



# **Ecosystem Certification Organisation Natural Forest Standard**

## **Conflict of Interest Policy**

**v1.0**

**1<sup>st</sup> October 2024**

**Internal Policy Document**

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## Conflict of Interest Policy

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## 1. Introduction

Ecosystem Certification Organisation (ECO) is committed to integrity, openness and accountability. All persons - Trustees, Members, Staff, Associates, Advisors and any third parties acting on its behalf (“Involved Persons”) - involved with Ecosystem Certification Organisation and/or the Natural Forest Standard (NFS) are expected to maintain the highest level of integrity at all times. Conflicts of interest are not prohibited but shall be identified, disclosed and managed or resolved as appropriate. Involved Persons are encouraged to come forward with identified conflicts and to discuss them confidentially with the ECO Governance Board.

## 2. Purpose

This Conflict of Interest (“COI) Policy sets out how ECO identifies, manages, prevents and discloses potential or actual conflicts of interest in order to comply with the applicable codes of practices. The purpose of this Conflict of Interest Policy is to protect the integrity and interests ECO. The policy is designed to ensure transparency, fairness, and accountability in all decision-making processes, supplementing any applicable laws governing conflict of interest.

### **3. Definitions**

There are many types of conflicts of interests which can arise in a wide range of circumstances.

Typically, a conflict of interest exists wherever a competing business or personal interest impairs the professional judgment of an individual who has a duty of care to act in the best interest of another party. When used in this Policy the expression “conflicts of interests” includes:

- Actual conflicts of interests (i.e. there is a real, existing conflict);
- Potential conflicts of interest (i.e. there is a situation which may result in a conflict); and
- Perceived conflicts of interest (i.e. there is a situation which there may appear to be a conflict, even if this is not the case).

### **4. Scope**

This Policy applies to all Involved Persons involved with Ecosystem Certification Organisation and/or the Natural Forest Standard (NFS). All Involved Persons should familiarise themselves with this Policy.

### **5. Policy Statement**

ECO is committed to the highest possible standards of openness and accountability and ensuring that it conducts its business with honesty and integrity. ECO expects a culture of openness where the disclosure of conflicts is embraced.

NFS expects all Involved Persons to uphold the highest standards of conduct and comply fully with this Policy. Any action in contradiction to this Policy will be taken extremely seriously.

### **6. Policy Principles**

- ECO will take all appropriate steps to manage and prevent conflicts of interest.
- ECO manages and mitigates the risks of conflicts arising between individuals involved in making decisions in relation to ECO by reserving certain decisions to other committee members.
- Involved Persons shall not act in any manner which goes against the principles of this Policy and must ensure that they do not act in / or benefit from a situation where there is an actual or potential conflict of interest.
- Involved Persons must declare any conflicts of interest to ECO in accordance with this Policy.
- Involved Persons must consider whether it is appropriate to obtain independent legal advice on the management of non-trivial conflicts of interest including, if required in determining whether or not a conflict is trivial or non-trivial.
- Prior to appointing any Involved Persons NFS will consider whether the individual has any potential or actual conflict and, if required, consider what steps are necessary to manage any potential conflicts arising in relation to an Involved Person.
- Involved Persons should promptly disclose any breaches of the Policy.
- Compliance with this Policy will be communicated to all Involved Persons.

## 7. General examples of conflicts of interest

When an ECO NFS representative interacts with a supplier, buyer, or other stakeholder, the following situations should be carefully monitored to identify potential conflicts of interest:

- The potential to gain financially or avoid a loss at the expense of a supplier, buyer, verifier, or intermediary, and their clients.
- A financial or other incentive to prioritize the interests of a supplier, buyer, verifier, or intermediary and their clients over the interests of other stakeholders.
- Engagement in the same type of business as the supplier, buyer, verifier, or intermediary, and their clients.
- Receiving any form of inducement from a supplier, buyer, verifier, or intermediary, such as money, goods, or services, beyond the standard fees or commissions for the service provided.

## 8. Procedures

### a. Duty to Disclose

In connection with any actual or potential conflict of interest, an interested person must disclose the existence of the financial or personal interest and all material facts to the Board of Directors or relevant committee.

### b. Determination of Conflict of Interest

After disclosure of all material facts, the interested person shall leave the meeting while the Board or committee discusses and votes on whether a conflict of interest exists. The remaining members shall determine if a conflict of interest is present.

### c. Managing the Conflict of Interest

- i. If a conflict is identified, the interested person may present information but must leave the meeting for any deliberation or voting on the matter.
- ii. If deemed appropriate, the Board or committee may appoint a disinterested person or subcommittee to explore alternatives to the proposed transaction or arrangement.
- iii. The Board or committee shall decide whether ECO can secure a more advantageous arrangement that would not create a conflict of interest. If no such arrangement is available, the Board or committee may approve the transaction if it is deemed fair, reasonable, and in the best interests of ECO.

### d. Records of Proceedings

The minutes of any meeting during which a conflict of interest is disclosed must include:

- i. The names of those who disclosed the conflict, the nature of the conflict, and whether a conflict was determined to exist.
- ii. The names of individuals involved in the discussions and any votes, including alternative arrangements considered and the final decision.

## 9. Annual Declarations

Each director, officer, member of a committee with board-delegated powers, and other Involved Persons shall annually sign a declaration statement affirming that they:

- Have received a copy of this Conflict of Interest Policy.
- Have read and understand the policy.
- Agree to comply with the policy.

## 10. Approval and Review

<b>Policy Name</b>	Conflict of Interest
<b>Approved by</b>	ECO Board of Directors
<b>Date of Approval</b>	1 <sup>st</sup> October 2024
<b>Version</b>	1.0
<b>Review Cycle</b>	Annual
<b>Next Review Date</b>	1 <sup>st</sup> October 2025
<b>Publication Date</b>	10 <sup>th</sup> October 2024



## **Acknowledgment of Conflict of Interest Policy**

### **Declaration**

By signing below, I acknowledge that I:

- Have received and read the Conflict of Interest Policy.
- Understand and agree to comply with the policy.
- Understand that any violation of this policy may result in disciplinary action, including removal from my position within ECO.

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_