

Quality & Environmental Certification Limited

POLICY ON IMPARTIALITY & CONFLICTS OF INTEREST

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1. INTRODUCTION

- 1.1 QEC is a Public Limited Company, and the *Impartiality Committee* is responsible for agreeing the areas/territories in which QEC operates including the appointment of overseas Offices and Agents.
- 1.2 A conflict of interest occurs when there is a divergence between an individual’s private interests and his/her obligations to QEC, such that an independent observer might reasonably question whether the individual’s actions or decisions are determined by considerations of personal gain, financial or otherwise.
- 1.3 This policy sets out;
- a. What a conflict of interest is and how it should be managed within QEC by all staff, including those working for or on behalf of the Certification Body, and
 - b. The procedures for managing and/or declaring a conflict of interest situation within QEC
- 1.4 The objectives of this policy are to;
- a. Raise awareness with all staff about conflict of interest, and
 - b. To provide guidance on the management of conflict of interest to ensure that staff are acting in the best interests of QEC and its Clients/customers at all times.
- 1.5 All members of staff must therefore conduct their affairs in ways that will not compromise the integrity of QEC.
- 1.6 This document sets and should be read in conjunction with;
- o The QEC Quality Manual and related procedures
 - o The Memorandum and Articles of Association of QEC Ltd.

This policy document will be distributed to all QEC Offices and, through this route, must be brought to the attention of all staff working for or on behalf of the Certification Body.

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2. DEFINITIONS

- 2.1 **Conflict of interest** is defined as actions or situations that might influence, or be perceived as being capable of influencing, an individual's judgement regarding his/her obligations to QEC by considerations of personal gain (or gain to immediate family) whether financial or otherwise. These include but are not limited to:
- Executive and Non-Executive Directorships on a Client's management Board
 - Consultancy with clients
 - Breach of confidentiality
 - Working for another Certification Body
 - Delivery of training courses/programmes
- 2.2 **Fidelity** means that an employee must serve his/her employer faithfully and not act against the interests of the employer nor set up or be involved in a rival operation.
- 2.2 **Duty of fidelity** is defined as the duty of faithfulness owed by an employee to his/her employer (QEC) by virtue of his/her employment. The individual/employee also undertakes not to act against the interests of QEC's business.
- 2.3 **Conflict of commitment** is defined as commitment on an individual's time which results in the professional obligations of the individual to QEC being neglected or not fulfilled to the best of their abilities.
- 2.4 **Confidential information** is defined as any information or data that the owner wishes to keep protected secret and includes, but is not limited to:
- Client records,
 - Personnel records,
 - Proprietary knowledge about quotations / costings
 - Information about forthcoming business activities,
 - Information about contractor/subcontractor selection / appointments ahead of official announcements,
- 2.5 **Member of staff** for the purposes of this policy means all QEC assessment, administration and certification personnel including sub-contract Assessors.
- 2.6 **Close personal relationship** is defined as such by virtue of family relationship, personal partnership, civil partnership or marriage. The term may also apply to close personal friendship, business partnership or association.
- 2.7 **Immediate family** is defined as parents, spouse/civil partner/domestic partner and children.

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3. POLICY PROVISIONS – REQUIREMENTS TO DISCLOSE INTERESTS

- 3.1 An appointment as a member of QEC staff, including those employed as overseas Offices or acting as QEC's Agents, confers the obligation to carry out the duties of the position to the best of the member of staff's abilities.
- 3.2 Furthermore, an appointment as a Director of QEC and/or member of the *Impartiality Committee* carries with it the expectation of participation on organisation governance, in the formulation of policy and in the determination of the priorities of the Certification Body. Fulfilment of the obligations requires a primary commitment of expertise, time and energy.
- 3.3 Staff must maintain an appropriate presence at their normal place of work or conducting assessment activities on Client's premises throughout the term of their contract. All external activity must be managed in agreement with *Chief Executive*, or *Principal Assessor* at QEC overseas Offices, so as not to take precedence over a member of staff's primary commitment to QEC.
- 3.4 Aside from time commitments, external professional activities which are not undertaken as a primary activity for the benefit of QEC can generate conflicts of interest where:
- Use of QEC resources is unavoidable in practice;
 - It is difficult, if not impossible, for QEC to review and reward contributions of staff for work undertaken elsewhere
 - Action can result in placing staff in conflict of interest situations.
- 3.5 Clear boundaries must be established to separate QEC obligations and external activities in order to avoid questions about appropriate use of resources and attribution of services resulting from work undertaken.
- 3.6 Staff must disclose current or prospective situations involving conflict of interest as soon as such situations become known. Further information is provided in this document and in QEC documented procedure (**QP-06**).

4. DISCLOSABLE INTERESTS

- 4.1 As employees of QEC, all members of staff have a duty of fidelity to QEC under their contracts of employment and signed Confidentiality Agreements. All members of staff are obliged to give a prime commitment of time and intellectual ability/energy for the benefit and well-being of QEC.
- 4.2 Specific responsibilities and activities that constitute this commitment will differ according to specific roles, but must be based on an understanding of what is acceptable between the individual member of staff and QEC.

