

Communities Against Pollution NPC Donation Acceptance Policy

June 2022

1. Purpose of the Policy

Communities Against Pollution NPC (“CAP”) is committed to the highest possible standards of transparency and accountability in all its activities.

This document outlines CAP’s Donation Acceptance Policy (the “Policy”) and processes that may apply to the receipt of Donations. This Policy guides CAP’s board and staff on the types of Donations they can accept and seeks to avert adverse outcomes that may be triggered by the acceptance of certain Donations.

Having a policy does not prevent risks from arising or stakeholders disagreeing with decisions taken, but it demonstrates to all that the CAP has a responsible framework to address potential issues and provides a basis for risk assessment and management decisions, when receiving Donations. It also helps ensure that an association or relationship with any donor, organisation, or company does not compromise CAP’s ethical principles, harm its reputation, or have a significant negative impact on CAP’s name or put future funding at risk.

2. Definitions

For the purposes of this Policy: -

- 2.1 “Donor” means any individual or legal entity, including but not limited to private or public companies, associations, or governments, which offers or gives CAP a donation, gift, or in-kind contribution.
- 2.2 “Donation” means as any contribution or gift, financial or in-kind, made to CAP without a consideration received in return, for the purpose of furthering its stated objectives.
- 2.3 “Due Diligence Process” is a review of information on a prospective Donor allowing CAP to assess any concerns and risks that may exist when accepting a Donation. The process involves the vetting of prospective Donors to understand what, if any, risks may be involved by accepting the contribution. The Due Diligence Process may be conducted either by CAP or by its appointed fiduciary associates.
- 2.4 “In-kind” means as a contribution of goods and/or services other than property, financial payment, shares, bonds, or other financial product, which may include, but is not limited to, donated goods, objects, services, or voluntary labour.

3. Principles

3.1 Support of Objectives

CAP will take all reasonable steps to ensure that any decisions taken when accepting Donations, contributions, fundraising drives, or in the development of associate relationships, supports and advances its stated objectives.

3.2 Reputation and Core Values

CAP will not accept Donations from Donors whose objectives or activities are clearly incompatible with its core values and stated objectives, namely, to implement and promote democratised environmental quality control systems and assist in the advance of policies to protect the environment from pollution and ecological degradation.

3.3 Right to Refuse Donations

3.3.1 Donations and contributions are welcomed from a diverse range of national and international sources.

3.3.2 CAP may accept these Donations, provided they are managed in accordance with the CAP's objectives, Due Diligence Process, does not create a conflict of interest, and subject to its right to return any Donation.

3.3.3 CAP undertakes to ensure that it is compliant with local and international laws, particularly with South African money laundering and anti-terrorism laws and regulations and it will satisfy itself that the Donations are not derived from illegal activity or run counter to its principles and core values.

3.4 In-Kind Donations

CAP may also accept, In-kind Donations including, but not limited to, real estate property, bequests for estates, and endowments, publicly or privately traded shares, and services.

3.5 Conditions of Donation Acceptance

3.5.1 The acceptance of all Donations does not: -

3.5.1.1 constitute an endorsement by CAP of the Donor or its products or services;

3.5.1.2 confer on the Donor any privilege or competitive advantage;

3.5.1.3 offer the Donor any possibility of advising, influencing, participating in, or controlling the management or implementation of strategic or operational activities of CAP;

3.5.1.4 negate CAP's discretionary right to decline or return a Donation at any point, without any further explanation;

3.5.1.5 where the acceptance of a Donation may cause a conflict of interest, the contribution may be: -

3.5.1.5.1 directed from "non-earmarked" to "earmarked" funds for a particular program that is not conflicted, and provided that all other due diligence requirements are met; or

3.5.1.5.2 the Donation may be rejected without any further explanation.

3.6 **Donor's Acknowledgment and Undertaking**

Each Donor, when offering a Donation, is deemed to: -

3.6.1 have familiarised themselves with this Policy;

3.6.2 offered their Donation subject to the terms and conditions of this Policy;

3.6.3 have confirmed and warranted that their Donation is to be exclusively used for CAP's stated objectives, without any consideration received in return.

3.7 **Donation Recognition**

3.7.1 For reasons of transparency, CAP generally publicly acknowledges all philanthropic Donations and contributions unless the Donor specifically requests anonymity.

3.7.2 A donor can request to remain anonymous provided that their identity is known to CAP and subject to due diligence and risk assessment.

3.7.3 Absolutely anonymous Donations, where CAP or its fundraisers only deal with an intermediary who is not willing to disclose the Donor, will not be accepted.

4. **Due Diligence and Risk Assessment**

4.1 The Due Diligence Process is necessary to ensure that CAP is confident it knows the Donor, thus enabling it to identify and manage any associated risks.

4.2 This Policy requires due diligence be conducted on qualifying Donations from any Donor that contributes to CAP. The identifying, preventing, and avoiding potential reputational and financial risks associated with illegal or otherwise nefarious activities of potential Donor's is necessary to protect the integrity and reputation of the organisation. Clarity on the Donor's identity and source of funds used for the Donations or Gifts are thus an important part of CAP's oversight process.

4.3 CAP's Board acknowledges that while there are legislated and internal pre-set financial values or acts that trigger the commissioning of a due diligence and risk assessment, there may also be other common-sense factors which will trigger an investigation.

