



Taxonomy Technical Expert Group Conflict of Interest Policy

1. Purpose

The purpose of this policy is to help members of the Taxonomy Technical Expert Group (TTEG) effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of the TTEG with respect to the taxonomy's development and manage risk.

2. Objective

The Australian Sustainable Finance Institute (ASFI) aims to ensure TTEG members are aware of their obligation to disclose any conflicts of interest they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as members of the TTEG.

3. Scope

This policy applies to members of the TTEG, the ASFI Taxonomy Project Team and ASFI's Chief Executive Officer (CEO).

4. Definition of conflicts of interest

A conflict of interest occurs when a person's personal interests' conflict with their responsibility to act in the best interests of the TTEG and the taxonomy's development. A conflict of interest may be actual, potential, or perceived and may be financial or non-financial.

They include a conflict between a member's duty on the TTEG and another duty that the member has (for example, to another organisation).

These situations present a risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the taxonomy's development. They must therefore be managed accordingly.

5. Conflict of interest policy

This policy has been developed to address conflicts of interest affecting the TTEG and therefore the Australian Sustainable Finance Taxonomy's initial development phase.

It is ASFI's policy and a responsibility of the TTEG to ensure that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts, where they do arise, do not conflict with the obligations of the TTEG.

ASFI will manage conflicts of interest by requiring that TTEG members:

- avoid conflicts of interest where possible;

- identify and disclose professional interests including affiliations, so that potential conflicts can be identified;
- declare any conflicts of interest as they arise.
- carefully manage any conflicts of interest; and
- follow this policy, including responding to any breaches.

5.1. Register of Interests

TTEG members will be obliged to declare all professional interests, including affiliations, prior to the commencement of their duties on the TTEG and to update their interests prior to every TTEG meeting through a **TTEG Register of Interests**.

The Register of Interests will:

- be maintained by the ASFI Taxonomy Team;
- also apply to all internal ASFI staff working on the taxonomy's development;
- be a standing agenda item at TTEG meetings;
- be published on the ASFI website.

5.2. Identifying and disclosing conflicts of interest

If an actual, potential or perceived conflict of interest is identified or might reasonably be thought to exist, it should be raised as soon as practical with the ASFI Taxonomy Team and TTEG Co-chairs.

A record of information related to a conflict of interest, including the nature and extent of the conflict of interest and any steps taken to address will be kept as an addendum to the TTEG Register of Interests.

6. Action required for management of conflicts of interest

Once a conflict of interest has been appropriately identified and disclosed, as a general rule, it is expected that any member to whom the conflict relates will leave a meeting when the TTEG is discussing any matter to which the conflict relates.

At the discretion of the TTEG Co-chairs, TTEG members may be asked to vote on the involvement of the conflicted member when dealing with the conflict of interest. TTEG members will, in this circumstance, be required to decide whether or not the conflicted member should:

- a. vote on the matter;
- b. participate in the discussion;
- c. be present in the room during the discussion and voting.

In deciding which approach to take, TTEG members should consider whether the conflict needs to be avoided or simply documented; whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making; alternative options to avoid the conflict; and the possibility of creating an appearance of improper conduct that might impair confidence in the taxonomy's development process.

The approval of any action requires the agreement of at least a majority (50 per cent) of TTEG members, excluding any conflicted members, who are present and voting at a meeting. The action and result of the voting will be recorded in the minutes of the meeting and addendum to the Register of Interests.

In exceptional circumstances, such as where a conflict is significant or likely to prevent a TTEG member from regularly participating in discussions, ASFI may ask the person conflicted to resign from the TTEG.

7. Compliance with this policy

If a TTEG member(s) or ASFI suspects that another TTEG member has failed to disclose a conflict of interest, they must raise this with the member in question at first instance.

If there is a disagreement as to whether a conflict exists between the relevant members, they should refer the concern to the ASFI Taxonomy Team as soon as is reasonably practical. ASFI will work with the TTEG Co-chairs to put it to a vote of the TTEG members, as set out above.

If ASFI has reason to believe that a person subject to this policy has failed to comply with it, it will investigate the circumstances. If it is found that the person has failed to disclose a conflict of interest, ASFI may terminate their membership on the TTEG.

Any stakeholder is entitled to flag a potential conflict with the ASFI team.

8. Contacts

For questions about this policy, please contact Nicole Yazbek-Martin, Taxonomy Lead at Nicole.Yazbek-Martin@asfi.org.au or Grace Soutter, Taxonomy Project Manager at Grace.Soutter@asfi.org.au.