

Conflict of Interest Policy – The Microfiber Innovation Challenge

1. Purpose

The Microfiber Innovation Challenge (herein the “Challenge”) is an international competition with the aim of incentivizing and supporting upstream (design, manufacturing, and material) innovations addressing microfiber shedding and pollution.

The purpose of the Conflict of Interest Policy (herein the “Policy”) is to provide guidance in identifying and handling potential, perceived, and actual conflicts of interest involving the Challenge. In most instances, conflicts of interest can be avoided simply by continuing to exercise good judgment and, indeed, the Challenge relies on the sound judgment of its members to prevent any such conflict situations.

The Challenge is committed to the highest levels of integrity. Members of the [Coalition of Partners](#), including the Challenge Advisors (herein the “Partners”), and the external Reviewers and Judges (herein the “Reviewers”), are expected to conduct their relationships with each other, the Challenge, and outside organizations with objectivity and honesty.

The general rule is that Partners and Reviewers are obligated to avoid and disclose ethical, legal, financial, or other conflicts of interest involving the Challenge, as well as those situations that may generate a perception of conflict from a reasonable observer. They must also remove themselves, accept a request to recuse themselves from a decision, or step down from a position of decision-making authority with respect to any conflict situation involving the Challenge.

2. Scope

- This policy applies to all Partners and Reviewers, whether individuals or entities, of the Challenge. This does not apply to the Challenge applicants during the Peer Feedback stage of the competition.
- The Challenge is administered by Conservation X Labs (CXL). CXL designed the application questions, the challenge process, and they are administering the competition. CXL is responsible for day-to-day coordination and decision making. It is in the best interest of CXL and its Partners to be transparent in the implementation of the Challenge.
- Although CXL made final decisions regarding the design of the Challenge, specific Challenge Partner representatives were allowed to provide feedback on the design of the Challenge process and application. These representatives are not permitted to apply to the Challenge.

- Reviewers may NOT be an applicant, either as an individual or as a collaborator on a team.
- A representative of the Partner organization *can* judge applicants in the first application round, but they must recuse themselves from evaluating any applications that are affiliated with their organization.
- If a semi-finalist (submitting a Second Round or Final Round application) is affiliated with a Partner organization, then the Partner organization cannot participate in any evaluation panels. Affiliation includes, but may not be limited to, employment, acting as a representative, or serving in a formal advisory role or other capacity.
- The Challenge Administrators at CXL and the Coalition are responsible for recruiting and recommending external Reviewers and Judges. The Reviewers and Judges will make recommendations on the prize-winning Applicants. However, as the disbursers of the prize funds, CXL reserves the right to make all final decisions, and is solely responsible for certifying and implementing all final decisions in the Challenge.
- Partners and Reviewers who are interested in communicating or forming professional relationships with applicants will agree to engage in no communication likely to have a material impact on the Challenge with any applicant(s) or any representative of a team of applicants other than: (i) through official channels of communication established by CXL; or (ii) communications within the scope of the Challenge.
 - If communications occur, then Partners and Reviewers shall inform CXL of such communications. In addition, they agree to immediately inform CXL in the event that any applicant(s) approaches or otherwise communicates with Partners or Reviewers with regard to any unethical proposition or suggestion that would result in a conflict of interest, as described herein.
 - Partners and Reviewers are to notify CXL in writing of their intent to form professional relationships with applicants, and will work within the timeline of the Challenge to formalize and announce such partnerships after the monetary prize-winning teams are finalized.
- Current members of the Partners are listed at this URL <https://conservationlabs.com/microfiber-coalition>. This Policy will be considered as updated if additional Partners are added to the coalition.

3.0 Policy

3.1 Identification and Management of Conflict Situations

A. Basic Definitions

Generally, a conflict of interest may occur if an interest or activity influences or appears to influence the ability of an **individual** to exercise objectivity or impairs the individual's ability to perform their Challenge responsibilities in the best interests of the Challenge.

An individual is considered to have a potential conflict of interest when:

- They or any member of their family¹ may receive a financial or other significant benefit as a result of the individual's position with the Challenge;
- The individual has the opportunity to influence the Challenge's granting, business, administrative, or other material decisions in a manner that leads to personal gain or advantage;
- The individual has an existing or potential financial or other significant interest that impairs or might appear to impair the individual's independence in the discharge of their responsibilities to the Challenge; or
- The individual or any member of their family owns, works with, serves on the governing board of, or serves as an officer, director, or employed by a company that has applied or may apply to the Challenge as a participant.

B. Specific Relationships that May Create Conflicts of Interest

A variety of situations, affiliations and relationships may create potential conflicts of interest. Financial or other relationships (i.e., board/officer or other management positions) by a member of a Partner organization or their family with a company or entity that may apply to the Challenge as a participant should be disclosed on their **Conflict of Interest Questionnaire in Exhibit A** provided at the end of the document. When deciding what kind of relationships should be disclosed, consider the situation from the perspective of an outsider and whether the relationship is of such a nature that it could raise an allegation of an apparent or actual conflict of interest, and then err on the side of transparency, as disclosure helps to alleviate or avoid future misunderstandings.

C. Disclosure and Management of Conflicts of Interest

Should an appearance of impropriety or actual conflict of interest exist, appropriate actions must be taken, which will vary depending upon the particular facts. The member of a Partner organization involved in the conflict situation must work cooperatively with the Challenge administrators at CXL to achieve a resolution of the conflict issues in the best interests of the

¹ The "family" of an individual includes their spouse, domestic partner, parents, siblings, children, or any other relative who resides in the same household.

