

# Conflicts of Interest Policy



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## 1. Introduction

Srijan Foundation is a Civil Society Organization founded in 1995, formally registered in 7<sup>th</sup> February 2001 by a group of socially committed young professionals registered under Indian Trust Act, 1882. It was a noble expression of their concern for the welfare of the disadvantaged and the underprivileged and a positive response to build capacity of the community and the grass root organizations.

The Srijan Foundation has re-articulated a new Vision, Mission and Core Values through a participatory organizational development process. The Srijan Foundation also developed its new strategic plan which includes the target performance outcomes and an organizational development and capacity building plan for the strategic period 2015-20.

### **Vision:**

Srijan Foundation's vision is, "An Egalitarian, Empowered and Self Reliant Society"

### **Mission:**

Srijan Foundation will fulfil its vision by empowering poor, marginalized and excluded communities to demand their rights, develop capacities of CBOs & Civil Society Organizations, promote collective action, and create successful models for replication and influence institutions that shapes peoples' lives, especially women and children.

### **Goal:**

Srijan Foundation's goal is to facilitate process for creation of an inclusive and equitable development of the most marginalized, vulnerable and socially excluded communities (particularly women and children) in the state of Jharkhand by building capacity of CBOs & Civil Societies, creation of development models and articulation of demands and realization of the rights of the target community.

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## **1.1 Conflict of Interest**

A conflict of interest is a situation in which a person or organization is involved in multiple interests, financial or other activities and serving, or a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

Further, conflict of interest is a situation in which the concerns or aims of two different parties are incompatible. Wherever there is conflict of interest the interested person should not participate in such decision making. In other word, one should not act as the service provider as well as the service provider as well as the services taker at the same time.

Associates are expected to recognize when they have, potentially have, or could be perceived as having, a conflict of interest. Associates should consult their Manager if in doubt about what circumstances might create a conflict of interest.

## **1.2 Purpose**

Srijan Foundation is committed to conduct programs in a manner that ensures program judgment and decision making is not influenced by undue personal interests.

When Associates' personal interests either influence, have the potential to influence, or are perceived to influence their decision making at Srijan, a conflict of interest situation results.

This Policy explains the relevant principles and rules for preventing or managing conflicts of interest and how such principles and rules are to be implemented.

## **1.3 Scope and Applicability**

This Policy applies to all the board members, managers, committee members, coordinators, team members and all the concern persons associated with Srijan Foundation.

This Policy contains Srijan Foundation standards working in development sector and stringent applicable laws and regulations supersede the principles set out in this Policy.

This Policy enters into force as of September 1, 2015 and must be implemented by all Srijan Foundation affiliates. It replaces the previous version of the Conflict of Interest Policy dated January 1, 2007.

## **1.4 Instance of conflict of interest**

There should be a clearly defined policy to ensure that any conflict of interest is properly dealt with. The issues which may be regarded as material interest are as under:

- Appointment of relatives in Board or senior management.
- Ownership or partial ownership in organizations which are engaged or may seek business or consultancies.
- Payment of fees and remuneration.
- Directorship or management position in other NPOs.
- Providing consultancies in personal capacities.
- Having commercial interest in any decision or resolution.
- Having direct or indirect relationship with the donor or done organization.
- When contracts are awarded to relatives of the board members.
- Persons supplying goods and services to the organization are relatives of the interested person.

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## 1.5 Who are Interested Persons

Apart from the trustee various other person can also be considered as an interested person. An illustrative list is as follows:

- Author of the Trust or Founders of the institution;
- Board members or the Trustee
- Senior Management person
- Person who has made a substantial contribution to the trust of institution. Each organization may set a limit beyond which the donor would be consider as an interested person.
- Any relative of any such founder, person, member, Trustee or manager as aforesaid;
- Any concern or organization in which any of the persons is associated.

## 2. Principles and Rules

### 2.1 Associates should understand when a Conflict of Interest may arise

#### Principles and Rules

Conflicts of interest may arise where in organization his or her personal interests before the interests of Srijan Foundation and where such personal interests unduly influence that Associate's judgments, decisions, or actions. These situations may include both closely related persons defined below and friends. A conflict of interest may make it difficult to perform work with Srijan Foundation objectively and effectively and may have legal and regulatory consequences while making judgments, taking decisions, or pursuing actions.

Srijan Foundation defines conflicts of interest broadly: **actual** conflicts of interest (the Associate faces a real, existing conflict); **potential** conflicts of interest (the Associate is in or could be in a situation that may result in a conflict); and **perceived** conflicts of interest (the Associate is in or could be in a situation that may appear to be a conflict, even if this is not the case).

