

Policy

MFCC P 2 GP

2019-11-29

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Guiding Principles

MYANMAR FOREST CERTIFICATION COMMITTEE



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1 Policy Background

1.1 Introduction

This policy outlines how MFCC aims to ensure independence, impartiality, confidentiality and address potential issues with corruption in all its activities. This policy is aimed at the MFCC organisation and employees as a whole, thereby encompassing all employees regardless of their project assignment or employee status.

1.2 Scope

This policy is designed for reference and guidance for MFCC employees. After reading this policy MFCC employees must sign a declaration saying they have read and understood the document.

1.3 Normative References

MFCC P 1 Implementation Arrangements
 MTLAS P 2 Certification Body Requirements
 MFCS P 1 Accreditation and Certification Requirements
 GP F 1 Guiding Principle Declaration
 GP F 2 Conflict of Interest Disclosure

1.4 Definitions

<i>Bribe</i>	Dishonestly persuade (someone) to act in one's favour by a gift of money or other inducement. Bribes are often given to gain any commercial, contractual, regulatory or personal advantage.
<i>Bribery</i>	The giving or offering of a bribe.
<i>Closely related persons</i>	"Closely related persons" are the MFCC employee family members, someone with whom the employee has an intimate relationship, and those living in the same household as the employee
<i>Conflict of Interest</i>	<p>Conflicts of interest may arise where an MFCC employee places his or her personal interests before the interests of MFCC, and where such personal interests unduly influence employees' judgments, decisions, or actions. These situations may include both closely related persons defined below and friends. Making judgments, taking decisions, or pursuing actions when facing a conflict of interest may make it difficult to perform work for MFCC impartially, objectively and effectively and may have legal and regulatory consequences.</p> <p>MFCC defines conflicts of interest broadly: actual conflicts of interest (the employee faces a real, existing conflict); potential conflicts of interest (the employee is in or could be in a situation that may result in a conflict); and perceived conflicts of interest (the employee is in or could be in a situation that may appear to be a conflict, even if this is not the case). Common examples of conflict of interest situations include personal workplace relationships (e.g., hiring or supervising a closely related person), external mandates (e.g., serving on the board of directors of an MFCC competitor), outside employment (e.g., having a second job with an MFCC client, or competitor), promoting personal financial interests (e.g. owning a substantial share of a MFCC client or partner while in a position to steer MFCC business towards it), and receiving fees, commissions, discounts, gifts, entertainment, or services (e.g., receiving cash</p>

from a MFCC partner).

*Corruption
Facilitation Payments*

Dishonest or fraudulent conduct by those in power, typically involving bribery. Facilitation payments are a type of bribery. They are made for the purpose of facilitating (and/or expediting) the performance of officials for a routine governmental action that should in fact be granted as a matter of course.

Fraud

Fraud is a general term for wrongful or criminal deception intended to result in financial or personal gain.

MFCC employees

In this policy an MFCC employee can refer to full and part time employees, consultants and sub-contractors and volunteers.

MFCS

Myanmar Forest Certification Scheme. MFCS is contained in a range of documents including MFCC policies, Standard Operating Procedures, other supporting system documentation, and the MFCS Forest Certification Standard

MTLAS

Myanmar Timber Legality Assurance System. MTLAS is contained in a range of documents including MFCC policies, Standard Operating Procedures, other supporting system documentation, and the MTLAS Timber Legality Standard.

2 Policy Standards

2.1 Introduction

MFCC is governed by a number of 'guiding principles'. These principles, or values, represent MFCC's broader philosophy that guides how we aim to work in all circumstances. The guiding principles covered in this policy are:

- Conflict of Interest and Impartiality
- Confidentiality
- Corruption

2.2 Key Principles

2.2.1 Conflict of Interest and Impartiality

MFCC is committed to avoiding any situation where a risk of impartiality may arise, or a potential conflict of interest could exist, or be seen to exist.

An organisational conflict of interest arises where, because of other activities or relationships, an organization is unable to render impartial services, the organisation's objectivity in carrying out work is or might be impaired, or the organisation has an unfair competitive advantage. Institutional conflict of interest exists when the whole organisation is involved, irrespective of individual interests.

A personal conflict of interest is a situation where a person's private interests — such as outside professional relationships or personal financial assets — interfere or may be perceived to interfere with his/her performance of official duties.

