50 Court Street, Suite 712
Brooklyn, NY 11201
rainforestfoundation.org
@RainforestUS

Ethics and Integrity Committee

TERMS OF REFERENCE

Approval

Approval status: Draft submitted to the Board of Directors for approval. Approval is expected on or before December 1, 2026.
Effective date: These Terms of Reference take effect upon approval by the Board of Directors. The approval date will be recorded following the Board's decision.
Responsible function: Ethics and Integrity Committee
Governance oversight: Board of Directors
Classification: Public and optional to be available on the RFUS website
Review cycle: At least every three years or earlier when required

1. Purpose

The Ethics and Integrity Committee (“the Committee”) is a standing institutional committee established by the Executive Director of Rainforest Foundation US (“RFUS”) to provide independent oversight, advice, and assurance regarding ethical conduct, integrity, accountability, conflicts of interest, prevention of prohibited practices, whistleblower protection, and related organizational policies and procedures.

The Committee supports RFUS's commitment to the highest standards of ethical conduct and responsible stewardship of financial, human, environmental, and community resources.

The Committee is also intended to strengthen RFUS's institutional capacity to meet best practices and highest standards, including relevant fiduciary standards, integrity requirements, environmental and social safeguards, accountability requirements, and monitoring obligations.

The Committee shall operate in a manner proportionate to RFUS's size, structure, activities, and risk profile.

2. Objectives

The Committee's objectives are to:

1. Promote a culture of integrity, transparency, accountability, respect, and ethical decision-making throughout RFUS.
2. Oversee the implementation and effectiveness of RFUS's ethics and integrity framework.
3. Monitor compliance with applicable policies on conflicts of interest, fraud, corruption, bribery, prohibited practices, safeguarding, sexual exploitation, abuse, harassment, whistleblower protection, confidentiality, and related matters.
4. Provide an independent forum for considering significant ethical and integrity concerns.
5. Ensure that concerns and allegations are handled fairly, confidentially, consistently, and without retaliation.
6. Strengthen the independence and effectiveness of RFUS's complaint, investigation, and reporting mechanisms.
7. Identify systemic weaknesses and recommend corrective and preventive measures.
8. Provide assurance to the Board of Directors that significant ethics and integrity risks are being appropriately identified, managed, monitored, and reported.
9. Support RFUS's compliance with applicable international requirements and other relevant donor, legal, regulatory, and contractual requirements.

3. Authority

The Committee derives its authority from these Terms of Reference, as approved by the Board of Directors. The Committee is administratively accountable to the Executive Director while retaining direct access to the Board of Directors for reporting and escalation as provided in these Terms of Reference. Following Board approval, the Executive Director shall appoint the Committee's members and Chair and inform the Board of those appointments.

Within the scope of these Terms of Reference, the Committee is authorized to:

- Obtain information, documents, and records necessary to perform its responsibilities, subject to applicable confidentiality and privacy requirements.
- Request reports from management, internal audit, external audit, compliance, human resources, safeguarding, finance, legal counsel, or other relevant functions.
- Refer allegations falling within the mandate of the Independent Investigation Function to that Function for independent assessment and determination of the appropriate investigative response. The Committee may request management to undertake reviews or assessments only where the matter falls outside the mandate of the Independent Investigation Function and doing so would not compromise investigative independence.
- Where external investigative expertise is deemed necessary under the Independent Investigation Function Terms of Reference and Investigation Procedures, the Committee may authorize the associated engagement and expenditure within its delegated financial and procurement authority, or recommend authorization to the Executive Director or the appropriate non-conflicted Board authority, as applicable. The Investigation Function shall ordinarily determine the professional need, required qualifications, independence safeguards, and investigative mandate. Administrative authorization or contracting shall not permit the Committee to direct investigative methodology, scope, evidence assessment, findings, conclusions or report finalization. Where the Investigation Function or its normal reporting line is itself implicated or conflicted, the Committee or appropriate independent Board authority may arrange an alternative independent investigator and reporting line in accordance with RFUS's special conflict procedures.
- Meet privately with staff, management, auditors, investigators, or other relevant persons when appropriate.
- Make recommendations directly to the Executive Director or the Board of Directors, as appropriate.
- Escalate significant or unresolved concerns directly to the Board Chair or the full Board.
- Require management to provide follow-up reports on agreed corrective actions.

