

POLICY

# IMPARTIALITY, INDEPENDENCE AND CONFLICTS OF INTEREST



Beyond inspection

## REVISION LOG / HISTORY

Revision	Prepared by	Date	Change Description
1.0	Ddary Gao	2023/04/23	New release





Beyond inspection

## FOREWORD

Our commitment to impartiality, independence and confidentiality goes and must continue to go well beyond the minimum expected to protect our clients and our brand.

*Alexandre Minuzzo*

Alexandre Minuzzo  
President



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## INTRODUCTION

Senegy Technical Services Limited and its affiliated entities (hereinafter referred to as STS or Company) are aware of the utmost importance of impartiality, independence and conflicts of interest, when conducting inspection, conformity assessment and advisory services as a type-A independent inspection body. Therefore, STS is committed to deliver all inspection, conformity assessment and advisory services in a fully impartiality, independence and conflict-free manner.



## 1 PURPOSE

The purpose of this policy is to ensure that all conformity assessment and advisory services provided by STS are carried out in a manner that is fair, independent, and free from conflicts of interest. It is essential that STS employees understand and comply with the requirements outlined in this policy to maintain the company's reputation for impartiality and integrity. By following these guidelines, STS can continue to provide high-quality services to its clients and uphold its commitment to ethical business practices.

## 2 APPLICABILITY

This policy is applicable for all employees of STS and all personnel associated with the provision of services by STS.



### 3 REFERENCES

00-STM-0020-EN	STS Founders Commitments
00-STM-0030-EN	Impartiality, Independence and Confidentiality Commitments
00-POL-0010-EN	Whistleblower Protection Policy
00-POL-1010-EN	Employee Code of Conduct
00-SOP-0030-EN	Impartiality and Independence Control Procedure
00-SOP-0050-EN	Risk Management Procedure
00-SOP-0150-EN	Appeal Handling Procedure



## 4 TERMS AND DEFINITIONS

### IMPARTIALITY

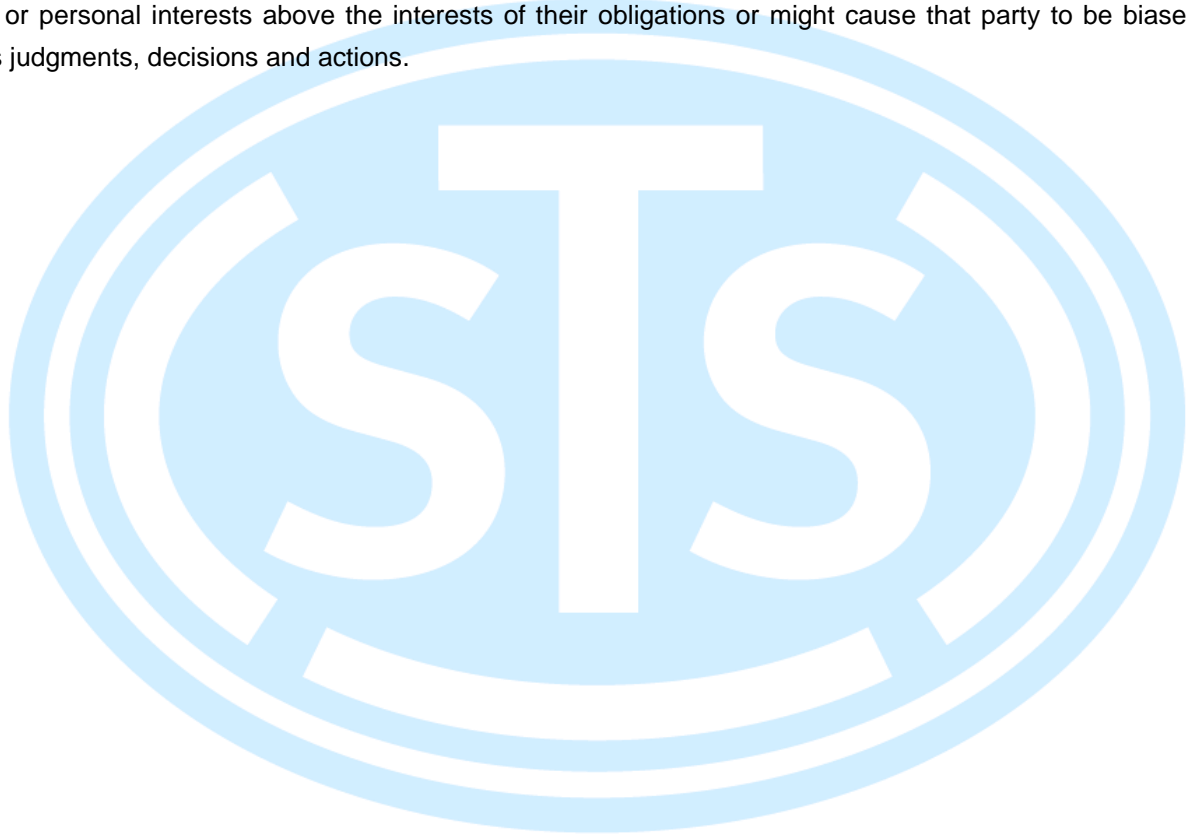
Impartiality is a principle establishing that decisions must be based on objective criteria rather than on the basis of bias, prejudice, or preferring the benefit of one person or entity over another for improper reasons.