- All MFCC employees will sign a conflict of interest statement declaring that they are free from any undue commercial, financial or other pressures, which could affect their impartiality, and disclose any actual or potential conflicts of interest. Such disclosures are then analysed and appropriate risk mitigation measures undertaken; ^[1]_{SEP}
- MFCC aims to continually identify, document, analyse and mitigate risks of impartiality on an ongoing basis. Towards this aim MFCC has an independent Impartiality Committee (IC). The IC meets at least once a year. The IC is informed of the results of the evaluation of potential conflicts of interest and other risks to its impartiality.
- MFCC is non-discriminatory and accepts applications from all Certification Bodies. MFCC makes and documents Certification Body notification decisions in accordance with defined policies and procedures MTLAS P 2 Certification Body Requirements and MFCS P1 Accreditation and Certification Requirements.
- All recommendations are subjected to independent review and decision-making processes.
- MFCC has a transparent dispute management system for complaints, appeals and incidents as defined in MFCC SOP 2 Complaints, Appeals and Disputes.
- In cases where MFCC employees or MFCC as an organisation may provide names of Certification Bodies to companies preparing for certification, details of all fully MFCC registered and notified Certification Bodies will be provided, with this information provided free of charge;
- MFCC employees or MFCC as an organisation will never state or imply that an MFCC System certification would be simpler, easier, faster or less expensive if a particular Certification Body was used.

2.2.1.1 Disclosing Conflicts of Interest

Avoiding a conflict of interest may not always be possible or practical. The required action for an MFCC employee who cannot avoid a conflict of interest is to disclose it. Having a conflict of interest is not necessarily wrong. However, it can become an issue (potentially with legal consequences) if an MFCC employee tries to influence the outcome of dealings for direct or indirect personal benefit. Transparency, in the form of disclosure, helps to protect the integrity and reputation of MFCC and the MFCC employee.

Real, existing or potential Conflicts of Interest will be disclosed using GP F 2 Conflict of Interest Disclosure.

2.2.2 Corruption

2.2.2.1 Bribery and Facilitation Payments

MFCC employees must not engage in any form of bribery or facilitation payments, directly or through another third party, nor accept any bribes. Where the offer or receipt is intended for an MFCC employee's family or acquaintances, or even when bribery takes place through third parties, it is still considered to be a bribe.

2.2.2.2 Gifts and Hospitality

MFCC employees shall not give or receive gifts or hospitality, which is above normal and reasonable levels, or could be regarded as illegal or improper.

2.2.2.3 Donations and support

MFCC will not make political donations or contributions.

Open and transparent charitable support and donations, that support the mission and vision of MFCC, are acceptable but must be agreed by MFCC senior management. Any such payments will be recorded and publicly disclosed.

2.2.3 Confidentiality

All MFCC employees must sign MFCC's 'Guiding Principle Declaration' whereby an employee agrees to safeguard confidential data and information provided by MFCC clients and partners. Commercially sensitive and other types of confidential information received from MFCC clients or other sources will not be revealed to unauthorised parties¹.

MFCC's confidentiality principles do not apply to information which is already public and/or which is required to be publicly available according to MFCC policy, Myanmar law or contractual arrangements.

MFCC clients will be informed about the types of information which is required to be publicly available. Public information includes, but is not limited to:

- information found in the public summary sections of an audit report;
- information provided by the client for use on the MFCC websites (e.g. the contact details of an MFCC notified Certification Body)
- information that is available in the public domain.

¹ Information can be disclosed in cases where the response is ordered due to a legal process.

2.3 *Training and Awareness*

All MFCC employees must familiarize themselves with this Policy; participate in any compulsory MFCC training sessions related to guiding principles. Employees must sign the Conflict of Interest Declaration form (GP F 1 Guiding Principles Declaration) stating the policy has been read and understood.

MFCC managers should additionally be trained on their specific responsibility to evaluate and effectively address conflicts of interest.

2.4 *Reporting Potential Misconduct/Non-Retaliation*

Any MFCC employee who learns of a potential violation of this Policy is required to report his or her suspicion promptly to his/her immediate line-manager. MFCC employees who report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct will be protected against retaliation.

2.5 *Breach of this Policy*

MFCC will not tolerate breaches of this Policy. Breaches can lead to disciplinary and other actions up to and including termination of employment.

In certain instances, such as a breach of a confidentiality agreement, MFCC can also opt to take legal action.

2.6 *Responsibilities and Implementation*

It is the responsibility of every MFCC Manager to adhere to this Policy within his or her area of functional responsibility, to lead by example, and to provide guidance to MFCC employees reporting to him or her.

All MFCC employees are responsible for adhering to the principles and rules set out in this Policy.

3 Document History

Date of Amendment:	Version	Approval date:	Requested by:	Nature of Change	Approved by:
2019.07.01	1.01	2019.11.29	MFCC	<ol style="list-style-type: none"> At page 2, “date” is changed into “issue date” and “issue date” is changed into “version date”. Change MFCC website address “from www.mfcc.com.mm to www.mfcc.org.mm”. Section 2.2.1 Conflict of Interest and Impartiality has a little amendment: Bullet No.(3) Previously stated MFCC makes and documents Certification Body notification decisions in accordance with defined policies and procedures MFCC P5 CBR. Add that MFCC makes and documents Certification Body notification decisions in accordance with defined policies and procedures MTLAS P2 CBR and MFCS P1 ACR. 	MFCC