

POLICY AGAINST CONFLICTS OF INTEREST

Approved on: 2024-May-01
Approved by: Executive Management
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Created by: Legal & Compliance
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Binding on:

- The Executive Management, Board of Directors, and all employees of Welthungerhilfe (Association and Foundation)

Agreement to principles to be confirmed by:

- All Partner Organizations
- All social businesses
- All freelancers working for Welthungerhilfe
- All persons and groups volunteering for Welthungerhilfe
- All suppliers and service providers of Welthungerhilfe

The current applicable version of this document is available in the intranet at www.welthungerhilfe.org/code-of-conduct.

1. Introduction

Welthungerhilfe¹ is aware that its work, reputation, and credibility can be damaged if Employees or Contributors have conflicts of interest. In addition, conflicts of interest often lead to various forms of corruption², such as bribery.

2. Objectives

The objectives of this Policy are as follows:

- to promote the prevention of conflicts of interest by establishing rules of conduct for avoiding and combatting them.
- to make it easier to identify misconduct by describing where conflicts of interest can arise;
- to inform third parties about the conduct they can expect from Welthungerhilfe's Employees and Contributors; and
- to express existing contractual obligations in clear terms.

3. Scope

The provisions of this Policy apply directly to the following (collectively, “**Employees**”):

- a) The Executive Management of Welthungerhilfe Association;
- b) The general management of Welthungerhilfe Foundation; and
- c) All employees of Welthungerhilfe, regardless of their type of contract (including full-time employees, temporary personnel, interns, and personnel on loan), the scope of their responsibilities, and the location of employment.

This Policy applies worldwide, serving as the minimum standard for each and every Employee. It complements Welthungerhilfe’s Code of Conduct as well as the policies, international standards, and codices mentioned therein. Employees must also observe the laws that prevail at their place of deployment. In the event of discrepancies, the stricter standard will prevail.

The following groups (collectively, “**Contributors**”) must acknowledge that they respect the principle of avoiding conflicts of interest in their contracts or other agreements with Welthungerhilfe:

- a) Partner Organizations³ receiving material or non-material support from Welthungerhilfe;
- b) Social businesses that Welthungerhilfe holds shares or other participations in;
- c) Freelancers working for Welthungerhilfe on a contractual basis;
- d) People and groups volunteering for Welthungerhilfe (such as members of the Advisory Committee or action groups); and
- e) Suppliers and service providers for Welthungerhilfe.

¹ **Welthungerhilfe:** this term refers to both the association Deutsche Welthungerhilfe e.V. and the foundation Deutsche Welthungerhilfe.

² **Corruption:** the abuse of power for private gain or for the benefit of an individual. Corruption can be both material and immaterial. This includes offering, awarding, requesting, and receiving financial or material gifts, loans, rewards, supplies, or other advantages to or from a third party as an incentive to do something that would be considered dishonest, illegal, or a breach of confidence within the context of normal business practices.

³ **Partner Organizations:** all local, national, and international partners who have signed a memorandum of understanding or a partnership agreement with Welthungerhilfe, including community-based organizations, civil society groups, non-governmental organizations, and advocacy partners.

Welthungerhilfe will not be liable for the actions of Contributors who violate the principle of avoiding conflicts of interest, despite having previously agreed to this principle in writing.

4. Definition

A **Conflict of Interest** exists if someone's professional and/or private interests' conflict with the legitimate interests of Welthungerhilfe. Welthungerhilfe considers a Conflict of Interest to be present if Employees or Contributors cannot make impartial and objective decisions or fulfil their professional responsibilities in Welthungerhilfe's legitimate best interest due to the influence of private, familial, political, economic, or other interests, whether such influence is real or merely apparent. A conflict of interest also occurs if Employees or Contributors:

- can use their professional position for illegitimate personal gain or benefit;
- act against Welthungerhilfe's legitimate interests, whether at work or elsewhere; or
- act in ways that could give them a disproportionate advantage that contravenes the principles of free economic competition.

Employees' and Contributors' personal interests include all benefits to themselves, their friends, their families, or other relatives. This includes individuals or organizations with whom they have past or current business or political relationships.

5. Rules of Conduct

All Employees and Contributors must avoid both real and perceived Conflicts of Interest. Employees or Contributors who have an actual or perceived Conflict of Interest must report it to Welthungerhilfe. All Conflicts of Interest that others are found to have must also be reported to Welthungerhilfe (see § 6). Where there is any doubt, the Compliance Unit can offer guidance.

5.1 Unacceptable Behavior

There are some types of behavior by Employees or Contributors that Welthungerhilfe will not tolerate under any circumstances, including, but not limited to, the following:

- Using or invoking their position within Welthungerhilfe for illegitimate personal gain or for the benefit of third parties;
- Making public procurement decisions by Employees or Contributors where there are any Conflicts of Interest;
- Accepting presents or other benefits from partner organizations, or from business partners of Welthungerhilfe, that are not socially adequate and may create the impression that they may influence neutral decision making (see *Organizational Directive Employment Conditions for Domestic Employees/ Staff working abroad, §11/ §13, Rewards and Gifts*);
- Participating in political or religious activities as a representative of Welthungerhilfe unless permitted to do so by Executive Management;
- Participating in activities or becoming a member of organizations, alliances, and associations with goals and activities that conflict with or undermine the objectives, values, and reputation of Welthungerhilfe;
- Utilizing Confidential Information⁴ acquired in the context of their contractual relationship with Welthungerhilfe for personal gain or for the benefit of third parties;
- Awarding jobs or contracts to persons because they are friends or relatives;
- Favoring Employees or Contributors at work because they are friends or relatives; and

⁴ **Confidential Information:** any data and information that is not publicly available.

