

Annex to the minutes of the SFPL Management Board meeting dated 13 June 2025

Conflict of Interest Policy at Solidarity Fund PL

adopted by the Management Board on 13 June 2025

This document replaces the Conflict-of-Interest Prevention Policy at SFPL adopted by the Decision of the President of SFPL No. 2021/02/03 of 26 February 2021.

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1. Introduction

Solidarity Fund PL (hereinafter: SFPL) is an organisation operating in the field of development cooperation. The statutory objectives of SFPL include supporting democratic transformation, the development of civil society, good governance principles, and respect for the rule of law. The rules governing work in such an organisation should be clear and transparent for all employees and collaborators.

In performing its tasks, the SFPL team faces numerous challenges. Doubts may arise regarding impartiality in relations with partners or grant beneficiaries, in matters related to recruitment of new employees and collaborators, the course of employment or cooperation, as well as procurement processes. This Conflict-of-Interest Management Policy is intended to provide guidance in such situations.

2. Definitions

A conflict of interest is characterized by a situation in which at least one of the following circumstances occurs:

- a person is in a state of “dual loyalty” towards SFPL and their personal interests or the interests of another entity;
- a person may supervise, control, or assess their own work, decisions, or actions;
- there is a possibility of a negative impact on the impartiality and independence of the performance of official duties.

Types of conflicts of interest:

- **Actual (real) conflict of interest** occurs when a person’s interests affect or could negatively affect the proper performance of their duties.
- **Potential conflict of interest** occurs when there is a likelihood that a person’s interests may improperly affect their impartiality or objectivity in the future.
- **Perceived (apparent) conflict of interest** occurs when there is a suspicion that a person is guided by personal benefits in performing their duties, even if this is not the case in reality. Attempts to clarify such misunderstandings usually lead to further loss of credibility.

Undue influence – a situation in which an employee, collaborator, or member of SFPL governing bodies uses their position in relation to an applicant for funding, a potential contractor, or any other person or entity seeking cooperation with SFPL in order to obtain personal benefits for themselves or close relatives, or to the detriment of SFPL’s interests.

Close relatives – persons related by marriage, kinship (up to the third degree), affinity (up to the second degree), adoption, guardianship, or custody; a partner (cohabitation); as well as persons remaining in other relationships whose nature may raise justified doubts as to impartiality, such as living in the same household.

Close acquaintances – persons with whom one maintains close personal relations based on frequent contact, mutual trust, and sharing of personal information or experiences, such as a close friend, colleague, or neighbour with a long-standing and close relationship.

Opinion on a conflict of interest – a formal document prepared by compliance specialists in SFPL’s foreign organisational units and at the Head Office, aimed at assessing whether a reported situation constitutes an actual, potential, or perceived conflict of interest. Such an opinion also contains clear guidance on how the concerned person should proceed. Opinions issued by the compliance specialist at the Head Office are final and binding on applicants and their supervisors.

3. SFPL Actions to Minimise the Risk of Conflicts of Interest

To prevent conflicts of interest, minimize their occurrence, and ensure monitoring, SFPL applies, in particular, the following measures:

- a) making organizational decisions that prevent relationships or circumstances giving rise to conflicts of interest, including obligations to identify, report, and monitor decision-making risks;
- b) issuing opinions by a compliance specialist to support SFPL employees in managing conflicts of interest;
- c) organizing and conducting training for all employees, including members of SFPL governing bodies;
- d) conducting compliance checks in justified cases concerning actions taken by employees, collaborators, and persons performing functions in SFPL bodies;
- e) maintaining registers of reported conflicts of interest in SFPL branches and at the Head Office,

while respecting constitutional rights and freedoms and applying labour-law measures and internal regulations for non-compliance with this Policy.

4. Management of Conflicts of Interest at SFPL

a. Employees and Collaborators

Employees and collaborators, to minimize the risk of conflicts of interest:

- i. are obliged to identify conflicts of interest, report the risk of their occurrence, and refrain from further actions until the matter is resolved;
- ii. must refrain from actions that could lead to a conflict of interest between themselves and SFPL, in particular for personal gain or competitive activities;
- iii. when acting on behalf of SFPL, must exclude themselves from processes involving persons or entities with whom they have non-professional or business relationships (including capital links);
- iv. must ensure that their personal interests do not conflict with their duties towards SFPL or SFPL's obligations towards partners, contractors, and third parties;
- v. must exclude themselves from decision-making processes where a potential conflict of interest arises;
- vi. may not exert undue influence on entities applying for funding, grants, or other forms of financial support, or on persons associated with such entities;
- vii. are required to familiarise themselves with and comply with applicable conflict-of-interest procedures and participate in training organized by SFPL;
- viii. in case of doubt, must act in accordance with Section 5 of this Policy.

b. SFPL Council

The provisions of §14 sections 13–15 of the SFPL Statutes apply to Council members.

c. SFPL Management Board

The provisions of §17 sections 7–8 of the SFPL Statutes apply to Management Board members.

d. Use of SFPL Assets

The provisions of §20 of the SFPL Statutes apply to the use of SFPL assets.

e. Gifts and Hospitality (Benefits)

- a. Employees may not accept gifts or any other benefits from entities or persons cooperating with SFPL, except for customary gifts of negligible value that consider the local cultural context. The maximum value of customary gifts is determined by the Management Board member responsible for financial matters, and in foreign units by their heads, and communicated to employees.

