

# CONFLICT OF INTEREST POLICY



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# TABLE OF CONTENTS

## TABLE OF CONTENTS

I. PURPOSE.....	4
II. SCOPE.....	4
III. DEFINITIONS.....	5
IV. POLICY STATEMENT.....	5
V. POLICY PRINCIPLES.....	6
A. DUTY TO DISCLOSE.....	6
B. DUTY TO RECUSE.....	6
C. DUTY TO REPORT.....	7
VI. CREATING AN ENABLING ENVIRONMENT.....	7
A. THE ROLES AND RESPONSIBILITIES.....	7
B. TRAINING AND DEVELOPMENT.....	8
C. QUALITY, ACCOUNTABILITY AND LEARNING.....	8
VII. ASSOCIATED POLICIES.....	9
VIII. REFERENCE REGULATIONS.....	9
VIII. ANNEXES.....	10

## I. PURPOSE

This policy is designed to protect the integrity of, Action Against Hunger by ensuring that any actual, potential and/or perceived conflicts of interest whether direct or indirect are either avoided or are appropriately managed through ensuring no Undue Benefit, prompt and full disclosure, recusal, and reporting.

Further this policy seeks:

- To ensure that the deliberations and decisions of Action Against Hunger are made in the interests of the organization not for the personal gain of Family Member or Related Party in relation with, or as a result of, any kind of transaction, contract, or arrangement.
- To guide Action against Hunger employees and representatives who may receive reports of suspect or identify any actions which constitute Conflict of Interest.
- To ensure compliance with our organizational Code of Conduct<sup>1</sup>, Chart of Principles, commitments to Internal rules and regulation established standards, and requirements of our institutional donors, private supporters, and to national governments under whose authority our entities and programs are subject.

## II. SCOPE

This Policy applies to Action against Hunger Spain Headquarter, Delegations, Regional and Country Offices branches including subsidiaries and affiliate organizations collectively (“Action against Hunger”); Members of Action Against Hunger’s Boards of Directors, representatives, and employees<sup>2</sup>, interns, and volunteers (**collectively “Team Member(s)”**).

This Policy also applies to External Stakeholders including partners, consultants, individual and corporate contractors, or media representatives that enter into any kind of relationship with Action Against Hunger, which will be required to comply with this Policy or demonstrate that they have equivalent or higher standards policies and procedures in place.

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<sup>1</sup> The Action against Hunger Code of Conduct has been adopted by all Action against Hunger Headquarters, Regional and Country Offices as being applicable to all employees and representatives of Action against Hunger across the International Network.

<sup>2</sup> Part time, temporary or fulltime Including employees under contract with other Action Against Hunger HQs working in any program for which Action Against Hunger Spain is the Managing HQ.

### III. DEFINITIONS

For the purposes of this Policy:

- Conflict of interest is when a Team Member's or Related Party Member's personal, professional, or business interest conflicts with, or may potentially conflict with, the best interests of Action Against Hunger at the time of making decisions or may make some influences in the decision making as a result of Undue Benefit.
- "Family Member" includes anyone who resides with the Team Member. It also includes the Team Members parents, siblings, spouses or domestic partners, and children. It can also include any other family member, romantic partner or close friend if the relationship is such that the Team Member could personally benefit from a transaction with the family member or friend.
- "Related Party" includes any entity that a Team Member or close family of a Team Member has a direct or indirect Undue Benefit involved or is about to have a direct or indirect Undue Benefit in.
- "Undue Benefit" includes, but is not limited to, any benefit, including any in kind of financial or personal interests involved in or in relation with any type of transaction, that accrues to the Team Member or a Related Party and for which Action Against Hunger would not ordinarily enter into in the normal course of its business and in arm's length transactions.

