



## **ENGAGEMENT POLICY (version 2.0)**

### **1. Purpose & Scope**

This Policy governs the Micronutrient Forum's ("MNF") engagement with all our external partners (i.e., donors, sponsors, contributors, and all other stakeholders) and is designed to support the advancement of our mission while minimizing the risks and maximizing the benefits of any such engagement. Transparency and ethical conduct are required in all our external engagements. As such, this document presents our Engagement Policy, details our due diligence and engagement processes, and states roles and responsibilities needed to apply this Policy.

### **2. General Policy Statement**

MNF's Policy is to promote and support our mission in a manner that does not:

- Encumber MNF with gifts which may prove to generate more cost than benefit;
- Come with restrictions that are not in keeping with the stated goals of MNF; and
- Create a perception of MNF that is not in keeping with its mission or might provide more harm than benefit to MNF's cause.

Consistent with MNF's mission, we encourage and solicit support from governments, foundations, non-governmental organizations, the private sector, and individuals. This support may come in the form of cash donations, gifts-in-kind including real property and specialized expertise allowable under IRS rules as deductible donations, and sponsorships guided by a contract with a definite scope of work.

### **3. Our Due Diligence Process**

While engagement with the vast majority of our partners is low risk and non-controversial, we still must conduct due diligence on all potential partners before we enter into agreements or other arrangements with them. Our due diligence process helps to determine the risks in partnering with a particular entity or person. The specific steps of our due diligence process are spelled out in *Appendix 1. MNF Due Diligence and External Engagements Procedures*.

#### **3.1 Entities Presenting Unacceptable Risks**

Some entities present unacceptable risks. It is the policy of MNF to NOT engage with any entity:

1. Currently on any EU, UK, U.S. or other credible banned or sanctioned entities/persons lists;
2. Manufacturing, marketing, and/or distributing armaments or tobacco;
3. Involved in human rights violations, human trafficking or child labor;
4. Engaged in unethical practices including bribery or other forms of corruption; or
5. Manufacturing, marketing, and/or distributing breast milk substitutes

See *Appendix 1. MNF Due Diligence and External Engagements Procedures* for steps to determine whether an entity falls into one of these categories.

#### **3.2 Other Risks to MNF's Mission**

Entities involved in practices or products (beyond those identified in section 3.1) that may detract

from MNF's mission to promote micronutrient adequacy in health promotion and disease prevention throughout the human life cycle should also be avoided.

Engagement with **any** entity receiving funding or other support from any entity falling into a category enumerated in Sections 3.1 must satisfy the following criteria:

1. The contract/grant to MNF may not involve activities related to the proscribed conduct identified in Section 3.1;
2. A primary mission of the partner should not be the furtherance of the proscribed conduct described in Section 3.1; and,
3. The funds or other value to be provided to MNF by the entity must not be derived from the proscribed conduct in Section 3.1.

The decision to engage with any entity must be transparent and free of any undue influence or even the appearance thereof. We also must structure our engagements to appropriately consider potential risks. For example, some engagements may be best structured with a contractual 'firewall' to ensure the partner does not influence the decisions of MNF. The detailed process is spelled out in the accompanying *Appendix 1. MNF Due Diligence and External Engagements Procedures*.

#### **4. Engagement Formalization**

After due diligence is completed and the partner is cleared for engagement, the management team shall ensure that the engagement is memorialized by a formal written agreement. While specific requirements for agreement formalization depend upon several factors the ultimate goal should be to negotiate contracts that maintain MNF's independence and freedom to act at its own discretion. Further, all agreements need to include clauses requiring compliance with generally accepted conflict of interest principles such as those in MNF's Code of Conduct. Thus, the following guidelines shall be applied to agreement formalization:

- Formal agreements must clearly spell out the goals of the engagement, roles, and responsibilities of each party, and any associated benefits to the partner and MNF;
- A standardized agreement should be used as a starting point to ensure that no partner is receiving any special treatment;
- Agreements must include clauses allowing for MNF to exit partner relationships at any time a partner breaches its agreement or presents an unacceptable risk to MNF; and,
- Agreements must include clauses requiring the partners to abide by MNF's *Conflict of Interest Policy* or other similar conflict of interest policy or principles.

#### **5. Roles and Responsibilities**

MNF's Board of Directors is responsible for the oversight and approval of the due diligence and engagement processes. The Governance Committee is responsible for reviewing cases escalated from the due diligence workflow. In such cases the Governance Committee may conduct further due diligence and shall recommend to the Board of Directors whether to engage the potential partner. In such cases the Board of Directors or its Executive Committee shall have final authority whether to approve the engagement. Any director with a potential conflict of interest must recuse themselves from participating in the decision making.