Common examples of conflict of interest situations include **personal workplace relationships** (e.g., hiring or supervising a closely related person), **external mandates** (e.g., serving as board member or advisory board of other organization), **outside employment** (e.g., having a second job with Srijan foundation or with organization), **promoting personal financial interests** (e.g., owning Srijan Assets or taking advantages of Srijan assets), and **receiving fees, commissions, discounts, gifts, entertainment, or services** (e.g., receiving cash/gift from a partner/organizations/community members/suppliers etc.)

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## 2.2 Associates should avoid Conflicts of Interest wherever possible

### Principles and Rules

As part of their employment with Srijan Foundation, Associates have a contractual obligation of loyalty to the Organization. Accordingly, Associates should avoid conflicts of interest with Srijan. Some conflicts of interest, however, represent an especially high risk to the reputation or business interests of Srijan and Associates **must avoid** these (see Annex Table 4.1).

Srijan Foundation respects Associates' rights and choices and does not wish to interfere with their personal lives. However, Associates' avoidance of conflicts of interest is an important part of maintaining the integrity and sustainability of our business and builds trust and support amongst colleagues and our key stakeholders.

### Definitions

“Avoiding” a conflict of interest means Associates take decisions or actions to ensure a conflict of interest does not occur, or does not have the potential to occur, in the first place.

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## 2.3 Associates must disclose Conflicts of Interest

### Principles and Rules

Srijan Foundation understands that avoiding a conflict of interest may not always be possible or practical. The required action for an Associate who does not or cannot avoid a conflict of interest is to disclose it.

Having a conflict of interest is not necessarily wrong. However, it can become a problem or a legal matter if an Associate tries to influence the outcome of activities dealings for direct or indirect personal benefit. This is why transparency, in the form of disclosure, is critical and helps to protect the integrity and reputation of Srijan Foundation and the Associate.

Associates must disclose to their respective supervisor / team leader any conflicts of interest.

Disclosure must take place as soon as the associate identifies that there may be a conflict of interest and, whenever possible, before the associate engages in the conduct in question.

Newly hired Associates specifically must disclose all conflicts of interest with Srijan Foundation during the hiring process so they can be discussed with the hiring personnel.

A discussion with the Associate's Manager should be the starting point when it comes to disclose a conflict of interest. However, Associates must also submit the standard *Conflict of Interest Disclosure Form* to the associate person to ensure a record of each disclosure.

Personality of an individual is dynamic and when circumstances change, existing disclosures may no longer be accurate or complete. When this happens, the Associate must freshly disclose the conflict of interest.

### Definitions

“Disclosure” means sharing the existence, nature, and all relevant facts of a conflict of interest with the Associate's Manager.

“Manager” refers to the Concern person responsible for the Associate's work from operational perspective.

“Newly hired Associates” (1) are first time employees with a Srijan Foundation or (2) have internally transferred between Srijan Foundation Group companies with a break in service of any length.

### Reference

The Srijan Foundation standard *Conflict of Interest Disclosure Form* is attached in Annexure.

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## 2.4 Associate persons must ensure Conflicts of Interest are appropriately addressed

**Principles and Rules** Disclosure provides transparency to actual, potential, or perceived conflict of interest risks to Srijan Foundation. It is a necessary part of mitigating these risks, but disclosure alone is not sufficient. This Policy also requires **addressing** a conflict of interest.

Addressing a conflict of interest is the responsibility of the associate person. Specifically, Srijan Foundation expects the Manager to:

- ✓ Treat the information disclosed by the Associate with appropriate confidentiality and without bias
- ✓ Fairly evaluate the conflict of interest situation disclosed by the Associate, including the risks to the business interests and reputation of Srijan Foundation
- ✓ Seek guidance if needed from the Associate’s Functional Manager and from supporting functions, including Legal, HR, and Integrity & Compliance
- ✓ Make a pragmatic decision to address the conflict of interest so that risks to Srijan Foundation are minimized and the personal interests of the Associate are protected as far as possible
- ✓ Communicate the decision and its reasoning to the Associate and follow up to ensure the Associate understands and complies with it
- ✓ Retain documentation of the decision using the standard *Conflict of Interest Disclosure Form* and provide a copy to the Associate (or use the local online disclosure system)

**Definitions** Many conflict of interest situations can be addressed in a simple and mutually acceptable manner; pro-active, open dialogue between Managers and their Associates is essential to support this outcome.