### IV. POLICY STATEMENT

Action Against Hunger expects all Team Members to adhere to the highest standards of accountability, which requires honest and ethical conduct. All actual or potential conflicts between a Team Member's interests and Action Against Hunger and/or its participants' interests (1) must be disclosed as per Annex 1 "Conflict of Interest Disclosure Form"; (2) must not give rise to Undue Benefit, (3) must be independently reviewed and approved according to Ethical Incident Management internal procedures before the action giving rise to the potential Conflict of Interest moves forward. Examples of when conflicts of interest arise include, but are not limited to:

- Engaging in any transaction with or providing anything of value to a Team Member related party;
- Making employment decisions involving Family Members, including, but not limited to, whether to hire, promote or terminate a Family Member;
- An entity that a Team Member has a Undue Benefit in competing with Action Against Hunger for donor funding or financial, programmatic or other opportunities.
- Expatriate Team Members engaging directly or indirectly, either in their own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which they are assigned or

making loans or investments to or in any business, profession or occupation in the foreign countries to which the expat is assigned<sup>3</sup>.

Action Against Hunger commit to regularly updating this policy and its relevant procedures and processes to ensure we integrate best practice at all times and ensure that we take steps to implement any organizational learning.

## V. POLICY PRINCIPLES

In order for a conflict of interest to be considered properly approved and free from corruption, it must: (a) not involve undue personal benefit; and (b) the potentially conflicted Team Member must do all of the following:

### A. DUTY TO DISCLOSE

If a Team Member or an External Stakeholders is aware of a potential conflict of interest must disclose the existence and nature at the earliest opportunity and prior to the conflict arising or engaging in the transaction giving rise to the potential Conflict of Interest. The disclosure must be in writing containing the full details of the potential Conflict of Interest and, if it is possible, attaching all evidence or designating where such evidence may be obtained (See Annex 1 Conflict of Interest Disclosure Form).

All Team Members are encouraged to discuss and disclose a potential conflict of interest. There is NO PENALTY for disclosing a potential conflict of interest – Disclosing should be seen as a routine matter, and it is simply a precaution to make sure all our activities are conducted openly and fairly. Failure to disclose a potential conflict is a violation of this policy and might result in disciplinary action, including termination of an employment contract in accordance with the law being applied.

### B. DUTY TO RECUSE

The Team Member must recuse themselves and not participate in any decision, approval, or ongoing administration related to the transaction or conflict of interest. Recusal must begin at the moment when the Team Member is aware that a potential conflict of interest might arise and must last for the duration of the potential conflict of interest.

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<sup>3</sup> This is a mandatory requirement under USAID grants and cannot be waived or approved for expatriates who are wholly or partially directly funded by USAID agreements.

## C. DUTY TO REPORT

All Team Members and External Stakeholder must ensure that potential Conflict(s) of Interest are reported when they arise. Suspected violations of this Policy must be reported via Action Against Hunger Feedback and Complaints Mechanism channels as safe and responsive mechanisms where all Team Members have access to including anonymously if they choose. All such reports/incidents are independently and thoroughly investigated and fully followed up on through Ethical Incident Management procedure.

Action Against Hunger ensures that decisions for resolving conflicts of interest incidents or approve any transaction that involves a potential conflict of interest are fully documented. Where the findings of an investigation report conclude that allegations or suspicions of conflict of interest relating to a Team Member(s) are substantiated, appropriate disciplinary measures and/or actions will be taken up to dismissal or termination of the engagement/relationship in accordance with the law being applied. Failing to disclose information during investigation process and/or the deliberate abuse of the reporting mechanisms set out in this Policy may be subject to appropriate sanctions.

## VI. CREATING AN ENABLING ENVIRONMENT

### A. THE ROLES AND RESPONSIBILITIES

All Action Against Hunger Team Members and Stakeholders must comply with this Conflict-of-Interest Policy. All Team Members are also responsible for promoting compliance with this Policy to other Team Members who are subject to their supervision. Action Against Hunger undertakes to promote this Policy internally through the appropriate media. All Team Members expected to promptly disclose any real or potential conflict of interest that affects their responsibilities and assist in any investigations by making available all relevant information and by cooperating in interviews.