The Committee provides oversight of the effectiveness of RFUS's ethics and integrity framework. It does not replace People and Culture, safeguarding, the Institutional GRM, the Independent Investigation Function, or their established reporting and response procedures. Concerns shall be submitted through the channels identified in the applicable RFUS policies. Any concern received by the Committee shall be referred through the appropriate channel, subject to confidentiality and conflict-of-interest safeguards. Management and designated functions remain responsible for operational implementation and response.

4. Scope of Responsibilities

4.1 Ethics and Integrity Framework

The Committee shall provide governance oversight of the adequacy and effectiveness of RFUS's ethics and integrity framework, including through review of policies, management reporting, investigation trends, Internal Audit findings, independent assessments, and other relevant assurance information. The Committee does not itself perform internal audit procedures, control testing, or operational assurance activities.

The Committee shall periodically assess whether the following policies remain appropriate, effective, and aligned with applicable requirements and recognized good practice:

- RFUS Code of Ethics and Conduct (Employee Handbook section 2);
- Conflict of Interest Policy for Directors and Officers;
- Anti-Fraud and Anti-Corruption Policy;
- Protection of Whistleblowers and Witnesses Policy;
- Safeguarding and Protection from Sexual Exploitation, Abuse and Harassment;
- Anti-Harassment and Non-Discrimination policies (Employee Handbook section 2);
- Complaints and grievance mechanisms (Employee Handbook section 4);
- Investigation procedures (Employee Handbook section 2);
- Procurement integrity controls;
- Financial integrity and fraud-risk controls;
- Confidentiality and protection of sensitive information (Employee Handbook section 2);
- Institutional Grievance Redress Mechanism – Policy and Procedure and Terms of Reference, and applicable employee complaint procedures;
- Independent Investigation Function – Terms of Reference and Case Management Guidelines.
- Other policies addressing ethical conduct and organizational integrity.

4.2 Conflicts of Interest

The Committee shall oversee RFUS's conflict-of-interest framework, including:

- Annual declarations of interests by Board members, senior leadership, and other designated personnel;
- Disclosure of actual, potential, or perceived conflicts;
- Appropriate management and mitigation of conflicts;
- Recusal from decisions where a conflict exists;
- Maintenance of appropriate records of declarations and recusals.

The Committee may review significant or disputed conflicts of interest and make recommendations to the Board of Directors or Executive Director, as appropriate.

4.3 Fraud, Corruption and Prohibited Practices

The Committee shall oversee RFUS's mechanisms for preventing, detecting, reporting, and responding to prohibited practices, including, as applicable:

- Fraud;
- Corruption;
- Bribery;
- Collusion;
- Coercion;
- Obstruction;
- Misappropriation or misuse of funds;
- Financial misconduct;
- Abuse of authority;
- Undisclosed conflicts of interest; and
- Other serious violations of organizational policies or applicable law.

The Committee shall ensure that significant allegations are appropriately assessed and that corrective measures are implemented.

4.4 Whistleblower and Witness Protection

The Committee shall oversee the effective implementation of RFUS's Protection of Whistleblowers and Witnesses Policy.

The Committee shall oversee whether RFUS maintains, as appropriate::

- Multiple safe channels exist for reporting concerns, including the RFUS webpage "Contact Us" section and ENG, ESP, and POR languages.
- Reports may be made confidentially or, where permitted, anonymously;
- Individuals who raise concerns in good faith are protected against retaliation;
- Witnesses and persons participating in investigations are appropriately protected;
- Retaliation allegations are promptly addressed;
- Reports are handled in a timely, impartial, and confidential manner;
- Records are securely maintained; and
- The appropriate responsible functions, including the Independent Investigation Function where applicable, periodically provide the Committee with aggregated or anonymized information on whistleblower reports, protection concerns, referrals, case status and corrective actions, proportionate to case volume and significance. Where there is no or limited activity, a brief nil-activity or limited-activity update is sufficient; a separate trend analysis is not required. Significant or urgent concerns shall be escalated promptly. Management may report on policy implementation and corrective actions within its responsibility but shall not control investigative reporting.