The actual conduct of the due diligence process shall be done by MNF's staff under the leadership of the President or as delegated to the COO.

The President or their designee shall have responsibility for the negotiation, approval and execution of all agreements formalizing partnerships. All written agreements and the associated due diligence package must be preserved for the term of the agreement and 36 months thereafter.

## **6. Approval, Display, Review and Revisions**

This Policy shall be in force upon approval by MNF's Board of Directors. It shall be publicly available through MNF's website. This Policy shall be subject to periodical review and revision as deemed appropriate by the Board of Directors.

Approved by the Micronutrient Forum's Board of Directors on **June 24<sup>th</sup>, 2021**.

## APPENDIX 1. MNF DUE DILIGENCE AND EXTERNAL ENGAGEMENT PROCEDURES

### Section 1: Our Due Diligence Process

Before engaging with any entity MNF must conduct due diligence and determine whether the engagement presents any unacceptable risks to the integrity and reputation of MNF.

1. Determine whether the potential partner falls into any Unacceptable Risk category listed in our Engagement Policy §3.1.
  - a. Obtain TRACE, Dow Jones or other reputable due diligence report, or
  - b. Manually check potential partners against governmental denied parties and sanctioned parties lists.
  - c. Investigate whether the prospective partner is involved in BMS production, distribution or sales.
  - d. See Appendix 2 for due diligence resources.
2. Check for undue influence issues.
  - a. Review the potential partner's ownership structure and revenue sources and determine whether the potential partner is owned, controlled or supported by any entity falling into an Unacceptable Risk category.
  - b. If the result of a. above shows none then clear for further engagement processing. Otherwise, escalate to the Governance Committee for board-level review and decision whether to clear the potential partner. In doing so, the Governance Committee shall apply the criteria set forth in the Engagement Policy §3.2 together with any mitigating factors and shall make a recommendation based thereon to the Executive Committee whether to clear the potential partner for engagement. The Executive Committee or the Board shall then decide the issue.
3. Check for reputational issues.
  - a. Review TRACE report or other reputable sources to identify any significant reputational risks (e.g., recent or on-going scandals, adverse positions to MNF goals etc.).
  - b. If the review in a. above reveals none, then clear for further engagement processing. Otherwise, the management team shall escalate the issue to the Executive Committee for resolution.
4. Document due diligence vetting performed. (Note: documentation should be preserved during the term of the contract (if any) and for three years thereafter.)

To standardize and streamline the vetting process the responsible team should use the Partner Due Diligence Form provided below.

As indicated on the Due Diligence Form the due diligence documentation must be preserved. The COO or their designee shall provide for the preservation of the documentation package provided by the due diligence team. All such documentation shall be preserved for the term of the resulting agreement(s), if any, and for a period of three years thereafter. To promote and maintain transparency MNF shall share non-confidential information from due diligence regarding prospective partners with other partners upon their written request. Confidential information may also be shared if permitted by agreement with the subject partner and if the requesting partner agrees to abide by any restrictions imposed by such agreement.

Further, the management team shall establish a process for subsequent due diligence screening of all partners on multi-year contracts. If any such partner is found to present an unacceptable risk to

MNF, the management team shall take all necessary and proper actions to end the contract and disengage from the partner as soon as reasonably possible.

**MNF PARTNER DUE DILIGENCE CHECKLIST**

<b>Potential Partner's Legal Name:</b>					
<b>Project Name:</b>					
<b>Due Diligence Team Members:</b>					
<b>Date Initiated:</b>					
<b>Action Checklist</b>	<b>Questions</b>	<b>Y</b>	<b>N</b>	<b>Next Step(s)</b>	<b>Documentation</b>
<input type="checkbox"/> Request potential partner to complete a due diligence questionnaire and provide materials substantiating its answers  <input type="checkbox"/> Obtain and review the information and materials requested from the potential partner	N/A			N/A	List materials reviewed and note key findings:
<input type="checkbox"/> Obtain and review reputable due diligence report on potential partner or perform manual check.  <input type="checkbox"/> Review public information regarding potential partner's involvement with Breast Milk Substitutes	Does potential partner fall into Unacceptable Risk category in §3.1 of MNF's Engagement Policy?			If "Yes", stop processing and report to President and COO.  If "No", continue to next Action.	List report(s) and/or documentation reviewed and note findings:
<input type="checkbox"/> Review potential partner's description and/or documentation regarding ownership structure and revenue sources.  <input type="checkbox"/> Check for any ultimate parent entity or majority owner and obtain and review reputable due diligence report on same.  <input type="checkbox"/> If available, review public records showing potential partner's ownership structure and revenue sources.	Is the potential partner owned, controlled, or financially supported by any entity falling into an Unacceptable Risk category in §3.1 of MNF's Engagement Policy?			If "No", continue to next action.  If "Yes", escalate to the Governance Committee for board-level review and decision.	List sources reviewed and note findings:

