

# **CBM Global Policy Conflict of Interest and Loyalty**

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**CBM Global Disability Inclusion**

Van Heuven Goedhartlaan 13D, 1181 LE Amstelveen, Netherlands

<https://cbm-global.org>

# Introduction and purpose

CBM Global is **committed to a culture of integrity, transparency and accountability**. All CBM Global staff members, Board members, consultants, and volunteers are expected to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

This Conflict of Interest & Loyalty Policy builds on our commitment to ensure that our personal interests do not influence our operational judgement or decision-making.

When making decisions related to our work **we have a duty to act in the best interests of CBM Global** and we require that our employees maintain high ethical standards in handling conflicts of interest and conflicts of loyalty. Identifying, avoiding or disclosing and addressing conflicts of interest or loyalty are an important part of demonstrating objectivity and integrity. This includes disclosing to a supervisor any relationship with persons or organisations with whom CBM Global operates, which might give rise to a conflict of interest or loyalty. Such relations include a relationship by blood or marriage, friendship, partnership, investment or indebtedness.

**This policy is designed to help identify situations that present potential conflicts of interest or loyalty and provide guidance to avoid risks associated with such conflicts.**

The policy **applies to all worldwide activities and operations of CBM Global**, excluding the national operations of its Members. Federation Members are encouraged to adopt the policy where no policy currently exists, and/or to ensure that any existing Member policies relating to conflict of interest and loyalty align with this policy.

## Definitions

**Responsible Person** is any person serving as an employee, consultant, volunteer or member of the Board of directors of CBM Global for whom this policy applies.

**Outside Interest** is any person or entity related to a Responsible person by a bond of family, friendship, business partnership or debt, that can exercise influence in the Responsible Person's decision making.

**Material Financial Interest** in an entity is a financial interest of any kind, which, based on the information and circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or family member's judgement with respect to transactions between CBM Global and that entity. This includes all forms of compensation.

**Transaction** is any interaction, agreement, arrangement, or exchange - whether financial or non-financial - between the organisation and an individual or entity. This includes but is not limited to contracts, collaborations, partnerships, hiring decisions,

funding allocations, provision of services and any other dealings that may give rise to a potential or actual conflict of interest.

**Conflict of Loyalty** exists when a person has a duty of loyalty to more than one entity and the interests of those entities diverge. A conflict of interest is a subset of conflict of loyalty.

For example, conflicts of loyalty may arise where a Board member has overlapping roles. Although the affected Board member does not stand to gain any personal benefit, the Board member's decision-making on behalf of CBM Global could be influenced by other interests they may have. The same can apply in situations of recruitment, procurement etc.

**Conflict of Interest** is defined as an actual or perceived interest by an employee, Board member, consultant or volunteer, in an action that results in, or has the appearance of resulting in, personal, organisational, or professional gain, whether the gain is financial or other.

For purposes of this policy, the following circumstances shall be deemed to create conflicts of interest:

### **A. Outside Interests**

(i) A contract or transaction (not only a financial transaction) between CBM Global and a Responsible Person's outside interest.

(ii) A contract or transaction between CBM Global and an entity in which a Responsible Person or outside interest has a material financial interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.

### **B. Competition**

(i) A Responsible Person competing with CBM Global in the rendering of services, whether programmatic or otherwise or in any other contract or transaction with a third party.

(ii) A Responsible Person having a material financial interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to an entity or individual that competes with CBM Global in the provision of services, whether programmatic or otherwise, or in any other contract or transaction with a third party.

### **C. Gifts, Gratuities and Entertainment**

A Responsible Person accepting gifts, entertainment, or other favours from any individual or entity that:

(i) has or is seeking a business relationship with, or is a competitor of CBM Global; or

(ii) is a charitable organisation;

under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of CBM Global.

**Disclosure** means sharing the existence, nature, and all relevant facts of a conflict of interest: with the Chair of the Board or the Chair's designee in the event of conflict of interest at Board level, and with the line manager in the event of conflict of interest for staff.

## Principles

### Identify conflicts of loyalty and interest

Responsible Persons are expected to recognise when they potentially have, or could be perceived as having, a conflict of loyalty or interest.

### Avoid conflicts of loyalty and interest

While CBM Global respects the rights and choices of all Responsible Persons, they have an obligation of loyalty towards CBM Global and accordingly it is advisable to avoid any conflict of loyalty or interest.

### Disclose conflicts of loyalty and interest

Having a conflict of loyalty or interest is not an issue per se, however, **early disclosure is required**. Disclosure must take place as soon as the Responsible Person realises that they may have or face a conflict of loyalty or interest situation. If circumstances change, existing disclosures may no longer be accurate or complete. All disclosures should be updated to reflect the current status.

If applicable, Responsible Persons are required to review, update and sign an annual declaration of all conflicts of loyalty or interest. **Board and Board Committee members should disclose any conflict of loyalty or interest** when approving the Board agenda and prior to any Board meeting proceedings, as further explained in the section [Acknowledgement](#) and the section [Addressing conflicts of interest at Board level](#) below.