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- 4.3 It is not acceptable for an individual's actions or decisions made in the course of his/her activities to be determined by considerations of personal gain, other than normal aspirations and behaviours related to promotion or professional development. Such behaviour calls into question the professional objectivity and ethics of the individual and reflects negatively on QEC.
- 4.4 This document provides individuals the opportunity to record any concerns they may have in relation to the possibility that a conflict of interest could arise in their own area of work. In officially acknowledging any such possibility, the individual is reassured that QEC is aware of the situation and that appropriate action, if any is needed, will be taken; this is very often all that is required to allay both the individual's sense of vulnerability and QEC concerns.
- 4.5 This policy is therefore designed to:
- Heighten the awareness of members of staff about situations that may generate conflicts of interest;
 - Provide means for members of staff and QEC to manage potential and real conflicts of interest;
 - Ensure that activities undertaken are in the best interests of staff, QEC and the Accreditation as a whole;
 - Ensuring that advice to members of staff is independent of advancement of personal interests.

5. LIMITATIONS ON OUTSIDE PROFESSIONAL ACTIVITIES

- 5.1 QEC encourages staff to become involved in knowledge and technology transfer activities to benefit not only the staff member's continual professional development (CPD), but also QEC and their registered clients. However, the knowledge and technology transfer processes can create potential conflicts of interest, particularly when there is opportunity for personal gain on the part of the member of staff or any agents assisting in the transfer.
- 5.2 Staff must not allow other activities to detract from their obligations to QEC. For example, unless approved by QEC to undertake the activity, a member of staff must not have significant outside managerial responsibilities such as a Directorship (whether Executive or Non-Executive), nor provide any consultancy services to QEC clients.
- 5.3 All members of staff must also ensure that conflicts of commitment do not arise from any outside professional activities.
- 5.4 A member of the *Impartiality Committee* should avoid getting into a position where his/her private interests conflict with QEC requirements as an accredited Certification Body. For example, neither the member nor his/her firm should enter into a business relationship with the parties during the course of an investigation.

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6. INAPPROPRIATE USE OF QEC RESOURCES

- 6.1 Inappropriate use of QEC resources may include facilities, personnel, equipment and confidential information.
- 6.2 Staff may not make use of QEC resources without prior authorisation of QEC Chief Executive, or Principal Assessor at QEC overseas Offices, and never as a 'favour' in an attempt to exert undue influence or for the potential or real personal gain of the individual rather than the advancement of QEC's interests.
- 6.3 Staff may not make use for personal gain, or grant unauthorised access to others, of confidential information acquired through conduct of QEC's business other than that given in the QEC Business Guide and Regulations. Requirements for confidentiality, security and records are defined in documented procedure (*QP-06*).
- 6.4 QEC resources must not be used to provide preferential access to an outside Certification Body (or other body) of results, materials or products generated from QEC activities for personal gain.
- 6.5 A member of staff must not use QEC resources, including facilities (offices etc), personnel, equipment or confidential information in any way as part of their outside professional activities or for any other non-QEC purpose without the express permission of Chief Executive (or Principal Assessor at overseas Offices).
- 6.6 Inappropriate use of QEC resources includes (but is not limited to) the following:
- Involving staff in a member of staff's outside business or consulting activities, without prior approval;
 - Using QEC resources from which QEC will not benefit (whether financially or otherwise);
 - Offering inappropriate favours to third parties in an attempt to unduly influence them in their dealings with QEC;
 - Using for personal gain confidential information acquired through the conduct of QEC business or related certification activities;
 - Allowing third parties to have unauthorised access to confidential information acquired through the conduct of QEC business or related certification activities.
- 6.7 Staff must disclose to QEC whether, to their knowledge they, or members of their immediate family, have a possible conflict of interest arising in conjunction with the acceptance of;
- Gifts (of any nature)
 - Consultancy projects

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7. GUIDELINES FOR POLICY IMPLEMENTATION

- 7.1 All members of staff, including must initially certify their compliance with this policy by signing a *Confidentiality Agreement (DOC-047)*, and update their declaration if appropriate when circumstances change.
- 7.2 In signing this Agreement each member of staff undertakes to disclose any existing or potential conflict of interest.
- 7.3 Upon completion, the Confidentiality Agreement shall be returned to *Chief Executive* for review. Any that show a conflict of interest shall require additional information being sought from the member of staff until *Chief Executive* is satisfied either that;
- a. There is no conflict of interest, or
 - b. That appropriate steps have been taken to manage the conflict of interest.
- 7.4 A brief statement of the steps taken to manage the conflict of interest should be attached to the Confidentiality Agreement and the member of staff informed of the steps that they must follow.
- 7.5 If a member of staff's circumstances change during the year, a revised attachment to the Confidentiality Agreement shall be completed as soon as possible after the member of staff is aware of the changes in circumstance.
- 7.6 Appeals of decisions should be made to the *Chief Executive* in writing, who may refer the appeal to the Impartiality Committee.