Management Board members or a person representing the Management Board in international relations may accept a gift which becomes the property of SFPL, in accordance with the customs accepted in international relations.

f. Recruitment – Cooling-off Period

- b. The following persons may not apply for positions directly related to procurement or grant-awarding at SFPL:
 - 1) beneficial owners or members of management or supervisory bodies;
 - 2) directors and managers of entities that have received contracts or grants from SFPL and who made decisions or exercised control in such matters, for a period of three years from the end of cooperation with SFPL or from termination of employment or cooperation with such entity.

Any exception require an opinion issued by the compliance specialist at the SFPL Head Office.

5. Reporting Conflicts of Interest

- a. Prior to participating in decision-making processes (procurement, recruitment, grant competitions, etc.), after learning the names of bidders or candidates, persons involved in decision-making submit declarations in accordance with templates defined by the Compliance Team at the Head Office, indicating whether an actual, potential, or perceived conflict of interest exists. For procurements below PLN 40,000 net, conflicts are reported in accordance with point b).

- b. Any known conflict of interest must be immediately reported electronically in writing to the compliance specialist and, if applicable, to the direct supervisor. The reporting person must act in accordance with Section 4(a) of this Policy, in particular by excluding themselves from decision-making processes.
- c. In case of doubt as to whether a conflict exists or may arise, the employee or collaborator should inform their supervisor and the Compliance Team in the relevant organizational unit.
- d. The compliance specialist analyses the facts and provides written guidance by electronic means to the employee/collaborator and their supervisor.
- e. Where a case is exceptional or of organisation-wide significance, the compliance specialist requests an opinion from the Head Office compliance specialist, which is binding.
- f. Compliance specialists in foreign units and at the Head Office maintain registers of reported conflicts of interest and issued opinions. The Head Office compliance specialist defines the template.
- g. Registers maintained in foreign units are shared with the Compliance Team at the Head Office.

6. How to Check Whether a Risk of Conflict of Interest Exists?

The following questions relate to possible conflicts of interest in financial, business, employment, personal, family, and other areas and may help determine whether a risk exists.

a. **Financial conflicts**

- Do I or a close relative hold shares, ownership interests, voting rights, or other commercial interests in an entity applying for a contract or grant from SFPL or performing paid services for SFPL?
- Have I received or been offered any gift or benefit that could influence my decision regarding cooperation with SFPL? For example, a purchase discount significantly different from those available to other entities or individuals applying for a contract or grant, or participating in the SFPL recruitment process, if I could or should have felt that this could influence my decision to initiate or continue cooperation?
- Do I hold intellectual property rights that may conflict with SFPL's interests? Do I have any rights or interests related to intellectual property, patents or licenses that may conflict with the interests of the SFPL (for example, do I own rights to photos or a video that SFPL would like to use)?
- Do I have access to confidential information about SFPL, Partners or Cooperators that could result in personal gain?
- Do I have financial obligations that could negatively affect my work for SFPL?

b. Business and employment-related conflicts

- Employment with other entities: Am I employed by, or do I receive remuneration for any form of cooperation with, an external entity that is applying for a contract or grant from the Solidarity Fund PL (SFPL), or for any other type of paid cooperation with SFPL, or that receives remuneration from SFPL for such cooperation?
- Reputational considerations: Do I cooperate with any entity even on an unpaid basis if such cooperation is inconsistent with the statutory objectives, values, or core areas of activity of SFPL?
- Sponsorship relations: Have I ever received an offer of paid cooperation, for example, a social-media partnership or sponsorship proposal that could create a conflict of interest in connection with my work for SFPL?
- Professional relationships: Do I have any professional relationships that could negatively affect my duties towards SFPL?

c. Personal conflicts

Issues related to personal conflicts are assessed with full respect for the constitutional right to privacy and freedom of belief, considering the principle that the exercise of rights and freedoms may not infringe upon the rights and freedoms of others. In determining whether a conflict exists, SFPL also considers its statutory objectives, including strengthening democracy, developing civil society, promoting good governance, respecting human rights, as well as the nature of activities carried out in countries with specific political conditions. SFPL also has the right to protect itself against private actions by employees or collaborators that disclose trade secrets or harm the reputation of the organisation.

- Personal relationships: Do I currently maintain, or have I previously maintained, family, friendship, or similar relationships with persons or entities applying for a contract or grant, or performing paid activities for the Solidarity Fund PL, if such relationships could influence or be perceived as influencing my obligations towards SFPL, including preferential treatment of such persons or entities?
- Personal activities: Do I conduct any personal or hobby activities that could create a conflict of interest with my work for SFPL?
- Political activities: Am I affiliated with a political organisation or engaged in political activity that may create, or be perceived as creating, a conflict of interest in connection with my work for SFPL?
- Social activities: Do I participate in or am I associated with a social organisation whose mission, objectives, or activities may create, or be perceived as creating, a conflict of interest with my work for SFPL?

- Civil matters: Am I, or am I likely to become, involved in any legal proceedings that could create a conflict of interest with my work for SFPL?
- Public statements: Have I made public statements or claims that may be perceived as conflicting with my work for SFPL? Have I published online posts or materials of a similar nature?

d. **Other types of conflicts of interest**

Am I in any other situation of conflict of interest that I have not reported to SFPL?

Document Data

	Position	Name
Prepared	Senior Compliance Specialist	Rafał Ciesielski
Adopted	SFPL Management Board	Justyna Janiszewska Teresa Zagrodzka
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