

CONFLICT OF INTEREST POLICY – TEAM MEMBERS AND PARTNERS

Effective Date January 1, 2024 **Version** 1.0 **Version Date** January 1, 2024
Responsible Teams Ethics and Compliance Department and Legal Department
Supersedes 2018 Conflict of Interest Policy
Policy Type Tier 1 **Policy Number** POL-1032



1. Purpose

The purpose of this policy is to protect the integrity of, and promote continued public trust and confidence in, Mercy Corps by providing guidance in identifying, handling, and preventing actual or perceived conflicts of interest. Mercy Corps has adopted this Conflict of Interest Policy to comply with applicable law and donor requirements.

2. Scope and Application

- 2.1. This policy applies to Mercy Corps Global, Mercy Corps Europe, Mercy Corps Netherlands, and their subsidiaries and affiliate organizations (collectively "Mercy Corps"); Members of Mercy Corps' Boards of Directors ("Directors"), officers, management, team members, seconded employees, interns, and volunteers (collectively "Team Members").
- 2.2. This policy applies to Mercy Corps partner organizations (including subrecipients), contractors, outside experts (including attorneys), consultants, agents, representatives, and any other organization or individual that acts on Mercy Corps' behalf or at Mercy Corps' direction (collectively "Partners").

3. Policy Statements

- 3.1. A conflict of interest exists when you have a personal, professional, or business interest or relationship that can influence or interfere with your obligations to Mercy Corps. A conflict can be actual, potential, or perceived. An actual conflict is one that exists. A potential conflict may not presently exist but could arise in the future. A perceived conflict is one that appears to be a conflict, even if it is not an actual or potential conflict. The term "conflict of interest" as used in this policy addresses all three referenced scenarios.

- 3.2.** Mercy Corps expects all Team Members and Partners to act in the best interest of Mercy Corps. Consistent with this policy, Team Members and Partners must:
- 3.2.1. Respect and protect business interests of Mercy Corps by avoiding conflicts between their duties and their personal interests;
 - 3.2.2. Avoid any activity at work or outside of work that might interfere with their obligations to Mercy Corps;
 - 3.2.3. Use Mercy Corps information, property, and resources for Mercy Corps' benefit; and
 - 3.2.4. Fully disclose through the conflict of interest review process (see Section 4 – Required Procedures) any activity or transaction that might give rise to a conflict of interest, or even the appearance of a conflict of interest. Team Members and Partners should not engage in potential conflict of interest activity without having received authorization to proceed. In some cases, a Team Member or Partner may not realize that a conflict exists until they are already engaged in the activity. In such cases, the Team Member should notify their supervisor, and Partners should notify Mercy Corps, as soon as they become aware that the potential for conflict exists.
 - 3.2.5. If a Team Member or Partner is unsure about whether a contemplated activity might constitute a potential conflict of interest, the Team Member should contact their supervisor for guidance concerning whether disclosure through the conflict of interest review process is required, and Partners should notify Mercy Corps.
 - 3.2.6. Team Members who knowingly engage in unapproved conflicts of interest are subject to disciplinary action up to and including termination even if there is no undue personal benefit.¹ Partners who knowingly engage in unapproved conflicts of interest are subject to action up to and including termination and ineligibility to future work with Mercy Corps.
- 3.3.** Mercy Corps' Directors and certain Team Members who are officers or senior leaders with management control or powers over a substantial portion of the Mercy Corps budget or activities as a whole will also be required to adhere to the Conflict of Interest Policy and annual declaration process for Directors, Officers, and Key Persons [Document Forthcoming].

Conflict of Interest Scenarios

- 3.4.** Below are common scenarios that require disclosure. These examples are not exhaustive and other situations may raise conflict of interest issues that need to be addressed. These situations

¹ An undue personal benefit is any benefit that accrues to a Team Member or Partner that Mercy Corps would not ordinarily offer or agree to in the normal course of business and in arm's length transactions. This includes engaging in transactions that Mercy Corps might not otherwise engage in but for the relationship, offering special terms, paying more than market rates, reducing oversight or quality standards, not engaging in disputes and foregoing litigation.

are not necessarily prohibited, but rather should be disclosed and cleared or authorized under the procedures in Section 4.

