**CONFLICT OF INTEREST POLICY**

**Template**

Note: Text in *italics* provides suggestions / options for companies to consider

Table of contents

1 Purpose 1

2 Scope 1

3 Definitions 1

4 Policy 2

4.1 Principles 2

4.2 Avoid 3

4.3 Identify 3

4.4 Disclose 3

4.5 Manage 3

4.5.1 Declarations 4

4.6 Mitigation of conflicts of interest 4

5 Roles and responsibilities 5

6 Internal controls 6

7 Training 6

8 Final provisions 6

8.1 Related documents 6

8.2 Review and updating 6

# Purpose

Conflicts of interest can have a significant negative impact on the reputation of *(our company / name of company)* and the effectiveness of our business. This policy aims to prevent the risks associated with conflicts of interest by helping Staff to identify, disclose, manage and mitigate these conflicts.

Conflicts of interest can arise in daily life, and may sometimes be unavoidable. It is not possible to give an exhaustive list of all the situations where conflicts of interest might arise, this policy therefore sets out principles to guide Staff as part of our commitment to high ethical standards.

# Scope

*Define the scope clearly according to your company’s requirements) e.g.:*

This policy is applicable to *all Staff / all white-collar Staff* *with a company laptop / all employees who hold the title ‘Manager’ and above / persons who hold the grade of X* in *(name of company, subsidiaries, representative offices (adapt as appropriate))* and all third parties representing or engaged on behalf of *(name of company).*

# Definitions

**Conflicts of interest** may arise when the private interests of a Staff member, or their Relatives/Close Associates, diverge from those of the company or call into question the objectivity of the Staff member, or their duty of loyalty to the company. Conflicts of interest can be:

1. **Actual** in that the Staff member is involved in a real and existing conflict of interest.

**Examples** include (but are not limited to):

* Hiring or supervising a Relative;
* A Staff member is involved in awarding a contract under a tender procedure where a Close Associate’s company is bidding;
* A Staff member has a second job on top of their full-time job with our *company/name of company*.
1. **Potential** conflicts of interest do not yet exist, but there is a realistic possibility that a future change in circumstances could create an actual conflict of interest for the Staff member.

**Examples** include (but are not limited to):

* A Staff member is on the board of a company that does not currently supply our company but it could do so in future, as it provides services that are needed by our company;
* Two family members currently work in different divisions of our company, if one were to change job and move into the same reporting line as their family member this could create a conflict of interest;
* A Staff member’s spouse works in a Non-Governmental Organisation (NGO) that is active in environmental issues and critical of the metals technology sector, the NGO could file a complaint against our company in future.
1. An **apparent (perceived)** conflict of interest is a situation where a Staff member may reasonably appear to an external person, to have a conflict of interest, even if this is not the case in reality.

**Examples** include (but are not limited to):

* Engaging a company (e.g. as service provider) where a personal and or a private connection to *any employee, manager or board member* in *our* company currently exists that is material to the terms of that engagement;
* An employee is working in any capacity (e.g. as an employee, consultant, advisor or in any other capacity or arrangement) for an entity that is currently, or may become, a competitor, customer or provider of goods or services to our company;
* An employee who continues to work on a customer project during their notice period pending a change of employment to that customer.

**Line manager** refers to the person who is responsible for the Staff member’s work from a business or operational perspective.

**Relative/close associate** refers to the Staff member’s spouse, partner, children, parents, grandparents, in-laws, uncles, aunts and their offspring, close personal friends and personal business contacts.

**Staff/Staff member** means all board members, senior management, managers, officers, all employees whether temporary or otherwise. *(Adjust this definition in line with the Scope)*

# Policy

## Principles

As this policy cannot cover every potential conflict of interest, these are the basic principles for all Staff to follow:

* Uphold the duty of loyalty to the company and avoid conflicts of interest wherever possible;
* Never conceal a conflict of interest; seek advice and disclose promptly;
	+ All decisions and actions by Staff shall be taken in the best interests of our company;
	+ Avoid taking advantage of a business opportunity that (*name of company)* might be interested to pursue.

## Mitigation of conflicts of interest

Staff members may be required to take certain actions or follow measures to address a conflict of interest, such as the following principles and examples illustrate:

**Transparency**: an actual conflict of interest may be properly managed if it is disclosed in a timely and transparent way, for example, informing the line manager and relevant departments internally, that a company owned by a close associate of a Staff member is bidding for a contract, which if successful would then work with the Staff member’s business unit. The measures could involve reassignment of the Staff member for the duration of the contract (if awarded), or inserting an additional supervisory control in relation to dealings with the close associate’s company.

**Avoidance**: a potential conflict of interest should always be avoided wherever possible, for example by informing all suppliers that procurement Staff are not permitted to accept gifts or hospitality at any time.

**Recusal / stepping back**: it may be appropriate for someone subject to a conflict of interest not to become involved in a decision that may be affected by the conflict of interest. For example, where a Relative applies for a job, arrangements could be made to ensure the Staff member does not become involved in, or would not be in a position to influence any decision whether to hire the Relative or not.

**Refusal**: rejectingthe situation that createsa conflict of interest will eliminateit, for example by refusing a position on a competitor’s board.

**Reassignment**: Altering the Staff member’s duties (permanently or temporarily), so that they no longer perform the role which may potentially put them in a conflict situation, may also be an appropriate measure.

## Avoid

The best way to prevent a conflict of interest is to avoid them altogether. Staff have a contractual duty of loyalty to the company under the terms of their employment; they should therefore avoid situations that would result in a conflict of interest with their work-related responsibilities wherever possible.