### INDEPENDENCE

Independence means the condition of acting without externally imposed restraints.

### CONFLICT OF INTEREST

Conflict of interest means any circumstances, potential, actual or perceived, that might cause a party to place their financial or personal interests above the interests of their obligations or might cause that party to be biased in their business judgments, decisions and actions.







## 5 RESPONSIBILITIES

It is the responsibility of all STS employees to promptly report to their supervisor or the designated person any situation that could compromise the impartiality, independence, or cause a conflict of interest in the activities carried out. Failure to report such situations may result in disciplinary action, up to and including termination of employment.

It is the responsibility of STS as a company to establish and maintain a system for identifying and managing situations that could compromise impartiality, independence, or cause a conflict of interest. This includes reviewing and assessing reported situations, implementing appropriate actions to eliminate or mitigate any potential conflicts of interest, and monitoring the effectiveness of the system. STS also ensures that its policies and procedures are regularly reviewed and updated to promote impartiality, independence, and freedom from conflicts of interest.



## 6 PRINCIPLES

STS employees must maintain impartiality in any situation, individually and collectively, regardless of their position and level in the organization, even if it means for the company to lose a business opportunity.

As an independent body, STS adheres to the principles of fairness and aims to provide clients with satisfactory services to objectively, fairly, accurately, and in a timely manner, in accordance with laws, regulations, and contractual agreements. STS employees must adhere to these principles and make judgments without consideration of external influences, regardless of their position and level in the organization. This may require the company to forego certain business opportunities in order to maintain impartiality.



## 7 STATEMENTS / REQUIREMENTS

### 7.1 IMPARTIALITY REQUIREMENTS

As a provider of conformity assessment and advisory services, STS must ensure that it conducts its activities impartially and avoids any conflicts of interest. To achieve this, the following requirements must be met:

- a) STS employees must maintain impartiality in all situations, regardless of their position or level in the organization. This means making decisions based on objective criteria rather than bias, prejudice, or favoritism.
- b) STS, as an organization, must identify and evaluate any potential risks to impartiality, such as conflicts of interest or financial or personal interests that could compromise the independence of the activities carried out.
- c) STS must have procedures in place to mitigate against any identified risks to impartiality. These procedures may include, but are not limited to, personnel recruitment, client contracts, product inspection, and the evaluation of external providers.
- d) STS must ensure that all clients are treated equally and receive the same quality of work and service standards.
- e) STS must not remunerate its employees in a way that influences their results or creates a conflict of interest.
- f) Any persons who engage in conformity assessment activities and others who may participate in the determination must not participate in any activities that may conflict with their impartiality and independent judgment.
- g) Personnel who have worked at an assessed site (i.e., manufacturing facility) or have conflicting records with the same site shall not be assigned to the site for conformity assessment and advisory activities within two (2) years.

### 7.2 INDEPENDENCE REQUIREMENTS

STS must maintain its independence and ensure that it is not affected by external influences that could compromise the quality of its services. To achieve this, the following requirements must be met:

- a) STS, as an organization, must establish strict rules and procedures to ensure that an assessed company is not affected economically by STS employees' presence during a work conducted by STS.
- b) STS, as an organization, must declare itself independent of any organizations that develop, supply, install, purchase, own, use, or maintain products that are the subject of STS's inspection, conformity assessment, or advisory services.
- c) STS, as an organization, must not receive any form of remuneration from assessed companies and must stipulate compensation terms in contracts with its clients relative to transportation and accommodation charges, additional inspection charges, and related expenses.
- d) STS, as an organization, and STS employees must avoid any situation that could compromise their independence or give rise to a conflict of interest, including staying at assessed sites' dormitories and accepting meals provided by assessed companies.

### 7.3 CONFLICTS OF INTEREST REQUIREMENTS

STS must avoid conflicts of interest, or the possible appearance of a conflict of interest to ensure to eliminate the risk which may cause a loss of reputation, financial losses or lead to unfair decisions. To achieve this, the following requirements must be met:

- a) STS must not hire a close relative of an existing STS employee. In no circumstance is an STS employee permitted to hire, supervise or influence the terms and conditions of employment of a close relative.

