including:
  - C-Sink Managers
  - Producers
  - Processors
  - C-Sink Traders
  - dMRV providers
  - Verification and Validation Bodies (VVBs)
  - Certification Bodies (CBs)
- Other third parties acting on behalf of Carbon Standards International

## Aim

The aim is to promote legal, ethical, and transparent conduct in all business activities.

## 1. Anti-Bribery and Anti-Corruption Policy

### Definition

**Bribery** involves offering, giving, receiving or soliciting something of value in order to influence a decision or gain an unfair advantage. Bribery can be intentional or unintentional, and can involve commercial services. While the acceptance of business proposals under regular conditions is not a problem, the idea that bribery is an option must be avoided. Therefore, it is necessary to define a procedure, so that the situation can be evaluated from a neutral position.

**Corruption** is the abuse of entrusted power for private gain, often involving bribery, fraud, embezzlement, or nepotism.

### 1.1. Types of bribery

The following examples are related to bribery and are prohibited by Carbon Standards International:

- Offering money or loans
- Offering high-value gifts
- Providing services for free
- Invitation to luxury restaurants, bars and hotels with an expensive programme
- Offering a job
- Promise to bring new clients

### 1.2. Types of corruption

The following list provides examples of corruption, which are prohibited by Carbon Standards International:

- Direct or indirect bribery of public officials or private sector partners
- Money offers: accepting money (also from loans, offers, etc.) is not allowed in any case. If money is offered, the incident must be reported to the supervisor immediately.
- Accepting or offering inappropriate gifts, entertainment, or favours.
- Concealing payments or using fake contracts to mask corrupt activities.
- A project developer offers an employee or a member of the board a cash payment or bank transfer in order to have a project approved more quickly or evaluated more favourably.
- Invitations to expensive events, weekend trips, luxury hotels or expensive gifts for employees with decision-making authority.
- Offers of employment to the person or other benefits to a family member or friend of a foreign official.
- Political party and candidate contributions to have more influence.
- CSI employees or management influence VVBs/CBs to:
  - remove serious non-conformities from the report
  - obtain favourable laboratory results
  - obtain a statement/certificate without doing an audit

- Providing other less obvious items to a foreign official can also violate anti-bribery laws. These include in-kind contributions, investment opportunities, stock options or positions in joint ventures, and favourable or steered subcontracts. This prohibition applies whether the benefit would accrue to the official directly or to another person, such as a family member, friend, or business associate.

### **1.3. Permitted conduct**

Permitted conduct is allowed under clear conditions. The following list provides examples that are allowed by Carbon Standards International:

- Business hospitality that is reasonable and proportionate
- Invitations: it is permitted to accept an invitation to eat in a suitable location with an appropriate menu.
- Promotional gifts with a value of up to 50 EUR may be accepted by CSI or an individual. Gifts must be sent to the company address and not to a private address. If the gift exceeds 50 EUR, the employee must consult the supervisor. Further measures are then defined on a company-specific basis.
- Money offers: Accepting money (also from loans, offers, etc.) is not allowed in any case. If any money was offered, the incident must be reported to the supervisor immediately.
- Country specifics: Regional customary practices must be considered in specific countries. The procedures must remain legal. If a situation does not comply with the compliance guidelines, the supervisor must be informed, even if there does not appear to be a problem. Charitable donations or sponsorships — only with prior approval and full transparency.

### **1.4. Core Principles of Carbon Standards International**

#### **1.4.1. Zero Tolerance Policy**

Bribery and corruption in any form will not be tolerated under any circumstances.

Infringements of impartiality and internal behavioural requirements, as well as misconduct, can have severe consequences for individuals and CSI alike. CSI consistently and impartially sanction deliberate misconduct and infringements of internal guidelines, regardless of a person's rank or position.

#### **1.4.2. Reporting & Whistleblower Protection**

- Anonymous, secure channels are in place for reporting concerns
- Individuals reporting in good faith must be protected from retaliation
- See chapter 2.

## **1.5. Preventive action**

### **1.5.1. Signing the statement**

All employees, the management and experts are required to sign a statement as part of the CSI anti-bribery process.

