



# ESG Gaming

# Conflicts of Interest Policy



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# Conflicts of Interest Policy

## Background

This policy applies to all persons – Directors, Members, Staff, and Volunteers – involved with ESG Gaming.

## What a Conflict of Interest is Not.

It's very common, even at the mere mention of a "Conflict of Interest", for people to start thinking suspiciously of the individuals concerned having covert agendas and disreputable schemes for greedy selfish gains.

So we need to be absolutely clear that there's nothing immoral or illegal in Conflicts of Interest per se. On the contrary, they are absolutely normal and inevitable in individuals and groups who are enthusiastic, active and dynamic in their interests – exactly the kind of people who make good organisational directors, staff and volunteers.

Impropriety and illegality only come in when what would otherwise be entirely legitimate Conflicts of Interest are not properly declared, acknowledged and managed.

## Why Conflicts of Interest Occur.

This can be due to deliberate exploitation of the situation by one party for their personal benefit. Fortunately this is relatively uncommon.

By "deliberate exploitation" is meant that the party concerned KNOWS (or, at least, suspects) that what they are doing is wrong/immoral/illegal but carries on doing it anyway. Such deliberate exploitation is clearly totally unacceptable, is often illegal (particularly in a charity situation if charitable funds are being diverted away from the charitable activities for which they were donated) and must be stopped as soon as it is recognised and the individual "dealt with appropriately".

More commonly, it can be due to people being unaware of the legal environment in which they are operating and so act in an improper (perhaps even illegal) way under the misapprehension that they are doing the right thing in the best interests of the organisation.

But "Ignorance of the law is no defence" is a widely held and accepted maxim.

Also very common is the assumption that a person is "very honest and respectable and therefore wouldn't do anything that wasn't in the best interests of the charity" - ie: wouldn't have any Conflicts of Interests. Directors who adopt a cavalier dismissive approach to either/both their own Conflicts of Interest or to those of others will find little sympathy from the Regulator should those Conflicts of Interest result in significant misuse of the organisations funds or resources.

It is therefore vitally important that all Directors, staff and volunteers take a very open approach to declaring any Conflicts of Interest that they think they might have ("If in doubt, declare it" is a good maxim) and are very accepting and supportive of the Conflicts of Interest declared by others (including



other volunteers, members and staff, as well as fellow Directors). A well-maintained Register of Conflicts of Interest is the best defence against suspicions or accusations of impropriety against individual Directors.

At ESG Gaming, we have a Register for Conflicts, which is published and checked for accuracy at each board meeting.

### **What a Conflict of Interest is.**

Examples of Conflicts of Interest include (but there are others, too):

- direct financial gain or benefit to the Director, staff member or volunteer, such as:
- payment for services provided to ESG Gaming
- the award of a contract to another organisation in which a Director, staff or volunteer has an interest and from which they will receive a financial benefit
- the employment of a Director in a separate post within ESG Gaming, even when the Director, staff member or volunteer has resigned in order to take up the employment
- indirect financial gain, such as employment by ESG Gaming of a spouse or partner of a Director, staff member or volunteer, where their finances are interdependent
- non-financial gain, such as when a user of ESG Gaming services is also a Director, staff member or volunteer
- conflict of loyalties, such as where a Director, Staff member or volunteer is employed by the gambling sector and or holds a Personal Management License issued by the Gambling Commission.

### **Why We Have a Policy**

Directors have a legal obligation to act in the best interests of ESG Gaming in accordance with its governing document, and to avoid situations where there may be a potential conflict of interest. Where Conflicts of Interest occur and are not properly acknowledged and managed they can:

- ✓ inhibit free discussion;
- ✓ result in decisions or actions that are not in the interests of ESG Gaming; and
- ✓ risk the impression that ESG Gaming has acted improperly.

The aim of this policy is to support honesty and integrity through the open declaration of such Conflicts of Interest that may arise and, thereby, to protect both the organisation and the individuals involved from any appearance of impropriety should such interests not be declared.

## **Policy**

### **The Declaration of Interests**

All Directors, staff, and volunteers are required to declare their interests, and any payments (including, but not limited to, benefits in kind such as gifts, hospitality shopping/travel concessions, preferential treatment, etc) received in connection with their role in ESG Gaming where such interests would, or might, conflict with, or otherwise influence their decision-making in respect of the organisation's activities.

