



# Conflict of Interest Management Manual

**Version 2.0**  
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® CERCARBONO

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## 1 Introduction

Consistent with the transparency that is one of the guiding principles of the Cercarbono certification programme, this manual seeks to ensure that the result of the service offered is not affected in an unseemly manner by factors external to the certification process. In this sense, concepts and procedures are provided to know, identify, and adequately manage conflicts of interest that may arise.

The principles and procedures described are useful for board members, directors, managers, and employees of Cercarbono, as well as for third parties to identify situations that may represent a conflict of interest, directly or indirectly affecting the interests of the parties involved in the provision of the certification service offered by Cercarbono.

This Conflict of Interest Management Manual is mandatory for board members, employees, validation and verification bodies, project developers, registry platform, external consultants and all those persons or companies involved in the certification and registry process of GHG emissions mitigation initiatives.

## 2 Definitions

**Conflict of interest:** A situation where a person or organisation is or could be involved in multiple interests, financial or otherwise, and where serving one interest could involve working against another. Typically, this refers to situations where a person's or organisation's personal interest could adversely affect the duty to make decisions for the benefit of a third party.

**Employee:** a person who is linked to the company by an employment contract, who provides his or her personal labour services to the company for which he or she receives a financial consideration.

**Relative:** A person who is in the first, second, third or fourth degree of consanguinity and affinity with another person. Also, the spouse or permanent partner, as presented in [Table 1](#).

**Table 1.** Degrees of consanguinity and affinity.

	<b>Consanguinity</b>	<b>Affinity</b>
<b>First grade</b>	Father and mother.	Spouse's father and mother.
	Sons and daughters.	Spouse's sons and daughters.
<b>Second grade</b>	Grandfathers and grandmothers.	Spouse's grandfathers and grandmothers.
	Grandchildren.	Grandchildren of the spouse.
	Brothers and sisters.	Spouse's brothers and sisters.
<b>Third grade</b>	Great-grandfathers and great-grandmothers.	Spouse's great-grandfathers and great-grandmothers.
	Great-grandchildren.	Spouse's great-grandchildren.
<b>Fourth grade</b>	Nephews, nieces, uncles, and aunts.	Spouse's cousins, uncles, aunts, uncles, grandparents, nieces, nephews, and grandchildren.

### 3 Situations giving rise to conflicts of interest

The following are some situations or actions that give rise to a conflict of interest.

#### 3.1 Use of confidential information

Information and documentation related to the company's activities and potential business must be kept within the organisation and may not be used for personal gain or for the benefit of a third party.

Misuse of confidential company information occurs when any of the following actions are taken:

- Information is published without prior authorisation.
- Using or concealing company information for personal gain or for the benefit of a third party.
- Providing information to persons who are not authorised to have it.

#### 3.2 Business activities and shareholdings in companies

Related conflicts of interest occur in cases where an employee, board member or director has direct involvement either as a legal representative, partner, employee, or manager or indirectly as a consultant in a supplier company that is directly related to the company's certification service.

### 3.3 External employment and investment

Cercarbono employees must not work for a company that has the same corporate name. They must not sit on boards of directors or be consultants to companies that are direct competitors of the company, regardless of whether remuneration is received.

Investments made outside the company that represent an economic interest that may influence the judgement of employees are considered a conflict of interest.

### 3.4 Economic activities of people nearby

If any employee, board member, supplier or consultant identifies that one of the companies with which Cercarbono does business or plans to do business is related to a person with whom they are related, they must inform and declare if there is a relationship with the work they do at Cercarbono.

### 3.5 Corporate opportunities

An employee or board member may not personally take advantage of an opportunity generated in the process of carrying out his or her work at Cercarbono.

## 4 Managing conflicts of interest

Cercarbono expects all employees to report and declare, both during the hiring process and thereafter, any identified conflicts of interest. Board members are responsible for managing conflicts of interest as they arise and for identifying potential conflicts.

If a conflict of interest is identified at Cercarbono, the due process is as follows:

- 1) At the time of identifying the conflict, all direct or indirect actions and involvement in the event must be suspended.
- 2) Inform the hierarchical superior in a timely manner and as soon as possible, submitting the conflict of interest declaration form.
- 3) Provide all necessary information and documentation to enable the superior and subsequently the members of the board of directors to understand the matter in detail.
- 4) Doubts as to the confirmation of the conflict of interest oblige the person concerned to refrain from participating in the respective activities until it has been determined that no conflict of interest exists.
- 5) The members of the board of directors shall decide on the existence or non-existence of the conflict of interest.
- 6) If a conflict of interest does exist, the members of the general management shall indicate the actions to be taken by means of a document, as well as inform about the person they will appoint for the continuation of the activities related to the case.

There must be written evidence of the notification and management of the conflict by the employee and the board of directors.

- 7) If it is concluded that the person involved is presenting a permanent conflict of interest that constantly affects the performance of his or her duties, it should be analysed whether the conflict is a cause for termination of contract, due to impossibility to perform the duties of his or her position.

## 5 Conflict of interest reporting mechanisms

As detailed above in the second step of Cercarbono's conflict of interest management, if an employee is faced with a conflict of interest in the performance of his or her duties, directly or indirectly, he or she must immediately inform his or her superior by sending an email describing the situation and attaching Cercarbono's conflict of interest declaration form.

The person receiving this report must notify the board of directors to initiate the process. Members should study different alternatives with their respective consequences and analyse previous experiences to find the solution that guarantees fairness and transparency.

## 6 Preventing conflicts of interest

All employees, suppliers and consultants must comply with all decisions and actions taken by the Board of Directors, as well as with the agreements and contracts of employment.

Persons who are part of the company's shareholding shall not take advantage of the company's own business opportunities for their own benefit or for the benefit of third parties. Membership of boards of directors, or similar activities, is acceptable only to the extent that such activities do not interfere with their work in the company.

All applicants for employment with the company must acknowledge that they have read and understood this handbook at the time of employment and must complete the conflict of interest declaration form.

All persons involved in the company should report, through regular channels of communication, their suspicions about possible conflicts of interest if they have evidence of a demonstrable conflict of interest.

## 7 Dissemination of the manual

This handbook will be reviewed periodically by the members of the board and any changes will be communicated in a timely manner to all relevant persons through its website or any other means of communication deemed appropriate.

## 8 Document history

Date	Version	Comments
20.05.2020	1.0	Initial version.
30.11.2021	2.0	Adaptations of the document to new programme documents.