*"In my mentioned activity, it must be guaranteed that I am free from any and all commercial, financial and / or other influences that could affect my technical judgement and compromise my activities in term of confidentiality, objectivity, and impartiality in any way.*

*Furthermore I declare that I will not receive additional sponsoring or accept presents as it is not compatible with the impartiality".*

### **1.5.2. Bookkeeping**

Keep accurate books and follow the "four eyes" principle. All personnel must adhere to this principle without exception. Reject and promptly report any false invoices or payments.

### **1.5.3. Training & Awareness**

Mandatory training for employees:

All employees therefore must be alert to potential "red flags" in transactions with third parties. Additional training is provided for high-risk functions.

### **1.5.4. Monitoring & Auditing**

- Internal audits to ensure policy adherence
- Ongoing compliance checks in high-risk area
- Audits of the Impartiality Committee
- Clear disciplinary measures for violations
- Potential criminal reporting in cases of serious misconduct



## **2. Whistleblower Policy and Integrity Assurance**

Carbon Standards International has established a Whistleblower Policy to safeguard the credibility of the services of Carbon Standards International and the trust of all participants. The Policy provides a structured and confidential mechanism for reporting suspected misconduct or unethical behavior.

It complements CSI's broader governance and compliance framework and aims to ensure that any concern that could compromise the integrity of the Registry or CSI's reputation are promptly addressed.

### **Aims**

The aims of this Whistleblower Policy are to:

- ensure that employees and external stakeholders and partners know how to report concerns of wrongdoing and that they can do so without fear of retaliation.
- guarantee that every report will be acknowledged, assessed, and acted upon within a defined timeframe.
- provide CSI management with visibility on potential risks, enabling corrective actions to prevent recurrence.
- differentiate serious concerns from regular feedback or grievances, which should follow normal complaint channels.

### **2.1. Reporting, Procedure and Investigation**

#### **2.1.1. What type of conduct should be reported?**

This Policy covers serious concerns that could harm CSI, the Global C-Sink Registry, or stakeholder trust, including but not limited to:

- Violations of laws, regulations, or contractual obligations
- Breaches of CSI standards or Principles of Global C-Sink Standards
- Harassment, bullying, or discrimination, or other unethical workplace behavior
- Fraud, corruption, bribery, or conflicts of interest
- Unsafe practices or actions with environmental or social harm
- Any conduct that could cause financial, reputational, or integrity risk to CSI or the Registry

#### **2.1.2. Reporting**

Whistleblowers may submit reports confidentially or anonymously through:

- Email: [compliance@carbon-standards.com](mailto:compliance@carbon-standards.com)

If the incoming item concerns QM, COO will process it further. Whistleblower (if identifiable) receives acknowledgment within 7 days.

Case is marked confidential in the subject of the correspondence in a list with limited CSI staff has access.

CSI guarantees that all reports made in good faith will be treated confidentially and without retaliation. Each report will be acknowledged, assessed, and, where appropriate, investigated by independent staff or external experts. Investigations and allegations are pursued and reported in the same manner as described in Complaints Management.

CSI will take all the necessary steps to protect internal and external whistle blowers. Giving Information can be done anonymously. CSI strictly safeguards the identity of whistleblowers and only discloses it if legally required.

### **2.1.3. Preliminary Assessment**

Quality Manager (QM) screens report for:

- Relevance (serious misconduct vs. general complaint/grievance)
- Jurisdiction (is CSI the right entity to handle?)
- Urgency and potential risk (legal, reputational, financial, stakeholder trust)

Quality Manager makes the decision:

Admissible → proceed to investigation

Redirected → if the issue is a complaint or an appeal, see procedure complaint, grievances, appeals .

### **2.1.4. Investigation**

Investigator (mostly Product Manager (PM)) appointed by QM.

Activities may include: document review, interviews, on-site checks etc.

If identity of whistleblower is necessary for fact-finding, informed consent is sought.

All steps are documented.

### **2.1.5. Further Process**

- Investigator submits findings to QM.
- QM drafts a confidential investigation report with recommendations
- Management reviews and approves corrective measures (e.g. suspension of contracts, C-Sinks needs to be replaced, etc.). Whistleblower receives feedback within 30–90 days, if contact is possible.
- Report is formally closed and added into the confidential list
- Closure summary includes: date, findings, corrective actions, status.

### **2.1.6. Records**

All cases are logged in a secure, traceable system.

## **2.2. Monitoring and Review**

QM reviews the open cases monthly.

This Policy is reviewed annually evolving best practices, and applicable laws.

Lessons learned are fed into CSI's continuous improvement process.