The Committee shall pay particular attention to the independence of reporting channels where allegations concern senior management or members of the Board of Directors.

4.5 Complaints and Investigations

The Committee shall oversee the overall effectiveness of RFUS's system for receiving and addressing complaints and allegations of misconduct. In exercising this oversight, the Committee shall not determine whether a particular allegation should be substantiated, direct investigative methodology or scope, modify investigative findings or conclusions, or approve the final investigation report. Those professional determinations remain the responsibility of the Independent Investigation Function, which independently examines alleged misconduct and determines the scope, methodology, findings, and final report of the investigation. and the assigned investigator.

In carrying out this governance oversight, the Committee may consider whether RFUS has appropriate:

- Clearly defined reporting channels, included in RFUS policies and the RFUS webpage "Contact Us" section, and in ENG, ESP, and POR languages.
- Procedures for receiving and registering complaints;
- Preliminary assessment and case classification procedures;
- Clear criteria for determining whether an investigation is warranted;
- Appropriate standards and procedures for investigations;
- Measures to manage conflicts of interest and ensure investigator independence;
- Confidentiality and data protection safeguards;
- Procedures for documenting findings and recommendations;
- Corrective and disciplinary measures where appropriate; and
- Mechanisms for monitoring the implementation of recommendations.

Where an allegation concerns a Committee member, Board member, Executive Director, or other senior official, the individual concerned shall not participate in decisions relating to the matter.

4.6 Safeguarding and Protection from Sexual Misconduct

The Committee shall oversee the integrity and accountability aspects of RFUS's safeguarding framework, including policies and procedures concerning:

- Sexual exploitation and abuse;
- Sexual harassment;
- Child safeguarding;
- Abuse of power;
- Harassment and discrimination;
- Exploitation of vulnerable individuals and communities; and
- Other forms of misconduct that may cause harm.

The Committee shall ensure that reporting and response mechanisms are survivor-centered, confidential, accessible, impartial, and consistent with applicable law and organizational policy.

The Committee shall not interfere with the operational independence of appropriately designated safeguarding or investigation functions.

4.7 Ethics and Integrity Risk Assessment

At least annually, the Committee shall review significant ethics and integrity risks facing RFUS. The review may be conducted through the Committee's regular work plan and may rely on management risk reporting, Internal Audit findings, investigation and grievance trends, and other available assurance information; a separate stand-alone risk assessment is not required.

The review shall focus on material ethics and integrity risks, including conflicts of interest; fraud, corruption and misuse of funds; safeguarding and retaliation; and confidentiality and protection of sensitive information. It shall consider these risks across RFUS's operations, including financial management, procurement, grant-making and partnerships, where relevant.

The Committee shall use available information from responsible functions and recommend follow-up on material gaps. Operational risk management, financial controls, information-security implementation, and technical environmental and social management remain with the designated RFUS functions.

The Committee shall recommend measures to address material gaps and emerging risks.

4.8 Training and Organizational Culture

The Committee shall promote an organizational culture that encourages ethical behavior, accountability, transparency, and speaking up.

The Committee may periodically review whether RFUS's ethics and integrity training approach is appropriate to the roles and risk exposure of relevant personnel and partners.

Training should address the RFUS Code of Ethics and Conduct, conflicts of interest, prohibited practices, reporting mechanisms, whistleblower protection, safeguarding, and individual responsibilities.

4.9 Monitoring and Reporting

The Committee shall receive proportionate periodic reporting, as relevant, on significant ethics and integrity matters, which may include:

- Ethics and integrity cases;
- Whistleblower reports;
- Complaints;

- Investigations;
- Conflicts of interest;
- Fraud and corruption risks;
- Safeguarding concerns;
- Retaliation allegations;
- Corrective actions;
- Policy violations;
- Training and awareness activities; and
- Status of recommendations.

Reports should, wherever possible, use aggregated and anonymized information to protect confidentiality.