As the nature and issues involved in Conflicts of Interest can vary considerably there is no prescribed form for declaring a Conflict of Interest.



## What To Do if You Face a Conflict of Interest

If you have, or think you might have, a Conflict of Interest, as described in the section above you must write to the Chair and declare your Conflict of Interest or involvement at the earliest opportunity. Where the Chair has a conflict, they must inform another Director.

If you are not sure what to declare, or whether/when an earlier declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the Chair or one of the Directors of ESG Gaming for confidential guidance.

Remember: declaring an Conflict of Interest is **NOT**, per se, a declaration any impropriety on your part or by anyone else. It's only **FAILING TO DECLARE** a Conflict of Interest which carries with it a significant risk of impropriety, particularly if the Conflict of Interest were to result in a failure to comply properly with company law.

## When a Conflict of Interest is declared.

All declarations of Conflicts of Interest will be treated with appropriate confidentiality.

All declarations of Conflicts of Interest will be considered by the Directors to assess the level of risk to the charity and what actions need to be put in place to eliminate or, at least, mitigate the risk. In more complex cases, the Directors may appoint one (or more) of their number to look into the matter in more detail. If it is felt that more information is required to assess the Conflict of Interest more fully the Director leading the assessment will contact the individuals involved.

All declarations of Conflicts of Interest will be recorded on ESG Gaming's Register of Conflicts of Interest, even if, having considered the declaration, the Directors conclude that the declared Conflict of Interest presents no significant risk to the charity. This Register is published on the ESG Gaming website.

Any Director who is implicated in a Conflict of Interest, whether directly or as a connected person, may not participate in the assessment of the risk but may be called by the Directors(s) undertaking the assessment to provide further details or answer specific questions.

Directors may, however, participate in general discussions from which they may indirectly benefit, for example where the benefits are universal to all users, or where the benefit is minimal to individual Directors.

## Data Protection

The information provided will be processed in accordance with data protection principles as set out in the current Data Protection legislation. Data will be processed only to ensure that Directors, staff, and volunteers act in the best interests of ESG Gaming. The information provided will not be used for any other purpose.

## Decisions Taken Where a Director or Member of Staff or volunteer has an Interest

In the event of the Board having to decide upon a question in which a Director or member of staff has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision. Any person, whether or not a Director will not be counted when deciding whether the meeting is quorate and may not vote on matters affecting their own interests.



All decisions where there is a Conflict of Interest will be recorded in the minutes of the meeting. The report will record:

- ✓ the persons involved;
- ✓ the nature and extent of the Conflict(s) of Interest;
- ✓ an outline of the discussion;
- ✓ the actions taken to manage the Conflict(s) of Interest.

Where it is determined that a Director with a Conflict of Interest may nevertheless legitimately benefit from the decision, this will be reported in the annual report and accounts (in accordance with the current Charities SORP when applicable).

All payments or benefits in kind to Director will be reported in ESG Gaming's CIC34 Report and Statement of Financial Activity, with amounts for each Director listed for the year in question.

Where a member of ESG Gaming's Director, staff or Volunteers are connected to a party involved in the supply of a service or product to ESG Gaming, this information will also be fully disclosed in the Annual Report and Statement of Financial Activity.

Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

### **Register of Conflicts of Interest**

ESG Gaming will maintain a Register of all reported Conflicts of Interest which will contain, as a minimum, the following information.

- a) The date on which the Conflict of Interest was first reported, supplemented where appropriate by the dates on which any changes to the Conflict of Interest were reported, including the date on which the Conflict of Interest ceased to be an issue.
- b) The name of the individual involved and, in the case of a Conflict of Interest involving one or more connected persons, the names of those connected persons and their relationships;
- c) The position/role/responsibilities within ESG Gaming of the individual involved;
- d) The type of Conflict of Interest (eg: personal benefits, family involvement, business involvement, other);
- e) Details of the Conflict of Interest, including its potential impact on ESG Gaming
- f) Mitigation of the Conflict of Interest – ie: the steps taken by the Directors to ensure that the Conflict of Interest does not adversely influence the charitable activities of ESG Gaming.



**ESG**  
Gaming



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