<input type="checkbox"/> Obtain board-level decision regarding potential partner <i>if escalated</i> to Governance Committee.*	<i>If necessary</i> was the potential partner cleared by board-level decision?			If “No”, stop processing and report to President and COO  If “Yes”, continue to the next step.	Note findings of board-level decision and date thereof:
<input type="checkbox"/> Obtain public sources for potential reputational issues  <input type="checkbox"/> Determine whether the potential partner presents significant reputational risk(s).	Does the potential partner present significant reputational risk(s)?			If “Yes”, escalate to the Executive Committee for decision whether to proceed with engagement process.  If “No”, continue with engagement processing.	
<input type="checkbox"/> If escalated to the Executive Committee, obtain the Executive Committee’s decision whether to clear the potential partner for engagement in light of reputational issues.	If necessary, was the potential partner cleared by the Executive Committee?			If “No”, stop processing and report to President and COO  If “Yes”, continue to the next step.	List sources reviewed and note the Scientific Advisory Committee’s recommendation and date thereof:  Note Executive Committee’s decision and date thereof:
<input type="checkbox"/> Preserve due diligence documentation	N/A	-	-	N/A	Prepare and save archival copy of due diligence documentation.
*The Governance Committee shall perform further due diligence and/or review and make its recommendation to the Executive Committee based on the criteria listed in MNF’s Engagement Policy §3.2.					

## **Section 2: Appropriate Agreement Formalization**

In general, the President or their designee is ultimately responsible for contract negotiation, content and memorialization. The specific way engagements are structured and acknowledged depends on the type of relationship. MNF puts engagements into two main categories: financial and non-financial. These categories are not mutually exclusive.

a) **Financial support** to MNF is intended to support the activities of MNF and may be provided in the form of Donations, Sponsorships, or In-kind Contributions. All financial support for MNF will be declared in accordance with the type of contribution, outlined below. See below for financial support for technical consultations or policy dialogue.

i. **Donations**: Refers to funds that are provided to MNF for general support or specific tasks (e.g., support for operational activities, conference start-up activities, commissioned papers or projects, awards). They are distinguished from Sponsorships in that they are guided by a contractual relationship between the Forum and the donor. Acknowledgement of the donations for Forum activities will be in-line with the terms laid out in each agreement. Further, unless requested otherwise by the funder, all MNF donors will be recognized in the organization's Annual Report.

ii. **Sponsorships**: Refers to funds that are provided to MNF for support of global meetings and consultations. Such funds may be used to cover participant travel and expenses, meals at the conference, facility and logistics costs, among others. In the interest of minimizing real and/or perceived conflicts of interest, sponsor funds will be non-designated (i.e., there will be no association in the conference materials between a given contribution and any specific symposium or conference participant). See Section below regarding Sponsor Exhibitions at the Global Conference. Acknowledgement for the contribution will be included in the Sponsorship Prospectus developed for each Global Conference, noting that Sponsors have provided unencumbered support.

iii. **In-kind Contributions**: Refers to donations of goods or services in lieu of cash, and for which MNF would have otherwise paid. Examples include air travel tickets, meals, use of space, etc. Where possible and appropriate, such contributions will be acknowledged in accordance with the approximate monetary value of the contribution (according to sponsorship categories outlined in the Sponsorship Prospectus) in MNF's Annual Report and in line with the sponsorship criteria outlined here. For in-kind contribution for which a monetary value cannot easily be assigned (e.g. access to information networks, or promotion of Forum events), the contribution will be acknowledged with reference to categories such as: meeting logistics support; printing and dissemination support, and so on.

b) **Non-Financial: in-kind of time and talent** MNF may wish to engage in external engagements in support of efforts to improve investment and knowledge related to products and practices that would contribute to nutrition-related goals relevant for the Forum. Examples include:

- Voting member of MNF's Scientific Advisory Council
- Non-voting member of MNF's Committees
- Technical consultations or policy dialogue
- Advocacy & communications
- Knowledge management



- This type of contribution will be acknowledged in MNF's Annual Report. The partner shall be solely responsible for determining whether such contribution is tax-deductible under IRS guidelines for in-kind donations.