- Ownership, directly or indirectly, of a substantial interest in, or having effective control of, or where you can influence or have the appearance of influence over, business dealings or decisions affecting a subcontractor, supplier or other service firm, which is currently or potentially doing business with or in competition with Mercy Corps, unless the interest is held solely for investment purposes.
 - a. Example: Your department needs to purchase computers and you propose that Mercy Corps purchase them from a company owned by your relative. This is a conflict that must be discussed with and approved by your supervisor in advance.
 - b. Example: Your retirement portfolio includes some shares of stock in Microsoft, which does business with Mercy Corps. This is an immaterial ownership interest that does not require disclosure or approval.
- Acting as an employee, officer, director, partner, consultant, representative, agent, auditor, or advisor of a Mercy Corps competitor, supplier, customer, partner, contractor, or subcontractor, except when so acting at the request of Mercy Corps.
 - a. Example: You work part time for a company that also provides services to Mercy Corps. This is a potential conflict of interest that must be discussed with and approved by your supervisor in advance.
- Dealing directly, in the course of normal organizational responsibilities, with a supplier, vendor, customer, or competitor of Mercy Corps, which employs a family member.²
 - a. Example: You are the finance officer responsible for payment approvals to a vendor which employs your spouse. This is a conflict of interest that should be discussed with your supervisor.
- Outside business activities or outside employment that interferes with your ability to perform your job and provide your full services and loyalty to Mercy Corps. Outside employment must not compete, conflict with or compromise Mercy Corps' interests or adversely affect the Team Member's job performance. Outside employment includes any paid or unpaid work, including part-time work where, for example, a Team Member has their own business. However, outside employment does not include volunteer work, sports activities, or other

² A family member includes a Team Member's spouse, domestic partner, parents, guardians, grandparents, children, siblings (by blood, marriage, or adoption), cousins, and any other relative who resides in the same household. 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 between that person and Mercy Corps.

non-profit based or hobby related organizations, provided these activities do not involve Mercy Corps' name, time, information, resources, or assets.

- a. Example: You occasionally work part time for another company. If the company does business with Mercy Corps, this is a potential conflict and should be discussed with and approved by your supervisor. Even if the company does not do business with Mercy Corps, you need prior written approval from your supervisor prior to accepting employment or contracting with the other company. See your respective Team Handbook for more details.
- Using your position or Mercy Corps property to further your personal, financial, or business interest or relationship.
 - a. Example: A friend or family member or someone with whom you have a personal relationship applies for a Mercy Corps position which reports to you or is under your supervision. This is a conflict of interest that must be disclosed and may require that you recuse yourself from the recruitment process and a direct supervisory role.
 - b. Example: You use a Mercy Corps vehicle during work hours to perform a favor for a friend or family member. This is a conflict of interest that must be discussed with and approved by your supervisor and would only be approved in extenuating circumstances.
 - c. Example: You would like to approve a grant or contract with another organization in which you or a family member serves as director, officer, or owner. This is a potential conflict and must be disclosed to and approved in advance by your supervisor.
 - Membership on outside Boards of Directors, Advisory Boards or Committees of organizations that directly compete with Mercy Corps for donor funding, financial or programmatic opportunities, unless such membership is part of your job responsibilities or otherwise disclosed in advance at the time of your recruitment.
 - Accepting gifts or entertainment from a third party, such as a contractor or vendor that go beyond the courtesies associated reasonable and appropriate business practice. See Mercy Corps' Anti-Fraud and Anti-Corruption Policy for more detail.
 - Mercy Corps prohibits Team Members from having a financial or control interest in an entity that competes with Mercy Corps for donor funding or financial, programmatic or other opportunities, unless disclosed in advance and approved by the Legal Department.
 - Expat Team Members whose position is funded in part or fully under USAID agreements cannot engage directly or indirectly, either in their own name or the name or agency of another person, in any business, profession, or occupation in the foreign countries to which they are assigned, or make loans or investments to or in any business, profession or occupation in the foreign countries to which the expat is assigned. This is a mandatory

requirement under USAID grants and cannot be waived or approved. See Section M14.c., Regulations Governing Employees, USAID Standard Provisions for U.S. Nongovernmental Organizations.

4. Required Procedures

- 4.1. Mercy Corps Team Members and Partners are expected to promptly disclose all conflicts of interest and obtain approval before engaging in any activity that may pose a conflict. Conflicts of interest can arise in many contexts. Having a conflict of interest in and of itself may not constitute wrongdoing or a breach of Mercy Corps policy. A conflict of interest may exist even without improper conduct. However, a conflict can become problematic when someone has a conflict, but fails to disclose it in a timely manner.

Disclosure of Conflicts of Interest – Team Members

- 4.2. Annually, all Team Members are required to declare any previously undeclared conflicts of interest as part of the formal, organization-wide Code of Conduct training and Acknowledgment process, and, thereafter, as new conflicts arise during the year.
- 4.3. For conflicts that were previously disclosed and approved, Team Members must promptly disclose any new or different circumstances or information that may impact the situation.
- 4.4. To declare a conflict of interest:
 - 4.4.1. The Team Member must complete the attached Conflict of Interest Declaration Form (**Conflict of Interest Declaration Form – Team Members**) and submit the completed Conflict of Interest Declaration Form to their supervisor (as described below) and to the Legal Department (for recordkeeping purposes) via [Submit Team Member Declaration and/or Action Plan](#).
 - a. Team Members under the oversight of a Country Director must submit the completed form to their Country Director or the person designated by their Country Director to receive such disclosures;
 - b. Team Members who are not under the oversight of a Country Director must submit the completed form to the Mercy Corps Executive Team Member who oversees their function or the person designated by their Executive Team Member to receive such disclosures; or
 - c. Board Members and Executive Team Members, must submit the completed form to Mercy Corps' General Counsel (who will ensure it is disclosed to the Board of Directors as necessary);

