



# LOCAL IMPACT HUB

## INTEGRITY POLICY

June 2025

### Policy at a Glance

<b>Policy Owner</b>	Governing Board Local Impact Hub
<b>Applies To</b>	All staff, board members, volunteers, consultants, and partners acting on behalf of Local Impact Hub
<b>Review Frequency</b>	Annually or after significant organizational changes
<b>Aligned With</b>	UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
<b>Effective Date</b>	June 2024

### 1. Introduction and Purpose

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Local Impact Hub (hereinafter "the Organisation") exists to support companies in improving their responsible business conduct (RBC) performance across international value chains, and to implement multi-stakeholder projects that address human rights issues. Because we advise others on ethical standards, we must exemplify those same standards ourselves.

This Integrity Policy sets out the principles, rules, and behaviours expected of everyone acting on behalf of the Organisation. It is not merely a compliance document – it is a practical expression of our values and a signal of trust to our partners, donors, clients, and the communities we ultimately serve.

**Our Core Commitment:**

We will not ask companies to meet standards we do not meet ourselves. Integrity is the foundation of our credibility and our impact.

### 2. Scope

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This policy applies to:

- All staff (full-time, part-time, and temporary employees)
- Board members and advisors
- Volunteers and interns

- Consultants, contractors, and service providers working for or representing the Organisation
- Partners in multi-stakeholder projects, to the extent described in project partnership agreements

By engaging with the Organisation, all persons within this scope agree to uphold the principles and rules set out in this policy. Any person unsure whether a specific situation falls within scope should consult their line manager or the designated Integrity Contact.

### **3. Foundational International Standards**

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This policy is grounded in and aligned with the following international frameworks:

- UN Guiding Principles on Business and Human Rights (UNGPs, 2011), the authoritative global standard on business and human rights, establishing the "Protect, Respect, Remedy" framework.
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, providing comprehensive due diligence expectations covering human rights, environment, labour, anti-corruption, and value chain accountability.

These frameworks inform both how we operate internally and how we advise our clients and partners.

### **4. Compliance with Laws and Regulations**

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The Organisation and all persons within scope are expected to comply fully with all applicable laws and regulations in every jurisdiction in which the Organisation operates. This includes, but is not limited to:

- Anti-corruption and anti-bribery laws
- Labour and employment law
- Data protection and privacy regulation (including the EU General Data Protection Regulation, GDPR)
- Tax and financial reporting requirements
- Non-governmental organisation registration and operational regulations

No instruction from a manager, partner, or donor can justify a breach of applicable law. Any potential or actual legal breach must be reported immediately to the Executive Director or to the Integrity Contact. Ignorance of the law is not an acceptable defence; persons uncertain about legal requirements in a given context should seek guidance before acting.

## 5. Anti-Corruption and Anti-Bribery

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*Because our work takes place across international value chains – often in high-risk contexts – a clear and firm stance against corruption is essential to our credibility.*

### 5.1 Prohibition on Bribery

The Organisation has a zero-tolerance policy on bribery and corruption in any form. No person within scope may, directly or through a third party:

- Offer, promise, give, or authorise a bribe or improper payment to any person or entity, including public officials
- Request, accept, or receive a bribe or improper payment
- Facilitate payments – even small amounts paid to speed up routine services – without prior written approval from the Executive Director

This prohibition applies regardless of local customs, competitive pressure, or the instruction of a client or partner. The Organisation is prepared to forgo contracts or project opportunities rather than engage in corrupt practices.

### 5.2 Gifts and Hospitality

Gifts, hospitality, and other benefits can create real or perceived conflicts of interest and may constitute bribery. The following rules apply:

- Gifts or hospitality received from external parties must not exceed EUR 50 in value. Anything above this threshold must be declined or, where refusal would be culturally inappropriate, either returned or donated.
- No gifts of cash or cash equivalents (vouchers, tokens) may be accepted.
- Giving gifts on behalf of the Organisation requires prior approval from a line manager and must be modest, transparent, and justifiable as a normal business courtesy.
- All gifts or hospitality offered or received above EUR 25 should be recorded in the Organisation's Gifts and Hospitality Register.