### **Financial Support for the Global Conference**

All sponsors and exhibitors in MNF's Global Conference will be subject to the following:

- MNF retains complete control over the choice of speakers, the setting, invitations to attendees, and other arrangements.
- All exhibits must be for educational purposes only and open only to registered attendees. Examples of products include food supplements, (bio)fortified food, educational tools, technical or diagnostic equipment.
- No exhibitors will be allowed to distribute or put on display samples of breast milk substitutes, follow up formula, baby bottles, teats, or similar products; no exhibitors will be allowed to distribute or put on display samples of sugar-sweetened beverages or other unacceptable products such as highly processed sugar-sweetened food products. MNF Management, in consultation with the MNF Scientific Advisory Council, shall determine whether products are unacceptable
- All sponsorships will be acknowledged in the Conference materials.
- Exhibits will be located in a room separated from the rest of the general conference area.
- Corporate sponsors will be listed separately from non-corporate sponsors in sponsorship materials (i.e., banners, handouts).
- Any conflicts of interest must be disclosed in written documentation for: chairs of sessions, speakers at sessions, discussants at sessions (verbally, when appropriate), abstracts, or publication materials. Examples of a conflict of interest include (but are not limited to):
  - employment of self or close family members in commercial organizations relevant to content of the session
  - other relationships with such organizations such as board membership, consulting arrangements and volunteer work
  - funding of research by commercial organizations
- Research presented at the Global Conference must be conducted in an ethical manner and institutional ethical review approval must be documented.

### **Financial Support for Technical Consultations or Policy Dialogue**

All sponsors and funders for technical consultations or policy dialogues organized and led by MNF will be subject to the following:

- MNF retains complete control over the choice of speakers, the setting, invitations to attendees, and other arrangements.
- Invited experts will complete the MNF's Conflict of Interest form. If an expert declines to complete MNF's Conflict of Interest Form, or if s/he refuses to disclose a potentially significant conflict to other meeting participants or in the report or work produced, the expert must not be permitted to participate in the activity. MNF will retain the right to invite participants as a voting member or a non-voting observer.
- Scientific, medical, or technical professionals representing a sponsor or funder of a technical consultation or a policy dialogue may not engage in marketing activity with the participants at any point during the technical consultation or policy dialogue.
- No company or product literature or exhibits may be distributed or displayed at any point during the technical consultation or policy dialogue.
- All speakers will disclose any relationships they have with the sponsor or funder of the technical consultation or policy dialogue.



## APPENDIX 2. RESOURCES FOR DUE DILIGENCE

The vetting process for all engagements should be conducted as thoroughly as possible. Due diligence may rely on generally reputable due diligence reports such as those provided by TRACE International or Dow Jones.

TRACE website <https://www.traceinternational.org>

Dow Jones Due Diligence website: <https://professional.dowjones.com/risk/dow-jones-due-diligence>

Also, due diligence team members may use desk research, including review of press and media, websites, annual reports, inquiries to other MNF stakeholders, etc. While not a comprehensive list, below are some additional resources to support the vetting process.

### • Involvement in Breast Milk Production, Distribution or Sales of Breast Milk Substitutes:

- [Access to Nutrition Index](#)
- [Network for Global Monitoring and Support for Implementation of the International Code of Marketing of Breast-milk Substitutes and Subsequent relevant World Health Assembly Resolutions \(NetCode\)](#)
- [International Baby Food Action Network](#) has taken an active role in monitoring company and country compliance with the International Code of Marketing of Breast Milk Substitutes.

### • Corporate Social Responsibility sites:

- [RepRisk Company Report](#)
- Calvert's [Principles for Responsible Investment](#) and [Ratings](#)
- Business in the Community's [Responsible Business Tracker](#)
- [FTSE4Good Index Series](#)
- United Nations Global Compact <https://www.unglobalcompact.org/>

### • Independent Watchdog and Press Sites: The following sites are most useful for investigating negative press about a company. They may also have information, such as whether the company is listed on sustainability indices (generally a good sign) and include links to both positive and negative information from the company itself, as well as criticism from watchdogs and the press.

- [Oxfam's Behind the Brands](#)
- [Business & Human Rights Resource Center](#)
- [CorpWatch](#)
- [Corporate Critic](#)
- [CSRwire](#)