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An Initiative of Association for Voluntary Action (AVA)

CONFLICT OF INTEREST POLICY

Conflict of Interest Policy

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Contents

1. Applicability	3
2. Scope	3
3. Purpose.....	3
4. Policy Framework	3
a) Scenarios.....	4
b) Categories of Conflict of Interests	4
c) Reporting.....	6
d) Due Diligence of partners	7
5. Violations of Policy	7
6. Exceptions and Review of Policy	7
ANNEXURE - A.....	8

1. Applicability

This Conflict of Interest Policy ("**this Policy**") is applicable to all employees/staff, volunteers, consultants, trustees, members of the Board of Trustees and members of any of the committees ("**Associates**") of Kailash Satyarthi Children's Foundation ("**AVA**" or the "**Organization**"). They shall strive to avoid any conflict of interest between the interests of the Organization and their respective personal, financial, professional, and business interests. Conflict of interest includes potential conflicts of interest and perceived conflicts of interest.

2. Scope

The principles set forth in this Policy are applicable to all Associates of AVA. It is therefore, the responsibility of all Associates and Third Parties to follow and adhere to all elements described in the Policy.

3. Purpose

3.1 The purpose of this Policy is to provide guidance to conduct/perform with professionalism, integrity, honesty, moral and ethical standards;

3.2 This Policy is intended to protect the integrity and reputation of the Organization's decision-making process;

3.3 The Policy guides us to avoid any actual, potential or perceived conflict between our personal interests and Organization's interests. It lays the principles for undertaking responsibilities with undivided loyalty and without any personal conflicts.

4. Policy Framework

Conflicts of interest may arise when an Associate places his or her personal interests before the interests of the Organization. Such personal interests may exist or appear to exist due to a relationship with an individual(s) or entity(s) which can influence or appear to influence the objectivity or efficiency while undertaking the assigned responsibilities. Stringent scrutiny shall be applied for procurement Associates, and other Associates who periodically requisition goods or services for AVA.

a) Scenarios

Indicative scenarios, situations or relationships that may lead to actual, potential or perceived conflict of interest include (but not be limited to):

- (i) A member of Board of Trustees ("**Board**") who is related to a member of staff and a decision to be taken on the staff's pay and/or employment conditions;
- (ii) Conducting transaction as a representative of the Organization, with an entity in which the Associate holds a financial or commercial interest. This interest may be held directly in a personal capacity or indirectly via a closely related person;
- (iii) Accepting gifts, favors, or anything of monetary value from AVA donors or vendors, including contractors, (except for unsolicited gifts of a nominal value, training, travel, materials, or other items provided for the benefit of AVA);
- (iv) While owing a fiduciary or other duties of loyalty to another entity that is partnering, lending, donating, investing, negotiating or otherwise transacting with AVA, the Associate is engaged or can potentially influence the transaction;
- (v) Participate in AVA's evaluation, selection, award, or administration of a contract, loan, purchase, sale, investment order, donation, or other transaction that will directly or indirectly benefit Associate or their Relatives (which shall mean and include spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, cousin, niece or nephew of the associate or of the associate's spouse. Relatives also include "step" relationships such as step-parent, step-child and step brothers/sisters);
- (vi) Hold a financial or other commercial interest (except ownership of less than five percent of the stock of a publicly held company) or are in a position of power, authority, influence, governance or control as to any entity working with AVA, its programs or related entities and you as AVA's associates are engaged or potentially influence the transaction.

b) Categories of Conflict of Interests

Conflicts are divided into six categories:

- (i) Conflict of Interest - Financial Transactions
- (ii) Conflict of Interest - interest or employment
- (iii) Conflict of Interest - Hiring relatives
- (iv) Conflict of Interest - Promotions and Transfers
- (v) Conflict of Interest - Relationship/Fraternization
- (vi) Conflict of Interest - Decision making process

(i) Conflict of Interest - Financial Transactions

Financial conflicts of interests include, but are not limited to:

- Any financial arrangement/interest or participation in the business of an actual or potential vendor or service provider of the Organization;
- If the Associate is directly or indirectly involved in the Organization's operations with the vendor/stakeholder or the industry of which the vendor or customer is a part;
- Engaging in any securities transactions which place or may potentially place the financial interests of the Associate against the financial interests of the Organization.

(ii) Conflict of Interest - Employment

- Associate is employed with another employer or engaged in an outside interest which qualifies as a conflict of interest, then Associate must choose between the Organization and the other employment or interest. To remain associated with AVA, other conflicting employment or interest must be terminated;
- Associate being on the committee and/or Board of, or holds any function for another organization that is competing for the same funding as the Organization, or he/she is privy to information or decision making that affects the way Organization's funding is allocated, or in cases that funding may be allocated to another Organization where he/she is actively involved;
- An Associate holding a direct reporting relationship with a Relative;
- Relative of a job applicant cannot participate either formally or informally in decisions of hiring, evaluation, selection process, discipline, performance appraisal, promotion or career of relative nor attempt in any way to influence these processes;
- It is improper to place two Relatives in a professional affiliation with each other that results in compromising the Organization's assets.