Senior Management Team Members at Headquarter and Countries are responsible for creating and maintaining an environment and culture that ensures honest, ethical and accountable conduct and the avoidance of Conflicts of Interest. Ensures the full implementation of this Policy in their area of operations and ensures that decisions involving potential Conflicts of Interest that are brought to their attention do not involve any Undue Benefit and are made

independently from any potentially conflicted Team Members and Stakeholders with high respect of confidentiality and non-retaliation.

Human Resources Department is responsible for ensuring that all Team Members receive Conflict of Interest Policy, certify to understanding this policy and agree to abide by it. Distribute and collect annual “Conflicts of Interest Disclosure Forms” from all Team Members (Online Form)

## **B. TRAINING AND DEVELOPMENT**

Action Against Hunger is responsible to implement sensitization and training on this policy through regular training opportunities (in-person or virtual as appropriate) for all Team Members.

All Team Members must know, stay informed and trained on what conduct this policy requires (via onboarding orientation materials) and their responsibilities under this Policy. Including what conflicts of interests are and how to disclose, recuse and report them.

The content of the trainings should be adapted to the audience, respective role, area of responsibility and level of exposure to Conflict of Interest and as required additional guidance and/or training for positions where there is greater opportunity for conflicts of interests to arise must be provided. This should be informed by regular risk assessments and organizational learning.

## **C. QUALITY, ACCOUNTABILITY AND LEARNING**

In order to guarantee the correct application of the present policy and to condemn any form of conflict of interest, Action Against Hunger pledges to stay vigilant on this policy. Action Against Hunger commits to establish relevant procedures & internal Controls including clear roles and responsibilities, segregation of duties and other internal controls at each level of the organization in order to prevent, and/or detect incidents of conflict of interest. The processes and procedures for implementing this Policy will be consistently monitored and reviewed to ensure they are effective and to identify areas for improvement.

A consistent, systematic review of learnings is carried out in relation to all incidents, suspicions and allegations reported in accordance with this Policy including a comprehensive analysis of reports received, timeframes taken to address and resolve the report, thematic trends arising, and satisfactory closure rates. Such analysis will feed into improved programming and strengthened accountability mechanisms across the Action against Hunger.



Reporting mechanisms are implemented and adopted to ensure that donors, regulators, partners, consortium leads, grantors/prime award holders or other third parties are notified and informed about any suspicions, allegations, or actual instances of Conflict of Interest in accordance with our legal, regulatory, and contractual obligations (such reporting to adhere to applicable laws and relevant standards including those relating to employment and data protection). Where necessary, incidents will be reported to police or other local authorities in accordance with the law being applied.

## VII. ASSOCIATED POLICIES

- Code of Conduct
- Charter of Principles
- Anti-Bribery, Corruption and Abuse of Power Policy (Anti-Fraud Policy)
- Feedback & Complaints Policy
- Data Protection Policy
- Good Business Practice Policy
- People Management Framework
- Risk Management Policies

## VIII. REFERENCE REGULATIONS

Action against Hunger commits to complying with the following laws as standards as required/applicable in relation with Conflict of Interest:

- Humanitarian & Development Industry Standards
  - IASC Commitments
  - InterAction Commitments
  - The Core Humanitarian Standard (CHS)
  - BOND Commitments
  - ICVA commitments, etc.
  - Transparency International
- EU
  - Regulation (EU, Euratom) No 2018/1046
  - Financial Regulation (hereinafter 'FR 2018')
- USA:
  - US Foreign Corrupt Practices Act
  - 2 CFR 200.113
  - USAID Standards & OIG Mandatory Reporting Requirements
  - US State Department, PRM Requirements
- CANADA
  - Conflict of Interest Act (S.C. 2006, c. 9, s. 2)
- UK:
  - The Bribery Act 2010
  - FCDO Supply Partner Code of Conduct

## VIII. ANNEXES

Annex 1 - CONFLICT OF INTEREST DISCLOSURE FORM

# ACKNOWLEDGEMENTS

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**FOR XXXXXXXXXXXXX  
AGAINST XXXXXXXXX.**

**FOR FREEDOM FROM HUNGER.  
FOR EVERYONE.  
FOR GOOD.**

**FOR ACTION.  
AGAINST HUNGER.**