The Committee shall report regularly to the Board of Directors on significant matters, trends, systemic risks, and recommended actions.

5. Relationship with Other Governance Functions

The Committee shall coordinate, as appropriate, with:

- Board of Directors;
- Executive Director;
- Finance and Audit functions;
- People and Culture;
- Safeguarding function;
- Legal counsel;
- Compliance function;
- Internal Audit;
- External Auditors;
- Investigation function; and
- Risk Management function.

The Committee shall maintain clear separation between oversight and operational responsibilities.

Where RFUS has an independent investigation, compliance, safeguarding, or audit function, that function shall retain operational independence in accordance with its mandate.

6. Composition

The Committee shall consist of three to five members appointed by the Executive Director. Members may include members of the Board of Directors, RFUS employees, including employees with managerial or supervisory responsibilities, and, where appropriate, external members or advisers with relevant expertise. In appointing members, the Executive Director shall consider the Committee's collective expertise, ability to exercise objective judgment, potential conflicts of interest, and the need to ensure that the Committee can perform its responsibilities effectively and impartially.

The Committee should collectively possess appropriate expertise in areas such as:

- Ethics and organizational integrity;
- Governance;
- Financial management and audit;
- Risk management;
- Human resources;
- Investigations and compliance;
- Environmental and social safeguards;
- Human rights and safeguarding; and/or
- Nonprofit management.

At least one member should have significant expertise in finance, audit, compliance, legal, or risk management.

Where feasible, the Committee should reflect RFUS's commitment to diversity, equity, inclusion, gender balance, and representation of relevant geographic and cultural perspectives.

7. Independence

To preserve the Committee's independence and impartiality:

1. Committee membership may include employees with managerial or supervisory responsibilities. Managerial or supervisory responsibilities shall not, by themselves, disqualify an individual from serving on the Committee.
2. Committee members shall exercise their Committee responsibilities impartially and independently from their ordinary management, supervisory, reporting, or operational responsibilities.
3. The Executive Director shall not serve as Chair of the Committee.
4. Individuals responsible for investigating a matter shall not participate in the Committee's oversight of that matter where doing so would create an actual, potential, or perceived conflict of interest or otherwise compromise the independence of the investigation.
5. The Investigation Function Lead/Focal Point serves as an ex officio, non-voting member of the Ethics and Integrity Committee and does not count toward quorum. The individual shall not participate in Committee oversight, deliberation, recommendations or decisions concerning a matter they received, materially screened, administered, referred, facilitated, resolved or investigated, except to provide factual or procedural information requested by the Committee. The individual shall withdraw during deliberations and decisions. Applicable conflict-of-interest and access restrictions remain in effect.
6. Each Committee member shall disclose any actual, potential, or perceived conflict of interest relating to a matter before the Committee.

7. A Committee member shall recuse themselves from the consideration, discussion, recommendation, or decision of any matter involving themselves, a person whom they directly supervise or to whom they directly report, or any other circumstance that could reasonably call their impartiality into question.
8. Recused members shall not receive confidential case information beyond what is necessary to identify and manage the conflict and shall not count toward the quorum for consideration of the affected matter.
9. The Committee may meet in executive session without management or other staff present whenever appropriate to preserve independence, confidentiality, or impartiality.

Where an allegation involves the Executive Director, a Board member, the Committee Chair, or another Committee member, the individual concerned shall not participate in the Committee's consideration of the matter. The matter shall be handled through the applicable alternative reporting, investigation, and escalation pathway established by RFUS policy. Where escalation to the Board Chair would create a conflict, the matter shall be referred to the appropriate non-conflicted Board authority.

For any matter involving management, personnel under a Committee member's supervision, or activities for which a Committee member has operational responsibility, the Committee must have sufficient independent and unconflicted members to form a quorum without relying on a member whose ordinary management responsibilities are materially connected to the matter. If such a quorum cannot be formed, the matter shall be transferred to an appropriate independent and unconflicted Board authority or other independent mechanism.

8. Chair

The Executive Director shall appoint the Chair of the Committee.