- b) STS must declare that certain situations that may create conflicts of interest are prohibited for STS employees. These include:
  - i. Serving on the board of directors of a company outside STS or taking a second job or employment outside STS.
  - ii. Competing with STS or working for a competitor of STS.
  - iii. Personally offering or participating in any form of professional or consultancy services to clients or potential clients of STS.
  - iv. Obtaining a personal gain, or procuring a personal gain for a close relative, by abusing a position within STS or accessing STS information.
  - v. Personally investing in suppliers, competitors, clients of or companies assessed by STS.
- c) STS employees must declare all potential conflicts of interest and abstain from the decision-making process as long as they are affected by a potential conflict of interest.
- d) In situation where a conflict of interest cannot be avoided, the individuals with the conflict of interest must recuse themselves from any decision-making process or actions related to the conflict.

## 7.4 IMPLEMENTATION REQUIREMENTS

To ensure that all STS employees understand and adhere to the principles of impartiality and independence and avoid the conflicts of interest, the following requirements must be met:

### 7.4.1 Commitment to impartiality and independence

STS is committed to operating in a neutral, equitable, and unbiased manner, and conducting its activities according to the highest standards of impartiality and independence. The company that impartiality and independence are critical to maintaining the trust and confidence of its clients, stakeholders, and the public.

To ensure that all employees understand and follow the requirements of impartiality and independence, STS requires that they acknowledge and accept the terms of the Company's Employee Code of Conduct. This Code of Conduct sets out clear guidelines on how to maintain impartiality and independence, and provides examples of potential conflicts of interest that employees should be aware of. Any employee who has questions or concerns about impartiality and independence should consult with their supervisor or the designated responsible person.

### 7.4.2 Committee establishment

STS shall establish a committee composed of stakeholders related to the company's work, including personnel from related departments of STS. The committee shall consist of three members and may include legal or other professionals in special cases.

The committee shall act as an impartial body to assist in the formulation of policy matters relating to STS and oversee their implementation. It shall review a sample of decisions made by STS and examine the appropriateness of STS policies and procedures in relation to conflicts of interest of individuals and organizations as a whole. The committee shall determine whether any actions should be taken to mitigate potential risks to impartiality.

The department of Legal, Compliance and Governance shall be responsible for the organization and daily management of the committee.

### 7.4.3 Investigation and breaches addressed

The committee shall initiate an investigation if a potential breach of impartiality, independence and conflicts of interest requirements is observed or reported. The following steps shall be taken:

- a) Collect all information related to the inconsistency.
- b) Develop a checklist for the investigation.
- c) Conduct the investigation.
- d) Summarize the outcomes of the investigation and make a decision.
- e) Communicate the results of the investigation.

If the committee finds that no breach of requirements occurred according to the results of investigation, STS shall consider the following:

- a) If the allegation has no basis, then efforts must be made to restore the reputation of those alleged to have engaged in improper conduct.
- b) If the allegation is considered to have been frivolous or vexatious, appropriate action should be taken to address this with the complainant in accordance with the company's established procedures.
- c) The mechanism for communication with, and support for, the respondent and complainant should be reviewed.

If the committee finds a breach of requirements during or after the investigation, STS shall consider the extent of the violation and handle the allegation according to the company's regulations.

### 7.4.4 Risk management

STS shall establish a risk management procedure to identify, assess and mitigate the risks related to impartiality, independence, and conflicts of interest. The risk report shall be reviewed regularly, at least once a year.

### 7.4.5 Appeals and complaints handling

STS shall establish an appeals and complaints procedure to guide those appealing or complaining on how their appeals and complaints will be handled, and for those involved in the handling process. The processed results shall be responded to the appealing and complaining parties as required.

## 7.5 REVIEW AND REVISION

To ensure that the policy remains relevant and effective, STS shall conduct periodic reviews and control the revision process. Reviews shall consider changes to STS's operating environment, legal and regulatory requirements, feedback from stakeholders, and experience in implementing the policy.

## 7.6 CONCLUSION

STS is committed to promoting impartiality and independence, and effectively managing conflicts of interest. This policy sets out the framework for achieving this objective. STS acknowledges that maintaining the highest standards of impartiality and independence is fundamental to building and maintaining stakeholder trust, and to fulfilling its mission. The implementation of this policy is a shared responsibility of all STS employees, and we expect all employees to take

personal responsibility for upholding these principles. STS is committed to monitoring and continuously improving its management of impartiality, independence, and conflicts of interest.