## Identify

If a Staff member is unsure whether or not a situation qualifies as an actual, potential or apparent (perceived) conflict of interest, they should discuss it with their line manager or a compliance officer in the first instance. If the line manager needs guidance, they should contact the *Chief Compliance Officer* *(adjust reporting line / title as appropriate)* for further advice which should then be followed.

New hires should be required to declare in writing whether they have any actual or potential conflict of interest before taking up their employment in the company. In the event that a conflict of interest is identified, any mitigation measures must be discussed and agreed with the new Staff member and their line manager must be informed accordingly.

Third parties who represent, or act on behalf of our company shall be subject to appropriate due diligence to identify actual or potential conflicts of interest so that appropriate measures can be taken to manage and mitigate them.

## Disclose

Disclosure must take place as soon as a Staff member identifies that they may be in a conflict of interest.

*White collar* Staff *l all Staff* are required to disclose any actual or potential conflicts of interest using the *form/system* (*identify the applicable process here (this could be online, via email, or in a conflict of interest system - each company should specify their process accordingly*) as prescribed by the *Chief Compliance Officer*.

Staff are required to provide an attestation (confirmation) that they have disclosed all conflicts of interest or that they do not have any conflicts of interest as follows:

* Upon joining the company
* *Annually / periodically (e.g. annually or every three years).*

If circumstances change, existing disclosures may no longer be accurate or complete. Staff must ensure that disclosures are updated in a timely manner (e.g. *30 days* from becoming aware of the changing circumstance) to reflect the current status.

## Manage

The following principles will be applied by the *Line Manager / Compliance Officer / Chief Compliance Officer* when evaluating the actual, potential or apparent (perceived) conflicts of interest:

* Any personal information relating to a Staff member should be treated as confidential and only disclosed in accordance with applicable data privacy standards *(reference relevant policy if applicable)*;
* Identify the facts that constitute an actual, potential or apparent (perceived) conflicts of interest and whether the situation requires follow-up;
* Provide a fair evaluation of the options and commensurate action to address the conflict;
* Identify a pragmatic solution to address the conflict of interest so that risks are minimized and the personal interests of the employee are protected as far as possible;
* Communicate the decision and its reasoning to the Staff member and the line manager, and follow up to ensure that they understand and comply with it, in accordance with any prescribed time-frame for any actions;
* Retain documentation of the decision including its rationale, due date and any follow up actions.

As a general rule, Staff shall abstain or withdraw from debating, voting, or taking part in any decision-making processes or activities where a conflict of interest exists, or might arise in the near term.

### Declarations

All Staff must submit a conflict of interest declaration in accordance with the process (*identify/describe it here).* Declarations shall be completed within the recruitment process for new hires, and within *30 days* for all other Staff. This declaration will be updated/renewed by all Staff on an annual basis.

In the event of a conflict of interest arising at any time between annual declarations, this must be declared to the line manager *and included in the next annual declaration in accordance with the above-mentioned process*. Any mitigation measures that are required to be followed by the Staff member must be documented in writing by the line manager.

It shall be the responsibility of the Chief Compliance Officer (CCO) to ensure that declarations submitted by Staff are promptly reviewed, and any advice and or mitigation measures to address the conflict of interest are communicated promptly to the Staff member and their line manager.

# Roles and responsibilities

The Chief Compliance Officer (CCO) and the compliance function are responsible for the implementation of this policy. Implementation includes developing the declarations system and rolling it out; collecting and reviewing the declaration responses; training and awareness raising on conflicts of interest to appropriate persons within the company, and to third parties as necessary.

The development of due diligence procedures for third parties that are in scope for the purposes of this policy shall be in line with *applicable Third-Party Due Diligence policies and procedures (specify the relevant documents)*.

The review of the declarations submitted by Staff and any follow-up regarding the development of mitigating measures shall be decided by the CCO in consultation with any other relevant function (such as Human Resources, Legal, IT) as well as the line manager of the Staff member. The implementation of any mitigating measure will be the responsibility of the line manager.

The CCO shall provide advice and support to senior management, line managers and board members as may be necessary. The CCO shall be responsible for reporting on conflicts of interest to the board.

Line managers are responsible for ensuring that Staff under their management fulfil their obligations to declare conflicts of interest, and to advise such Staff as may be necessary.

All Staff are obliged to adhere to the guidance and directions that may be given to them by their Line manager and or compliance personnel in relation to managing any conflict of interest.

If a member of Staff breaches this policy this may result in remedial, corrective or disciplinary actions being imposed, up to and including termination of employment.

# Internal controls

The following procedures will be subject to appropriate periodic review and internal controls:

* Conflicts of interest declarations processes for existing Staff as well as new hires;
* Due diligence procedures and information gathering relating to actual and potential conflicts of interest as conducted on third parties; and
* Any mitigation measures imposed on Staff who have a conflict of interest that needs to be managed.

These processes and measures will be evaluated periodically as part of the *corruption risk assessment/risk assessment* and or by internal audit.

# Training

Staff must familiarize themselves with this policy and participate in any training sessions that address the issue of conflict of interest and to which they designated to attend.

Line managers will be trained on their specific responsibilities to advise their Staff, how to identify, evaluate and effectively address conflicts of interest.

Relevant Staff in the business units that seek to engage third parties to represent or act on behalf of the company will be trained to identify material conflicts of interest and potential conflicts of interest.

# Final provisions

## Related documents

*< List any related documents that are referred to within this document; identify them with a title and Doc number.* *This section should reference only (name of company) documents.>* *e.g. Code of Conduct, Data Privacy Policy, Record Retention Policy etc.*

## Review and updating

This policy shall be reviewed at least *every three years* after it comes into force, or as may be required by the Chief Compliance Officer, if circumstances so require.