

Conflict of Interest Policy



1. Purpose

The purpose of this policy is to ensure that all individuals acting on behalf of, or in collaboration with, LWG Assurance Services (LWG AS) uphold the highest standards of integrity, objectivity, and independence. This includes identifying, disclosing, and appropriately managing any actual, potential, or perceived conflicts of interest in line with relevant laws, regulations, and professional expectations.

2. Scope

This policy applies to all individuals working with or on behalf of LWG AS. This includes, but is not limited to:

- LWG approved auditors
- Contractors
- Technical reviewers and subject matter experts
- Members of working groups or steering committees
- Any other individuals engaged in activities that may impact or influence the assurance programme

The policy covers any situation where a conflict of interest may arise in relation to decision-making, auditing, reviewing, or any other LWG AS-related activities.

3. Policy

A conflict of interest occurs when an individual has competing interests, loyalties, or responsibilities that could potentially interfere with their ability to act impartially or in the best interests of a party they owe a duty to, such as a client (auditee), a customer, a competitor, or a supplier.

If not dealt with, conflicts of interest can lead to serious Reputational Damage, Loss of Trust, Legal and Ethical Violations and overall Compromised Integrity.

3 core ingredients that create a conflict:

- **Competing Interests:** A person has multiple roles, relationships, or interests that clash, making it difficult to remain unbiased.
- **Potential for Bias:** Even if no improper action occurs, the mere perception of a conflict can damage trust and credibility.
- **Duty to Act Impartially:** Has an obligation to act in the best interests of a client but are influenced by financial / professional interests.

How to manage and mitigate Conflicts of Interest:

- **Avoidance:** Proactively avoid situations that might create conflicts of interest.
- **Disclosure:** Always disclose any actual or potential conflicts of interest to relevant parties as soon as they arise.
- **Recusal:** Remove yourself from decision-making processes or activities where you have a conflict.
- **Transparency:** Ensure all actions are open and can withstand scrutiny from stakeholders or the public.

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- **Follow Policies:** Adhere to organisational policies or regulatory requirements for handling conflicts.

Taking the above steps at the earliest opportunity is integral to managing and mitigating conflicts. Where it is not clear on the correct mitigation to take, LWG AS must be consulted through contacting assurance@LWGassuranceservices.com

All individuals must declare any relevant **financial interests**, **business affiliations**, or **personal relationships** that could influence or appear to influence their ability to act objectively.

- A **Conflict of Interest Declaration** must be submitted **annually** and kept up to date.
- Any new or emerging conflict must be declared immediately via a separate declaration.
- Even where the conflict is only a *potential* source of bias, early disclosure demonstrates professional integrity and enables proactive mitigation.

If there is any uncertainty about whether a situation constitutes a conflict or how to manage it, LWG AS must be consulted

Failure to disclose or appropriately manage conflicts of interest may result in withdrawal as an LWG approved auditor.