- 4.4.2. The Team Member and their supervisor must discuss the disclosure, decide whether a conflict exists and, if so, develop an action plan to avoid, mitigate or resolve the conflict. The action plan must be documented. Once an action plan is agreed and documented, the Team Member, or any other person assigned action under the action plan, is responsible for implementing the plan and ensuring that the conflict situation is addressed. The Team Member must send the documented action plan to the Legal Department (for recordkeeping purposes) ([Submit Team Member Declaration and/or Action Plan](#)).
- 4.4.3. Depending upon the situation, the Team Member, together with their supervisor, may need to revisit the matter. For example, if unexpected or unintended consequences arise from the activity, circumstances change, or sufficient time passes, the supervisor may request additional information, or alternatively, may need to rescind any prior approval.
- 4.5. It is anticipated that most potential conflicts of interests that are timely disclosed will be resolved through discussions between the Team Member and their supervisor. If the disclosed conflict of interest cannot be resolved, or is discovered after the fact, the conflict must be disclosed to the Legal Department, which will determine, in coordination with the Ethics and Compliance Department, supervisors, and other appropriate persons, whether a conflict exists and the appropriate course of action in light of the conflict. In such cases, the course of action or resolution taken in connection with the conflict of interest will be documented by the Legal Department.
- 4.6. Outside employment will constitute a conflict of interest if it has any type of actual or potential negative impact on Mercy Corps. Except in circumstances where authorization has been granted as outlined above, Team Members cannot undertake any additional employment³ while employed by Mercy Corps. A Team Member should submit a written request to their supervisor, who may grant written permission for the Team Member to engage in outside employment. Such written permission must be obtained prior to commencing or continuing with any additional employment, and should be maintained in the Team Member's personnel file.

Disclosure of Conflicts of Interest – Subrecipients

- 4.7. Subrecipients shall follow the disclosure requirements in Mercy Corps' Subaward Financial Management Manual.
- 4.8. Any conflicts of interest disclosed by subrecipients will have accompanying mitigation measures, which must be documented.

³ Outside employment does not include volunteer work, sports activities, or other non-profit based or hobby related organizations, provided these activities do not involve Mercy Corps' name, time, information, resources or assets.

- 4.9. If, during the subaward period, a subrecipient conflict of interest is discovered and it was not previously disclosed, the undisclosed conflict of interest shall be reported to the Ethics and Compliance Department.

Disclosure of Conflicts of Interest – Partners (other than subrecipients)

- 4.10. Partners (other than subrecipients) must complete the attached Conflict of Interest Declaration Form (**Conflict of Interest Form – Partners**) and submit the completed form to the Mercy Corps Team Member responsible for engaging the Partner. This Mercy Corps Team Member must then provide the Partner’s Conflict of Interest Form to the Legal Department via [Submit Partner Declaration and/or Action Plan](#).
- 4.11. If a conflict is declared, the Partner and Mercy Corps must discuss the disclosure and develop an action plan to avoid, mitigate or resolve the conflict. The action plan must be documented and submitted to the Legal Department via [Submit Partner Declaration and/or Action Plan](#).
- 4.12. If the disclosed conflict of interest cannot be resolved, or is discovered after the fact, the conflict must be disclosed to the Legal Department, which will determine, in coordination with the Ethics and Compliance Department, whether a conflict exists and the appropriate course of action in light of the conflict. In such cases, the course of action or resolution taken in connection with the conflict of interest will be documented.

Potential Mitigation Steps

- 4.13. In certain circumstances, a conflict of interest may be prohibited, permissible outright, or permissible only if it is made conditional upon certain limitations or mitigation steps. Mitigation steps that may be appropriate will obviously depend on the facts and circumstances of each particular case. Following is a list of potential mitigation steps that may be considered, as appropriate:
- 4.13.1. Removal of certain Team Member responsibilities such as removing the Team Member from their involvement in procurement activities, including negotiations, discussions, influence, decisions and oversight/management responsibilities.
 - 4.13.2. For external or secondary employment, limiting the amount of time, hours or schedule so as not to interfere with Mercy Corps’ business.
 - 4.13.3. With respect to conflicts involving reporting relationships between family members, transferring the supervisor or Team Member to another team to eliminate the direct reporting line.
 - 4.13.4. In cases of a romantic relationship that poses an actual or potential conflict, a representative from the People Team, in consultation with other relevant stakeholders,

will determine necessary steps to address the conflict situation, including adjusting work responsibilities.