The Chair shall:

- Set the agenda in consultation with the Committee Secretary;
- Convene and preside over meetings;
- Ensure that members receive adequate information;
- Facilitate independent and balanced discussion;
- Ensure conflicts of interest are addressed;
- Ensure decisions and recommendations are documented;
- Report to the Board of Directors; and
- Escalate significant or urgent matters when necessary.

The Chair should have no material conflict of interest with RFUS.

9. Committee Secretary

The Executive Director or Committee Chair shall designate a Committee Secretary.

The Secretary shall:

- Coordinate meetings;
- Prepare agendas and supporting materials;
- Maintain minutes and records;
- Maintain the Committee's action tracker;
- Safeguard confidential information;
- Coordinate reports to the Board of Directors; and
- Maintain appropriate records of declarations, recusals, recommendations, and follow-up actions.

The Secretary shall not interfere with the Committee's independent consideration of matters.

10. Meetings

The Committee shall meet **at least every 6 months** and may meet more frequently when circumstances require.

Additional meetings may be convened by:

- The Committee Chair;
- A majority of Committee members;
- The Board Chair; or
- The Executive Director, where urgent organizational risks require Committee attention.

Meetings may be conducted in person or remotely.

The Committee may invite management, staff, auditors, investigators, legal counsel, safeguarding specialists, or other individuals to attend portions of meetings as appropriate.

The Committee shall periodically meet in executive session without management present.

11. Quorum and Decision-Making

A quorum consists of a majority of appointed voting members, all of whom must be independent and unconflicted concerning the matter. Non-voting and recused members do not count toward quorum. If a quorum cannot be established, Section 7’s independent escalation arrangements apply.

The Committee shall seek to reach decisions by consensus.

Where consensus cannot be reached, decisions shall be made by a simple majority of members present and eligible to vote.

Each voting Committee member, including the Chair, shall have one vote. A member with a conflict of interest shall not participate in the relevant discussion or vote.

In the event of a tie requiring a determination, the matter shall be referred to the appropriate non-conflicted Board authority.

12. Confidentiality and Data Protection

Committee members shall maintain strict confidentiality concerning:

- Complaints;
- Whistleblower reports;
- Investigations;
- Personal information;
- Protected disclosures;
- Legal advice;
- Sensitive organizational information; and
- Committee deliberations.

Confidential information shall only be disclosed to individuals with a legitimate need to know or where disclosure is required by law.

Committee members shall sign an appropriate confidentiality and conflict-of-interest declaration upon appointment and periodically thereafter.

13. Protection Against Retaliation

RFUS prohibits retaliation against any person who, in good faith:

- Reports suspected misconduct;
- Raises an ethical concern;
- Makes a complaint;
- Participates in an investigation;
- Provides evidence or information;
- Refuses to participate in prohibited conduct; or
- Otherwise, assists an authorized review or investigation.

The Committee shall monitor the effectiveness of these protections and may recommend immediate protective measures where retaliation is suspected.

This provision should be implemented consistently with RFUS's Protection of Whistleblowers and Witnesses Policy and applicable law.

14. Investigation Independence

The Committee shall not conduct investigations itself. Investigations shall be undertaken by an appropriately qualified and sufficiently independent person or function, in accordance with RFUS's Investigation Procedures.

Where the allegation concerns a senior official, Board member, Committee member, or another individual whose involvement could compromise the independence or perceived independence of the investigation, an appropriately independent investigator shall be assigned in accordance with RFUS's Investigation Procedures.

Where necessary to preserve the independence of an investigation, the Committee may appoint an external independent investigator within its delegated authority. If the Committee lacks that authority, it may recommend that the Executive Director or the appropriate non-conflicted Board authority make the appointment.

The investigator will ordinarily report through the organization's Investigation Function, provided that the Function and it's normal reporting line are not involved in the matter and have not conflict of interest. If either is implicated or conflicted, the Committee or the appropriate non-conflicted Board authority shall establish an alternative reporting arrangement.

In all cases, the assigned investigator retains sole professional responsibility for methodology, scope, evidence assessment, findings, conclusions, and final report. The Committee shall not direct the investigator's methodology, scope, findings, conclusions, or final investigation report.