“Addressing a conflict of interest” is the process of identifying and implementing strategies and practices to minimize the risks associated with the disclosed conflict of interest. One example: if an Associate’s spouse is a Senior Executive at a potential Srijan Foundation supplier, the Associate’s Manager may decide the best way to mitigate potential risks to the interests and reputation of Srijan Foundation is to exclude the Associate from any role where he/she can make decisions about or influence the outcome of that supplier’s activities.

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## 3. Implementation

### 3.1 Training and Awareness

Associates must familiarize themselves with this Policy and participate in periodically held training sessions. Managers should additionally be trained on their specific responsibility to evaluate and effectively address conflicts of interest.

### 3.2 Reporting Potential Misconduct/Non-Retaliation

Any Associate who learns of a potential violation of applicable laws or this Policy is required to report his or her suspicion promptly in accordance with the section of the Srijan Foundation Code of Conduct entitled “How to report potential misconduct”.

Associates who report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct will be protected against retaliation.

### 3.3 Breach of this Policy

Breaches of this Policy will not be tolerated and can lead to disciplinary and other actions up to and including termination of employment.

### 3.4 Responsibilities and Implementation

It is the responsibility of every Srijan Foundation Manager to adhere to this Policy within his or her area of functional responsibility, to lead by example, and to provide guidance to those Associates reporting to him or her.

All Associates are responsible for adhering to the principles and rules set out in this Policy.

HR is responsible for ensuring conflicts of interest are disclosed by new hires during the hiring process.

The owner of this Conflicts of Interest Policy is **Group Integrity & Compliance**.

## 4. Annex

Table 4.1 High Risk Conflicts of Interest that Associates Must Avoid or that Must be Removed

Type of conflict	What must be avoided or removed
<b>Personal workplace relationships</b>	Associates must not <ul style="list-style-type: none"> <li>• Be in a supervisory, subordinate, or control relationship (e.g., having</li> <li>• influence over conditions of employment) with closely related persons</li> <li>• Be involved in any hiring decision regarding closely related persons</li> </ul> (including internal/external hiring and internal transfers)
<b>Outside engagements, including employment</b>	Associates must not have any kind of paid or unpaid engagement with <ul style="list-style-type: none"> <li>• Srijan Foundation network partner or associates, unless it meets a Srijan Foundation Program purpose or does not influence (and cannot be perceived as influencing) the Associate's judgment</li> <li>• Any other person or company if this impacts their performance at Srijan Foundation</li> </ul>
<b>Personal financial interests</b>  <b>Relationships with business partners and competitors</b>	Associates must not <ul style="list-style-type: none"> <li>• Own any interest equal to or greater than 1% in any company which</li> <li>• competes with or does business with Srijan Foundation</li> <li>• Conduct Srijan Foundation business with any entity in which they have a substantial</li> <li>• interest or with which they have a substantial affiliation</li> <li>• Act as an official of or advisor or consultant to any government agency with</li> <li>• regulatory or supervisory power over Srijan Foundation</li> </ul>
<b>Gifts, meals, travel, entertainment *</b>	Associates must not directly or indirectly solicit or accept from any Srijan Foundation partner or associate <ul style="list-style-type: none"> <li>• Cash or cash equivalents (e.g., stocks, gift certificates, discounts not based on a collective agreement, etc.); this includes actual and potential business partners or competitors</li> <li>• Gifts; if a gift is received nonetheless, it must be returned if it influences or could be perceived as influencing the Associate's judgment, Meals, travel, or entertainment, unless it predominantly meets a Srijan Foundation purpose, is accompanied by a representative of the business providing it, and does not influence (and cannot be perceived as influencing) the Associate's business judgment. Accepting entertainment of a non-ordinary, exceptional nature requires Manager approval</li> </ul>
<b>Fees, commissions, services, other favors</b>	Associates must not directly or indirectly <ul style="list-style-type: none"> <li>• Solicit or receive a fee, commission, service, or other favour from any actual or potential Srijan Foundation business partner or competitor</li> </ul>

**Table 4.2 Contract for guidance**

<b>Type of conflict</b>	<b>Contact for additional Guidance</b>
<b>Personal workplace relationships</b>	HR
<b>External mandates **</b>	
<b>Outside engagements, including employment</b>	
<b>Personal financial interests</b>	Compliance Officer
<b>Relationships with business partners and competitors</b>	
<b>Gifts, meals, travel, entertainment</b>	
<b>Fees, commissions, services, other favors</b>	
<b>Other situations</b>	Compliance Officer