5. Compliance with Policy

- 5.1. Mercy Corps ensures compliance with this policy by ensuring that all Team Members are informed and trained on what conduct this policy requires (via code of conduct training or Board orientation materials) and their responsibilities under this policy, including what conflicts of interests are and how to report them, and all Team Members certify that they have understood this policy and agree to abide by it.

6. Roles and Responsibilities

- 6.1. The Ethics and Compliance Department and Legal Department have the responsibility to:
 - 6.1.1. maintain this policy;
 - 6.1.2. communicate this policy to Team Members;
 - 6.1.3. maintain a reporting hotline (www.mercycorps.org/integrityhotline), which allows Team Members and Partners to report incidents of fraud and corruption, including conflicts of interest, and ensure Team Members and Partners are aware of the hotline and how to use it;
 - 6.1.4. conduct training on this policy for all Team Members;
 - 6.1.5. require all Team Members to certify that they understand this policy and are compliant with it; and
 - 6.1.6. require Partners to commit in writing to act in accordance with the Policy Statements in this policy and to report to Mercy Corps any incidents prohibited under this policy.

7. Policy Governance

Responsible Teams	Ethics and Compliance Department and Legal Department
Policy Owners	Senior Director, Fraud and Corruption, and General Counsel
Executive Sponsors	Chief Ethics and Compliance Officer and General Counsel
Policy Approver	Joint Audit and Risk Committee
Last Reviewed	N/A
Next Policy Review Date	November 30, 2025

**Mercy Corps
Conflict of Interest Declaration Form – Team Members¹**

Please complete this Declaration Form and return it to your supervisor and submit it to the Legal Department ([Submit Team Member Declaration and/or Action Plan](#)).²

I hereby acknowledge that I have: (1) received a copy of Mercy Corps' Conflict of Interest Policy ("Policy"); (2) read and understood the Policy; and (3) agree to comply with the Policy.

The information set forth below is correct and complete to the best of my knowledge. During the time I am a Mercy Corps team member, I agree to keep this information up to date and promptly report any actual or possible conflict of interest that is required to be disclosed under the Policy.

Please review the statements below and check the box next to the statement that applies to your current situation:

I have **no** personal, professional or business interest or relationship that can influence or interfere with my obligations to Mercy Corps, as described in the Policy.

I **have** the following personal, professional or business interest or relationship that can influence or interfere with my obligations to Mercy Corps, as described in the Policy. The nature and extent of circumstances that may constitute a conflict of interest are disclosed below.

I acknowledge that any misrepresentations or omissions that might render this declaration inaccurate may be a breach of the Conflict of Interest Policy and grounds for disciplinary action.

Signature	
Name	
Position	
Date	

¹ Team Members includes members of Mercy Corps' Boards of Directors, officers, management, team members, seconded employees, interns, and volunteers of Mercy Corps Global, Mercy Corps Europe, Mercy Corps Netherlands, and their subsidiaries and affiliate organizations.

² See Section 4.4.1 of the Mercy Corps Conflict of Interest Policy for submission guidance.

**Mercy Corps
Conflict of Interest Declaration Form – Partners¹**

Please complete this Declaration Form and return it to your Mercy Corps focal point who will submit it to the Mercy Corps Legal Department ([Submit Partner Declaration and/or Action Plan](#)).²

I hereby acknowledge that I have: (1) received a copy of Mercy Corps’ Conflict of Interest Policy (“Policy”); (2) read and understood the Policy; and (3) agree to comply with the Policy.

The information set forth below is correct and complete to the best of my knowledge. While a Mercy Corps partner, I agree to keep this information up to date and promptly report any actual or possible conflict of interest that is required to be disclosed under the Policy.

Please review the statements below and check the box next to the statement that applies to your current situation:

I have **no** personal, professional or business interest or relationship that can influence or interfere with my obligations to Mercy Corps, as described in the Policy.

I **have** the following personal, professional or business interest or relationship that can influence or interfere with my obligations to Mercy Corps, as described in the Policy. The nature and extent of circumstances that may constitute a conflict of interest are disclosed below.

I acknowledge that any misrepresentations or omissions that might render this declaration inaccurate may be a breach of the Mercy Corps Conflict of Interest Policy and grounds for action up to and including termination and ineligibility to future work with Mercy Corps

Signature	
Name	
Position	
Name of Partner	
Date	

¹ Partners other than Mercy Corps subrecipients includes partner organizations, contractors, outside experts (including attorneys), consultants, agents, representatives, and any other organization or individual that acts on Mercy Corps’ behalf or at Mercy Corps’ direction.

² See Section 4.10 of the Mercy Corps Conflict of Interest Policy for submission guidance.