

Version : 0
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Conflict of Interest Policy



Trustea Sustainable Tea Foundation

1. Purpose

The purpose of this policy is to help Trustea Sustainable tea Foundation, hereinafter referred to as TSTF, to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of **TSTF** and manage risk.

2. Objective

TSTF aims to ensure all associates and employees are aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of **TSTF**

3. Scope

This policy applies to all the board members and employees of TSTF.

4. Definition of conflicts of interests

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests TSTF. Personal interests include direct interests, as well as those of family, friends, or other organisations a person may be involved with or have an interest in TSTF

A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of TSTF. Therefore, these situations must be managed accordingly.

Four major areas of impartiality threats are identified as follows:

1. Self-interest threats: Threats that arise from a person or body acting in their own interest. A concern related to certification, as a threat to impartiality, is financial self-interest.
2. Self-review threats: Threats that arise from a person or body reviewing the work done by themselves. Auditing the management systems of a client to whom the implementation partner or the certification body provided consultancy would be a self-review threat.
3. Familiarity (or trust) threats: Threats that arise from a person or body being too familiar with or trusting of another person instead of seeking audit evidence.
4. Intimidation threats: Threats that arise from a person or body having a perception of being coerced openly or secretly, such as a threat to be replaced or reported to a supervisor.

5. Policy

This policy has been developed to address conflicts of interest adversely affecting **TSTF**.

Conflict of interest are common, and they do not need to present a problem as long as they are openly and effectively managed.

It is the policy of **TSTF** as well as a responsibility that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the interests of TSTF.

5.1. Responsibility of the board

In order to effectively manage the impartiality and conflict of interest issues, the TSTF shall formulate a board, hereafter referred to the Impartiality Board, comprising of internal & external stakeholders. The composition of the board shall be such that no single interest predominates. All external board members shall have one voting right each, while all representation from the TSTF shall be considered as one vote so as to ensure no single interest predominates. The board shall comprise of at least 7 members with min 4 members (entire TSTF representation considered as 1 member) to fulfil the quorum.

TSTF will manage conflicts of interest by requiring board members to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

The board is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

The Impartiality Board shall meet at least annually. In case physical meeting is not feasible, virtual meetings can also be done. The Terms of Reference for the Impartiality Board are as follows -

- To review the way in which TSTF has identified and analyzed the possibilities for conflict of interests arising from provision of certification services.
- Assist in developing the policies relating to impartiality of TSTF certification activities
- Counteract any tendency on the part of TSTF to allow commercial or other considerations to prevent the consistent objective provision of certification activities
- Advise on matters affecting confidence in certification, including openness and public perception
- Review, at least once a year, impartiality of the audit, certification and decision-making processes of TSTF.
- review evaluation of finances and sources of income for threats to impartiality

5.2. Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered into **TSTF's** register of interests, as well as being raised with the board.

The register of interests must be maintained by Director of **TSTF**. The register must record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

5.3. Confidentiality

The disclosures will remain confidential and will only be accessible to the directors of the organisation. The policy also covers instances where the conflict of interest may be brought to the notice of TSTF by a third party or unrelated employee.

6. Action required for management of conflicts of interest

6.1 Employees

In case of employees, the board will consider the matter and take appropriate decision while ensuring to provide the concerned employee the opportunity to be heard following the principle natural justice.

6.2 Directors:

Once the conflict of interest has been appropriately disclosed, the board (excluding the any board member, if he is the one who made the disclosure) who has made the disclosure, as well as any other conflicted board member) must decide whether or not those conflicted board members should:

- vote on the matter (this is a minimum),
- participate in any debate, or
- be present in the room during the debate and the voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a board member from regularly participating in discussions, it may be worth the board considering if it is appropriate for the person conflicted to resign from the board.

6.3. What should be considered when deciding what action to take

- In deciding what approach to take, the board will consider whether the conflict needs to be avoided or simply documented
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making
- alternative options to avoid the conflict
- TSTF's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of TSTF.

The approval of any action requires the agreement of at least a majority of the board (excluding any conflicted board member/s) who are present and voting at the meeting. The action and result of the voting will be recorded in the minutes of the meeting and in the register of interests.

7. Compliance with this policy

If the board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

If it is found that this person has failed to disclose a conflict of interest, the board may take action against them. This may include seeking to terminate their relationship with TSTF.

If a person suspects that a board member has failed to disclose a conflict of interest, they must notify the Director of TSTF who is responsible for maintaining the register and escalating the matter for resolution. In case the responsible Director himself makes the disclosure; he will request the board to nominate another director to carry out the policy procedures.

8. Reporting

The Director responsible for maintaining the disclosure/report register for Conflicts of Interest will present the consolidated record of the same to the Board in the Annual Meeting and will be responsible for any statutory declarations that may be necessitated by any of the reported instances of conflict of interest.

9. Effective date of this policy

This policy will be effective from the date of notification within the organisation.

REVIEW RESULT:	REVIEWED BY: Anandita Ray Mukherjee
	ISSUE DATE: 24.11.2020
	APPROVED BY: Rajesh Bhuyan
	REVISION NO.: 0