### Address conflicts of loyalty and interest

Disclosing a conflict of loyalty or interest is not sufficient. Appropriate steps, as prescribed below, should be taken to address conflicts of loyalty or interest.

## Policy statements

### Acting in the interest of the organisation

**CBM Global staff members, Board members, consultants, and volunteers**, as Responsible Persons, **are obliged to always act in the best interest of the organization**. This obligation requires that any Responsible person, in the performance of their duties, seeks the furtherance of the organisation's mission. Responsible Persons are

not permitted from using their job title or the organisation's name or property for private profit or benefit.

## **Gratuities and favours**

**Responsible Persons should neither solicit nor accept gratuities, favours, or anything of monetary value from contractors/vendors.** This is not intended to apply to bona-fide fund raising-activities or legitimate pro bono work from contractors/vendors.

## **Vendor relations**

No Responsible Person shall participate in the selection, award, or administration of a purchase or contract with a vendor where, to their knowledge, any of the following has a **financial interest in that purchase or contract**:

- a) The Responsible Person
- b) Outside Interest: Spouse, partner or any other member of their immediate family, debtor or close friend;
- c) An organisation in which any of the above is an officer, director or employee;
- d) A person or organisation with whom any of the above individuals is involved with staff recruitment, selection and offering of an employment contract

## **Board matters**

When a conflict of interest or loyalty is relevant to a matter requiring action by the Board, the individual shall **call it to the attention of the Board** and **the said person shall not vote** on the matter. In addition, the individual shall not participate in the final decision or related deliberation regarding the matter under consideration. If there is a doubt as to whether a conflict exists, the matter shall be resolved by vote of the Board, excluding the individual concerned.

## **Actions by staff and management**

When a conflict of interest or loyalty is relevant to a matter requiring action by staff and management, the Responsible Person shall **call it to the attention of their line manager**. If the line manager confirms there is a conflict of interest or loyalty, the said person shall not participate further in e.g., a procurement selection process, recruitment process, etc. If there is a doubt as to whether a conflict exists, the line manager of the Responsible Person shall refer to the Global Head of HR.

## **Disclosure**

Every Responsible Person shall **exercise care not to disclose confidential information** acquired in connection with such status or information, the disclosure of which might be adverse to the interests of CBM Global. Furthermore, a Responsible Person shall not disclose or use information relating to the activities of CBM Global for the personal profit or advantage of the Responsible Person or outside interest.

## **Code of Conduct**

**All signatories to the CBM Global Code of Conduct are bound by this Conflict of Interest and Loyalty Policy.** Any breach of this policy may result in appropriate disciplinary action: for Board members in accordance with the decisions of the Board, for staff in accordance with relevant HR related policies and guidelines, for consultants and



volunteers in accordance with their contracts.

### Other engagements

In principle, it is **incompatible with membership of the CBM Global Board to be employed by, or to be a Board member of, another organisation** in circumstances where an appointment with that organisation could represent a perceived and or actual conflict of interest with CBM Global. Any current or prospective Board member of CBM Global shall disclose to the Board any current or proposed appointment which may potentially fall within the terms of this paragraph, and the Board shall have the final decision on whether the relevant appointment is in fact incompatible with Board membership.

## Acknowledgement

**Each Responsible Person shall** review a copy of this Policy, and each **acknowledge their understanding of its contents**, via Board member induction or via the contracting process for staff, consultants and volunteers.

This **policy shall be reviewed at least every two years by the Board** of directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.

## Addressing conflicts of interest at Board level

### Disclosing a conflict of interest

Before the Board or any Board Committee discuss a contract or transaction involving a Conflict of Interest, a Board member or Committee member **having a conflict of interest and who attends the meeting** shall disclose all facts material to the conflict of interest. Such disclosure shall be reflected in the minutes of the meeting.

### Disclosing material facts

A Board or Board Committee member who plans **not to attend a meeting** at which they have reason to believe that the Board or Committee will act on a matter in which the person has a conflict of interest shall **disclose to the Chair of the meeting all facts material** to the conflict of interest. The Chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

### Exerting influence

A person who has a conflict of interest shall **not participate in or be permitted to hear the Board's or Committee's discussion** of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert their personal influence with respect to the matter, either at or outside the meeting.

### Quorum

A person who has a conflict of interest with respect to a contract or transaction that will be voted on at a Board meeting shall **not be counted in determining the presence of a quorum for purposes of the vote**. The person having a conflict of interest may not vote

on the contract or transaction and shall not be present in the meeting room when the vote is taken unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of directors of CBM Global has a conflict of interest when they stand for election as an officer of the Board (Chair or Committee Chair).

In the event it is not entirely clear that a conflict of interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a conflict of interest that is subject to this policy.

## **Key references and supporting documents**

All documents mentioned above are available to CBM Global Federation staff on [Global Connect](#). Documents that are relevant for external audiences can be found on [www.cbm-global.org](http://www.cbm-global.org).

- CBM Global Code of Conduct