The Committee shall oversee the adequacy, independence and effectiveness of the investigation process but shall not direct investigative scope or methodology, determine or modify factual findings or conclusions, or approve the final investigation report.

15. Annual Work Plan

The Committee shall maintain a proportionate annual agenda or work plan identifying its principal oversight priorities for the year, items such as:

- Review of ethics and integrity policies;
- Conflict-of-interest declarations;
- Ethics and integrity risk assessment;
- Whistleblower and complaint mechanisms;
- Investigation system review;
- Safeguarding oversight;
- Fraud and corruption risk;
- Ethics training;
- Review of significant cases;
- Corrective action monitoring;

- Compliance and reporting requirements; and
- Annual report to the Board of Directors.

The work plan shall be risk-based and proportionate to RFUS's activities.

16. Annual Report to the Board of Directors

The Committee shall report to the Board at least annually on its activities and material matters within its mandate. The report may address, as relevant:

1. Activities undertaken during the year;
2. Significant ethics and integrity risks identified;
3. Material complaints and cases, presented in anonymized form where appropriate;
4. Status of investigations and corrective actions;
5. Conflict-of-interest compliance;
6. Whistleblower and retaliation matters;
7. Safeguarding and misconduct trends;
8. Policy gaps or recommended revisions;
9. Training and awareness activities;
10. Compliance matters, and
11. Recommendations for strengthening organizational integrity.

The report should protect confidential information while providing the Board of Directors with sufficient information to discharge its oversight responsibilities.

17. Escalation of Serious Matters

The Committee shall promptly escalate to the Board of Directors any matter that could materially affect:

- RFUS's financial integrity;
- Its reputation or credibility;
- The safety or rights of individuals or communities;
- Compliance with applicable law;
- Compliance with donor requirements;
- Compliance with international accreditations or international fund-funded activities;
- The effectiveness of internal controls;
- The integrity of financial reporting, or
- RFUS's ability to meet its fiduciary, environmental, and social commitments.

Where immediate action is necessary to prevent harm, loss, retaliation, or further misconduct, the Committee Chair may recommend interim protective measures to the appropriate authority.

18. Records

The Committee shall maintain appropriate records of:

- Agendas;
- Minutes;
- Decisions and recommendations;
- Conflicts-of-interest declarations;
- Recusals;
- Action items;
- Annual work plans;
- Annual reports; and
- Other relevant Committee documentation.

Case-related information shall be stored securely and separately where appropriate, with access limited to authorized persons.

Records shall be retained in accordance with RFUS's records-retention, privacy, and legal requirements.

19. Review of the Terms of Reference

The Committee shall review these Terms of Reference at least every three years, or sooner if:

- There are significant changes to requirements;
- RFUS's governance structure changes;
- New material integrity risks emerge;
- An investigation identifies systemic weaknesses; or
- Applicable law or donor requirements change.

Any amendments shall be submitted to the Executive Director for approval. The Executive Director shall inform the Board of Directors of any material amendments approved.

20. International Standards Alignment

These Terms of Reference are designed to support RFUS's institutional capacity to meet relevant international standards concerning:

- Fiduciary standards;
- Transparency and accountability;
- Ethics and conflicts of interest;
- Prohibited practices;
- Whistleblower and witness protection;
- Investigation and complaints mechanisms;

- Environmental and social safeguards;
- Gender-related commitments;
- Monitoring and accountability; and
- Appropriate oversight of international funds-funded activities.

The Committee shall periodically review applicable policies and guidance to ensure continued alignment.

RFUS should not rely solely on these Terms of Reference to demonstrate international compliance. Compliance depends on the actual implementation and effectiveness of RFUS's broader governance, fiduciary, integrity, environmental and social, safeguarding, complaints, investigation, and risk-management systems.

The Committee may consider environmental and social, safeguarding, and human-rights matters insofar as they present material ethics, integrity, accountability, prohibited-practice or safeguarding concerns within the Committee's mandate. Responsibility for the operational implementation and technical management of RFUS's Environmental and Social Management System and applicable GCF environmental and social safeguards remains with the designated RFUS management and program functions.