## 6. Conflict of Interest

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A conflict of interest arises when a person's private interests – financial, personal, or professional – may influence, or appear to influence, their decisions or actions on behalf of the Organisation.

All persons within scope must:

- Proactively identify and disclose potential conflicts of interest to their line manager or the Integrity Contact before engaging in the relevant activity
- Abstain from decision-making processes in which they have a personal or financial interest
- Not use their position within the Organisation to benefit themselves, family members, or close associates

Disclosed conflicts of interest will be assessed by the Board chair (or, where the conflict involves the Board Chair, by another Board Secretary). Appropriate management measures such as recusal, reassignment, or enhanced oversight will be put in place and documented. Disclosure in good faith will not result in disciplinary action; failure to disclose may.

## **7. Transparency and Financial Integrity**

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Transparency is a precondition of trust with donors, clients, partners, and the public. The Organisation commits to:

- Maintaining accurate, complete, and timely financial records that fairly reflect all transactions
- Ensuring that all expenditures are authorised, documented, and serve a legitimate organisational purpose
- Publishing annual reports that include financial summaries and information on the Organisation's activities, governance, and key outcomes
- Not creating or maintaining off-the-book accounts or funds

All staff handling funds are responsible for following the Organisation's financial management procedures. Any suspicion of financial irregularity must be reported immediately through the reporting channels described in Section 9.

## **8. Partner and Third-Party Integrity**

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*An organisation that advises on value chain integrity must apply due diligence to its own value chain including the partners, contractors, and consultants it works with.*

Before entering into a significant partnership, subcontracting relationship, or consultancy arrangement, the Organisation will conduct proportionate due diligence on the potential partner or contractor. This includes:

- Verifying the legal status and reputation of the entity
- Assessing any publicly known integrity concerns, sanctions, or adverse findings
- Reviewing whether the partner shares the Organisation's commitment to human rights, environmental standards, and anti-corruption

Contracts and partnership agreements with third parties will include a reference to the integrity clauses to ensure that the third party is:

- Required adherence to applicable anti-corruption laws
- Prohibited the use of child or forced labour and implement remedy measures when a case is identified

- Required notification of any integrity incidents or legal proceedings involving the partner
- The Organisation is allowed to terminate the relationship in the event of a material integrity breach when a credible assessment has taken place on the potential human rights impact

The depth of due diligence should be proportionate to the risk involved partners operating in high-risk contexts warrant more thorough review.

## **9. Whistleblower Protection and Reporting**

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### **9.1 Reporting Channels**

Anyone within scope who has a genuine concern about a potential breach of this policy, unethical conduct, or illegal activity is encouraged and, in some cases, required to report it. Reports can be made via:

- Direct report to a line manager (for straightforward concerns)
- The Integrity Contact: Marieke de Vries – Den Hollander (marieke@localimpacthub.com)
- The Board Chair (where the concern involves the Integrity Contact)

Reports can be made anonymously where the reporting channel allows. The Organisation will make reasonable efforts to maintain a simple and accessible reporting mechanism. Concerns may also be reported to relevant external authorities.

### **9.2 Protection from Retaliation**

The Organisation is committed to protecting all persons who raise concerns in good faith. Retaliation including dismissal, demotion, harassment, isolation, or disadvantage in any form against a person who has made or intends to make a good-faith report is strictly prohibited and is itself a disciplinary offence.

Protection applies even if the concern ultimately proven unfounded, provided the report was made honestly and without malicious intent.

### **9.3 Investigation**

All reported concerns will be acknowledged within five (5) working days and investigated promptly, impartially, and confidentially. The person reporting will be informed of the outcome to the extent permitted by confidentiality obligations. Investigations will be documented. Where a concern relates to a potential criminal offence, the Organisation may refer the matter to competent authorities.