(iii) Conflict of Interest – Hiring relatives

- The hiring manager must ensure that during the hiring process, all job applicants expressly declare information about Relatives employed in the Organization. In case they do have a relative within the Organization then it is the responsibility of the hiring manager to ensure that employment restriction provisions are adhered to;
- Associate may refer their Relatives for vacant positions existing in the Organization at any point of time. The associates referring their Relative will be asked to specify their relationship with the referred

applicant. All such applicants will go through the normal selection process.

(iv) Conflict of Interest - Promotions and Transfers

- Provisions of this Policy must be adhered to while transferring or promoting an Associate within the Organization.

(v) Conflict of Interest – Relationship/Fraternization

- Associate cannot have a relationship with their manager;
- Associates in relationship cannot have the same reporting Manager;

(vi) Decisions taken within the Organization with an element of Conflict of Interest

Associates to disclose any actual or perceived conflict of interest while being part of any decision-making process and/or team. Whenever an Associate in any of the matters detained in 4.2 (i)to (vi) above finds himself in a position of conflict of interest, he/she shall not only disclose but recuse himself/herself from that process.

c) Reporting

- (i) It is the obligation of every Associate to not only comply with this Policy, but to promptly report any actual or reasonably suspected violation of this Policy in the manner established by the Grievance Redressal Committee. All reports will be promptly and thoroughly investigated. Associates found to have violated this Policy shall be subject to disciplinary action up to and including termination;
- (ii) Information on Associates reporting violations or potential violations of this Policy shall remain confidential. Any retaliation against an Associate for reporting a violation or potential violation of this Policy will not be tolerated and may result in disciplinary action up to and including termination;
- (iii) Upon appointment, each Associate will make a full, written disclosure of interests, such as relationships, posts held, that could be perceived or may potentially result in a conflict of interest. The written disclosure as per Annexure A will be recorded and updated as appropriate, no later than annually;

- (iv) In the course of meetings or activities, Board of Trustees shall disclose any interest (actual or potential) in a transaction or decision which may involve a conflict between the Organization's and the trustee's best interests. Disclosure of actual/potential conflict of interest shall be a standard agenda item at the beginning of each board meeting. Any such disclosure and the subsequent actions taken will be duly noted in the minutes;
- (v) This Policy is meant to supplement good judgment and Associates should maintain its sanctity and respect its spirit as well as its wording.

d) Due Diligence of partners

- (i) Partner Organizations of AVA are also covered by their own Conflict of Interest policies. The AVA shall, through a robust due diligence and assessment determine if partners have sufficient policies and systems in place to avoid Conflicts of Interest of any nature.
- (ii) This Conflict of Interest Policy shall form an integral part of the contracts executed between AVA and its partners. Hence, partner organizations must ensure strict compliance with this Policy.

5. Violations of Policy

An Associate who violates the Conflict of Interest Policy, regardless of whether financial loss to the Organization results or not, may receive appropriate disciplinary action up to, and including termination. This shall be in addition to other legal and remedial actions available to the Organization under applicable law.

6. Exceptions and Review of Policy

6.1 Any deviations from this Policy require approval from the Management Committee.

6.2 The Organization reserves the right to modify and/or review the provisions of this Policy from time to time, in order to comply with applicable legal requirements or internal policies, to the extent necessary.

ANNEXURE - A

**KAILASH SATHYARTHI CHILDREN'S FOUNDATION ("AVA" or the "Organization")
CONFLICT OF INTEREST DECLARATION**

I, [Complete Name, address, contact details, designation in the Organization (where applicable)] hereby certify that I have read and understood the contents of the Conflict of Interest Policy and hence this declaration. I confirm that I will adhere to the Conflict of Interest Policy that requires me to declare an actual or potential conflict of interest to AVA.

I further acknowledge that I am obliged to raise/communicate any conflict of interest I may be aware of amongst other members of the Organization to safeguard AVA's reputation and ensure compliance as per the Code of Conduct and Ethical Behavior.

In compliance with the Conflict of Interest Policy, I declare as follows for the current year:

(Tick the item that applies)

- I do not have any foreseeable conflict of interest that relates to the functions and operations of the Organization
- I hold a conflict of interest

This section of the Form to be filled in case of disclosure of Conflict (as ticked above)

I understand that it is my obligation to make this declaration of all conflicts and potential conflicts of interests to the Organization. I would like to declare an existing or potential conflict of interest situation arising during the discharge of my duties at AVA. The details are as follows:

Name of party/ individual with whom I may have a direct or indirect potential relationship:

Details of my relationship with the party:

(This may include details of any Relatives as per the Conflict of Interest Policy such as family relationship such a brother, sister etc., including a family member employed in the entity, or a commercial interest such as loans/shareholding, board membership, vested or contractual

relationship such as employment, etc.)

Relationship of the conflicted party with AVA:

____ (This may include relationships such as vendor, partner, funding agency, contractor, consultant, or competitor. In case of an on-roll employee within AVA please provide their designation, function and location)

Any other details:

By signing this declaration, I acknowledge that the information provide by me is true to the best of my knowledge.

Name: _____ **Associate ID:** _____

Department: _____ **Designation:** _____

Signature: _____ **Place:** _____

Date: _____



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