Challenge. This may include the member of the Partner organization being removed from a position of decision-making authority with respect to the conflict situation or other more serious actions, depending upon the nature of the conflict.

3.2 Gifts or Entertainment

CXL may not receive or offer gifts, entertainment or anything else of significant value (e.g., financial payments, cash or stock awards, loans, services, fees, tickets) for the purpose of ***influencing the recipients of the prizes awarded by the Challenge***. Gifts and entertainment (except those generally valued at \$50 or less) received from vendors, suppliers, consultants, and Challenge applicants as part of normal business practice must be declined or given to the Challenge or shared with the Challenge generally, and if acknowledgement is appropriate, acknowledged on behalf of the competition. This rule is not intended to prohibit normal business practices, such as meetings over meals, corporate items given to participants in meetings and conferences, or token hosting gifts, as long as they are of nominal and reasonable value and promote the Challenge's legitimate business interests.

3.3 Competing for the Prize

Members of Conservation X Labs, Reviewers, Partner POCs, and their family members may not compete in the Challenge.

3.4 Conflict of Interest Questionnaire

Partner POCs and Reviewers must complete and sign the questions in Exhibit A, even if there is no current conflict of interest.

3.5 Interpretation

This policy cannot describe all conflicts of interest situations that may arise involving the Challenge. Therefore, members of CXL, the Partners, and Reviewers must use good judgment to avoid any appearance of impropriety.

The following activities, while not all inclusive, include types of potential or actual conflicts of interest that should be avoided, managed, and/or disclosed in accordance with this policy.

- *Self-benefit*: Using your position or relationship within the Challenge to promote your own interests or those of your family, including using confidential or privileged information gained in the course of working with the Challenge for personal benefit or gain or for the personal gain or benefit of family members.
- *Influence peddling*: Soliciting benefits for yourself or your family from outside organizations in exchange for using your influence to advance the interests of that organization within the Challenge.
- *Other business relationships and dealings*: Evaluation of applications by Challenge participants in which you or your family have a significant financial or other interest or relationship.

- *Outside commitments:* Participating in social or political activities is not restricted as long as you participate as an individual and not as a representative of the Challenge.
- *Property transactions:* Directly or indirectly leasing, renting, trading, or selling real or personal property to or from the Challenge.
- *Use of the Prize property for personal advantage:* Using or taking Challenge resources, including facilities, equipment, personnel, and supplies, for private use or other unauthorized non-Challenge activities.
- *Recording or reporting false information:* Misrepresenting, withholding, or falsifying relevant information required to be reported to external parties or used internally for decision-making purposes, in order to derive personal benefits.
- *Dealings with Prize participants:* Personally accepting anything of value from organizations or individuals that have applied to the Challenge (unless nominal – generally \$50 or less).

Appropriate circumstances may also justify exceptions to the application of the policy. If you have any questions about this policy or its application, please err on the side of caution and transparency and seek advice from CXL prior to entering into such a transaction.

4.0 Responsibilities

Your compliance with this policy is a condition of your participation on the Challenge.

CXL oversees the implementation of this Policy in accordance with U.S. federal law, and other requirements of grant awards.

An ombudsman has been assigned to this Challenge. If you have any specific questions/concerns about the integrity of the Challenge application process, please address your questions and concerns to:

ChallengeOmbudsman@conservationxlabs.org

EXHIBIT A

Microfiber Innovation Challenge Acknowledgment and Acceptance of Conflict of Interest Policy Disclosures

The standard of the Microfiber Innovation Challenge (the “Challenge”) is to recognize and address actual Conflicts of Interest as well as perceptions of Conflicts of Interest between the interests of the Challenge and personal, professional, and business interests of Challenge decision makers.

Name: _____

Address: _____

Microfiber Innovation Challenge Position role (Partner organization POC, Reviewer, or other – please specify) : _____

In Table 1, list all businesses, nonprofit organizations, universities, and other entities that **may apply** to the Microfiber Innovation Challenge as a participant with which you or any member of your family has a financial interest (owner, employee, consultant, royalties/license holder, or other) or for which you or any member of your Family serve on governing or advisory board. Indicate whether such business or entity does business with the Challenge and describe the relationship. Indicate whether any interest of such entities may be adverse to the interests of the Challenge.

Table 1: Potential or known conflicts with businesses, nonprofit organizations, universities, and other entities.

Business/entity/organization Indicate for-profit or nonprofit	Your, or your Family member’s, relationship	Describe potential or actual business with the Microfiber Innovation Challenge. Indicate whether interests may be or are adverse.

In Table 2, list all persons doing or potentially doing business with the Challenge, including submitting an application, with whom you have a close family or business relationship. Indicate whether such relationship gives rise to potential Conflicts of Interest.

Table 2: Potential or known conflicts with individual applicants.

Person(s) with whom you have a close family or business relationship	Describe relationship	Describe potential or actual business with the Challenge. Indicate whether interests may be or are adverse.

I have received a copy of the Microfiber Innovation Challenge’s conflict of interest policy; I have read and understand the Policy; and I agree to comply with its terms. I understand the administrators of the Microfiber Innovation Challenge is a United States 501(c)3 non-profit organization and in order to maintain their tax exemption (as per U.S. Federal laws) they must engage primarily in activities that accomplish one or more of their tax-exempt purposes. I have completed this Conflict of Interest Questionnaire to the best of my ability and I agree to update it as my affiliations and relationships change. My responses cover the period from the day I became associated with the Microfiber Innovation Challenge through the date I sign below.

Signed: _____ Date: _____