## 10. Responsible Business Conduct and Human Rights

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*Practising what we preach: the standards we promote with clients and partners apply equally to our own operations.*

The Organisation is committed to respecting human rights in its own operations and relationships, consistent with the UN Guiding Principles on Business and Human Rights. Specifically:

- We will not employ, engage, or benefit from child labour or forced labour in any form.
- We respect freedom of association and the right to collective bargaining for our staff.
- We maintain safe, dignified, and inclusive working conditions.
- We will conduct a basic human rights and environmental due diligence review on our own operations and direct relationships, identifying and addressing any salient risks.
- We are committed to gender equality and non-discrimination in our hiring, remuneration, and project design.
- We will engage meaningfully with affected stakeholders including communities, civil society, and workers' representatives in the design and implementation of our projects.

Where the Organisation identifies that it has caused or contributed to an adverse human rights impact, it will take steps to provide or contribute to remedy, in line with the UNGPs.

## 11. Safeguarding and Respect in the Workplace

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The Organisation is committed to providing a safe and respectful environment for all staff, volunteers, consultants, and the communities and individuals it interacts with in the course of its work.

- All forms of harassment, discrimination, sexual exploitation, and abuse are prohibited and constitute grounds for immediate disciplinary action, including termination.
- This prohibition extends to conduct outside the workplace where it involves persons connected to the Organisation's activities.
- The Organisation will designate a Safeguarding Focal Point responsible for receiving and managing safeguarding concerns, separate from general integrity reporting.
- Specific safeguarding protocols will be developed for any project involving direct engagement with vulnerable populations, including marginalised workers in global supply chains.

## 12. Data Protection and Confidentiality

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The Organisation handles personal data and commercially sensitive information in the course of its work. All persons within scope must:

- Process personal data only for specified, legitimate purposes and in compliance with applicable data protection laws, including GDPR where relevant
- Not share confidential client, partner, or beneficiary information with unauthorised third parties
- Take reasonable security measures to protect data held in digital or physical form
- Report any data breach or suspected breach to the Executive Director immediately

Confidentiality obligations continue after a person's engagement with the Organisation ends.

### **13. Enforcement and Consequences**

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Adherence to this policy is mandatory. Violations will be taken seriously and addressed in a manner proportionate to the nature and severity of the breach.

- Staff: Breaches may result in disciplinary action up to and including termination of employment, in accordance with applicable employment law.
- Consultants and contractors: Breaches may result in termination of contract.
- Board members: Breaches may result in removal from the Board.
- Partners: Breaches may result in suspension or termination of the partnership agreement.

Where a breach involves potential criminal conduct, the Organisation reserves the right to refer the matter to law enforcement or other competent authorities. Persons accused of a breach are entitled to be heard before a final decision is made.

### **14. Training and Awareness**

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Understanding this policy is a shared responsibility. The Organisation commits to:

- Introducing this policy as part of all new staff, volunteer, and consultant onboarding
- Conducting at least one integrity refresher or awareness session per year for all staff and board members
- Ensuring that persons designated with specific responsibilities under this policy (Integrity Contact, Safeguarding Focal Point) receive appropriate additional training
- Making this policy publicly available on the Organisation's website

Line managers are responsible for ensuring that members of their teams are familiar with this policy and understand its implications for their work.

## 15. Review and Updates

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This policy will be reviewed at least annually by the Executive Director and Board, or sooner following:

- A significant integrity incident
- Material changes to the Organisation's activities, structure, or geographic scope
- Relevant changes in applicable law or international standards

Proposed updates will be approved by the Board before taking effect. All persons within scope will be notified of substantive changes. Previous versions will be archived and retained for reference.

### **Acknowledgement:**

All staff, board members, volunteers, and long-term consultants are required to sign an acknowledgement in their contract confirming that they have read, understood, and agree to comply with this Integrity Policy.