4.4 The Due Diligence Process comprises several practical steps that should be taken by CAP to: -

4.4.1 be assured of the legitimate source of philanthropic funds;

4.4.2 assess if the Donor's purpose and objectives align with those of CAP;

4.4.3 identify the Donor's past and current activities in terms of risk factors, such as environmental, ethical, business, reputation issues, health, labour, etc.;

4.4.4 verify the Donor's status, area of activities, membership, governance, sources of funding, constitution, statutes, and by-laws and affiliations.

5. **Due Diligence Considerations**

5.1 A due diligence assessment should be conducted on a case-by-case basis, where necessary or appropriate, and regardless of the financial value of the Donation, or the receipt of acknowledgment letters or agreements, Know Your Client documents, or any other relevant document from Donors.

5.2 When making such an assessment, CAP acts at its sole discretion and is not required to disclose reasons for refusing or returning a Donation or for not entering into an agreement.

5.3 The acceptance of Donations from the individuals or legal entities must be carefully considered and avoided where the Donors are known to: -

5.3.1 be non-compliant with laws and/or regulations, for example violation of international conventions, non-compliance with money laundering, tax, and corruption laws;

5.3.2 employ industry practices which contribute to environmental degradation, poor human health or diet, for example tobacco, alcohol, opencast mining industries;

5.3.3 adversely contribute to environmental degradation, destruction, or climate change, for example oil and gas, nuclear energy, petrochemical industries;

5.3.4 follow poor corporate practice, particularly with reference to fraud and corruption, labour rights, child labour, sexual exploitation, and abuse or other similar concerns;

5.3.5 contribute or promote violence, for example terrorist organisations and arm manufactures;

5.3.6 contribute to violence or discrimination towards any identity group, for example gender inequality or racism.

- 5.4 CAP may refuse, return, or delay the acceptance of any Donation, which could result in untenable financial, reputational, or other risk or responsibilities for which there are no satisfactory mitigating measures, for example dealing with individuals or legal entities that may: -
 - 5.4.1 conflict with or compromise CAP's objectives, provisions of its memorandum of incorporation, or fail to comply with the terms of this Policy;
 - 5.4.2 bring CAP into disrepute or deter potential Donors from supporting CAP;
 - 5.4.3 donate in an unethical and non-transparent manner;
 - 5.4.4 derive their income from illegal activities or from an illegal source;
 - 5.4.5 conceal or disguise the source of funds of the Donation, and such person or entity knows or ought to have known that the said funds were the procured from an illegal or illicit act;
 - 5.4.6 be related to, associated with, or connected to any terrorist act or related activities, as defined in the Protection of Constitutional Democracy Against Terrorist and Related Activities Act 33 of 2004;
 - 5.4.7 be offered in exchange for any gratification, as defined in the Prevention and Combating of Corrupt Activities Act 12 of 2004, whether for the benefit of that person or someone else;
 - 5.4.8 be offered or made in exchange for any direct or third-party benefit, or to obtain any business or other advantage from CAP or its associates or stakeholders, excluding legitimate arms-length transactions which further CAP's objectives;
 - 5.4.9 be offered for the purposes of inducing or facilitating any act, and which may: -
 - 5.4.9.1 be considered an abuse of a position of authority;
 - 5.4.9.2 be seen as a breach of trust;
 - 5.4.9.3 be in violation of any fiduciary or legal duty or in breach of a set of rules;
 - 5.4.9.4 amount to an unauthorised or improper inducement, to do or not to do anything, or which may lead to an unjustified result;
- 5.5 CAP may also refuse, return, or delay the acceptance of any Donation from a Donor, if: -
 - 5.5.1 the Donor fails or refuses to provide CAP with any additional information which it requested from the Donor;
 - 5.5.2 it is unable to verify the identity of the Donor and/or the source of funds of the Donation to its satisfaction;

5.5.3 such Donation is made subject to any condition which CAP has not agreed to in writing;

5.5.4 it is unable to meaningfully, lawfully, use, convert, sell, or exchange for the purpose of accomplishing its objectives.

5.6 CAP shall not accept Donations from Donors who are subject to UN sanctions.

6. **Roles and Responsibilities**

6.1 The Board is responsible for carrying out the assessments and reviewing the criteria, in accordance with CAP's internal Due Diligence Process. In cases of unfavourable, questionable, or concerning findings, the Board may take additional measures. Additional questions may be asked to the Donor or additional screening can be requested if deemed necessary.

6.2 The Board shall determine whether: -

6.2.1 the Donation should be accepted or refused;

6.2.2 any additional information should be sought; or

6.2.3 appoint an External Review Committee review the due diligence report for final decision.

6.3 The Board shall review this Policy from time to time.

7. **Allocation of Donations by CAP**

7.1 The CAP will use every Donation it receives towards achieving the following objectives: -

7.1.1 to purchase and maintain independent environmental quality control monitoring equipment;

7.1.2 to establish and maintain a democratised, live or near-live streaming, web based visual representation of environmental quality information for the benefit of affected communities;

7.1.3 to utilise funds to educate affected communities on matters impacting their rights to a healthy environment;

7.1.4 limit, wherever possible, Management and General Expenses;

7.1.5 employ best practice allocation of revenue allocation as applicable to non-profit organisations accounting for Program Service Expenses, Fundraising Expenses and Management and General Expenses.

7.2 CAP will work in collaboration with stakeholders, other social partners, and South African communities, to achieve its objectives.