- Engaging in sexual relationships with Project Participants⁵ (see *Policy against Sexual Violence*).

Actual or perceived Conflicts of Interest facing Employees or Contributors must be promptly removed. If they cannot or are not intended to be removed, the instructions laid out in § 5.2 must be followed. Conflicts of Interest can be eliminated by measures such as the following:

- Ensuring that an individual having a conflict of interest will not participate in decision making or decision preparation with respect to the source of the conflict;
- Ensuring that contracts, including employment contracts, are only concluded based on objective justifications (e.g., contract specifications, articulated job profile) and that (in case conflict of interest) the reasons for nevertheless entering into the contract are specifically documented;
- Abstaining from voting on or participating in decisions that affect the procedure in question as a whole.

The line manager and / or process owner must be consulted if there is any question regarding the appropriate measures to take in the case of an actual or perceived Conflict of Interest. In sensitive cases or for more complex questions, the Compliance department shall be consulted. Decisions how a perceived Conflict of Interest is solved must be documented appropriately.

5.2. Conduct Requiring Guidance

Employees and Contributors must consult with Welthungerhilfe before engaging in certain actions and becoming involved in certain situations, including but not limited to the following:

- Undertaking business activities for the benefit of third parties where those activities are in a similar field to those undertaken by Welthungerhilfe;
- Pursuing external employment (e.g., with a supplier or service provider) or other activities outside of Welthungerhilfe that conflict with or undermine the activities, values, or reputation of Welthungerhilfe;
- Using Welthungerhilfe's name, logo, or photos outside the professional context;
- Holding a membership in organizations, on boards of directors, or in evaluation committees of donor institutions from which Welthungerhilfe is requesting or already receiving funding;
- Sitting on the executive board, supervisory board, or advisory board of a commercial enterprise, a non-profit organization, or a foundation that works in a similar field of business.
- Sitting on the executive or supervisory committees of partner organizations;
- Employing family members or awarding contracts to them;
- Owning or participating in an enterprise, or being a member of an organization, that is in a business relationship with Welthungerhilfe (this also applies to family members or close relatives of Welthungerhilfe's Employees);
- Undertaking paid work (such as giving lectures, training sessions, or public presentations) during working hours, that is, while on Welthungerhilfe's clock;
- Hiring Project Participants to provide private services (such as housekeeping)⁶; and
- Having romantic or intimate relationships with superiors or subordinates.

⁵**Project Participants:** target groups (beneficiaries) of programs and projects implemented by Welthungerhilfe or its partner organizations; members of communities in which Welthungerhilfe and its partner organizations are active; anyone who is actively participating in programs or projects of Welthungerhilfe or its partner organizations and who is not categorized as either an Employee or a Contributor.

⁶ It is essential to ensure that the employment of project participants cannot be perceived as an abuse of power and/or favoritism and that their working conditions do not fall below locally accepted standards, regardless of whether they are subject to local laws.

If Employees and Contributors have an actual or perceived Conflict of Interest that they are unable or unwilling to remove, they must report it, as follows:

- **Conflicts of Interest involving Employees:** Employees must report actual or perceived Conflicts of Interest to their line manager or the Human Resource Unit at Welthungerhilfe's Head Office.
- **Conflicts of Interest involving members of association or foundation bodies:** Members of association bodies (such as the General Assembly, Board of Directors, or Executive Management) or foundation bodies must report actual or perceived Conflicts of Interest to the chairperson or deputy chairperson of the Board of Directors.
- **Conflicts of interest involving Contributors:** Contributors must report actual or perceived Conflicts of Interest to their Welthungerhilfe contracting authority. Outside of Germany, this is the respective local Welthungerhilfe country directorate.

The person who receives the report will decide how to proceed in dialogue with the person who submits it. In addition, the person receiving the report will share the actual or perceived Conflict of Interest (including the proposal to solve the Conflict of Interest) to the Compliance department at Welthungerhilfe's Head Office. The Compliance department can also offer guidance in such cases.

6. Reporting Requirements and Consequences for Violations

Anyone with concerns, suspicions or knowledge of incidents regarding violations of this Policy is obligated to immediately report them to the Compliance department at Welthungerhilfe's Head Office via Welthungerhilfe's Reporting Portal (www.welthungerhilfe.org/complaints);



The Reporting Portal ensures adequate confidentiality and allows for anonymous reporting.

Any report submitted to management or via national complaint lines to Welthungerhilfe must be passed on by them to the Compliance department via Welthungerhilfe's Reporting Portal.

Nobody who reports suspected violations or submits information regarding such violations with honest intent, needs to fear any disadvantage or other consequences, even if the report later turns out to be unfounded. It is not the responsibility of Employees, Contributors, or reporters to conduct investigations, search for evidence, or determine whether a violation of this Policy took place.

Deliberately false accusations will not be tolerated. The failure to report a suspected violation of this Policy constitutes a violation of Welthungerhilfe's Code of Conduct and of this Policy.

Violations of this Policy may result in disciplinary measures, up to and including immediate termination and/or the annulment of cooperation agreements. Welthungerhilfe reserves the right to report criminal offences in compliance with applicable laws.

Additional information is provided in the following documents:

- *Guideline for Reporting Code of Conduct Violations*
- *For Germany: Shop Agreement Reporting Concerns*

Reporting Portal: www.welthungerhilfe.org/complaints



A handwritten signature in blue ink, appearing to read 'Mathias Mogge', positioned above the printed name.

Mathias Mogge

Secretary General / CEO

A handwritten signature in black ink, appearing to read 'Christian Monning', positioned above the printed name.

Christian Monning

Chief Financial Officer