



310 Erie Street, Lancaster, New York 14086 Phone: 716-684-6560 [www.applerrubber.com](http://www.applerrubber.com)

## Apple Rubber Conflict of Interest Policy

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### Purpose:

The purpose of this conflict of interest policy is to protect the interests of Apple Rubber. In the regular course of business, agents and employees of Apple Rubber may have the opportunity to advance their own personal interests with or against the interests of Apple Rubber. Acting in such a manner is unacceptable and any party who acts outside of Apple Rubber's best interest may be subject to disciplinary action.

Employees must not, without prior written consent, have any direct or indirect interest in any supplier, customer, or competitor of Apple Rubber which conflicts with the best interests of Apple Rubber. Employees are expected to act solely for the benefit of Apple Rubber and not be influenced by a personal interest that may result from other individual or business concerns.

Conflicts of interest may include, but are not limited to: bribery, corruption, nepotism, self-dealing, insider trading, investment abuse, misuse of confidential information, misappropriation of assets, money laundering, or letting personal relationships influence professional decisions.



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### **a. Duty to disclose / Reporting gifts**

Every employee/agent of Apple Rubber is obligated to disclose any known or potential conflicts of interest upon employment, or as soon as they arise. Failure to do so could result in termination of employment.

Any employee is welcome to discuss a concern regarding conflicts of interest with senior management. If the manager believes there is a possibility of, or appearance of, a conflict of interest, then the matter will be forwarded to the human resources director for further investigation. Concerns can be discussed in person, on the phone, over email, instant message, text message, mail, or in writing.

Employees that receive gifts from suppliers or give gifts to customers are required to keep a record of such gifts. Gifts are defined as any item or service with a value greater than \$20 US.

### **b. Investigating potential conflicts**

When a possible conflict of interest arises, the Human Resources Director will collect all of the pertinent information and may question any concerned parties. If they determine that a conflict exists, steps will be taken to address the conflict. If no conflict exists, the inquiry may be documented but no further action will be taken.

Employee expenses submitted for reimbursement are thoroughly reviewed and then audited to ensure employees are not paying bribes and then requesting reimbursement. Indirect payment of bribes is still bribery.



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### **c. Addressing conflicts of interest**

When an actual conflict of interest is found, any transactions that may have been affected will be reviewed retroactively. Affected parties both within and outside of the business, including shareholders, directors, employees, and contractors will be notified. An investigation will also be conducted by the Human Resources Director to determine the extent of the conflict and the intentions of the parties involved. The human resources director will have the authority to approve or disapprove.

If the conflict in question involves the human resources director, then they will be excused from the code of conduct deliberations and the engineering manager will collect and review the pertinent information and determine if a conflict of interest exists.

### **d. Disciplinary action**

As all conflicts of interest will be reviewed on a case-by-case basis, a review may result in disciplinary action. The human resources director has full discretion to deem what disciplinary action is both fitting and necessary, including suspension and/or termination of employment.



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#### e. Conflict of Interest risk assessment

<b>Location/ Region: Lancaster, New York</b> <b>Business Unit: Apple Rubber Products</b>			
<b>Corruption Risk Factor</b>	<b>Conflict of interest</b>		
<b>Corruption Risk</b>	Exploitation of confidential information for personal gain of an employee or the company	Exploitation of confidential information for personal gain of an employee or group of employees	Improper exchange or involvement in gift issuance
<b>Potential Corruption Scheme</b>	Misuse or distribution of confidential employee or company information	Making a purchasing or business choice to boost a business you have a stake in	Accepting a favor or a gift from a client above the amount specified by the company
<b>Probability</b>	Low	Low	Low
<b>Potential Impact</b>	Medium	Medium	Medium
<b>Inherent Risk</b>	Medium	Medium	Medium



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<b>Anti-Corruption Controls</b>	<ul style="list-style-type: none"> <li>• Conflict of interest policies</li> <li>• Conflict of interest training</li> <li>• Policies for reporting and identifying conflict of interest situations</li> <li>• Information access limited by permissions associated with job duties</li> </ul>	<ul style="list-style-type: none"> <li>• Conflict of interest policies</li> <li>• Conflict of interest training</li> <li>• Policies for reporting and identifying conflict of interest situations</li> <li>• Information access limited by permissions associated with job duties</li> </ul>	<ul style="list-style-type: none"> <li>• Conflict of interest policies</li> <li>• Conflict of interest training</li> <li>• Policies for reporting and identifying conflict of interest situations</li> <li>• Policies specifying acceptable favor details and limits</li> </ul>
<b>Control Risk Rating</b>	Effective	Effective	Effective
<b>Residual Risk Rating</b>	Low	Low	Low



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## f. Corruption and Bribery risk assessment

Location/ Region: Lancaster, New York Business Unit: Apple Rubber Products			
Corruption Risk Factor	Corruption and Fraud	Bribery	Money laundering
Corruption Risk	Fraud of sale to customers for personal gain of an employee or the company	Using corrupt forms of influence for personal gain of an employee or the company	Improper accounting practices for personal gain of an employee or the company
Potential Corruption Scheme	Distribution of incorrect parts to reduce manufacturing costs and production times	Bribery of a purchasing agent to falsify purchasing documents and/or transactions	Falsifying purchase orders to conceal the origin of financial assets
Probability	Low	Low	Low
Potential Impact	Medium	High	High
Inherent Risk	Medium	High	High

<b>Anti-Corruption Controls</b>	<ul style="list-style-type: none"> <li>• Involvement of multiple departments to confirm quality and accuracy of products</li> <li>• Anti-corruption policies and trainings targeted towards purchasing and quality control of products</li> <li>• Annual audits on company quality and distribution processes</li> <li>• Policies for reporting and identifying corruption and fraud situations</li> </ul>	<ul style="list-style-type: none"> <li>• Involvement of outside accountants to audit company processes</li> <li>• Cash payments are not accepted or used</li> <li>• Policies for reporting and identifying bribery situations</li> <li>• Conflict of interest policies and training targeted towards corrupt forms of influence</li> <li>• No use of any type of lobbyists</li> </ul>	<ul style="list-style-type: none"> <li>• Involvement of outside accountants to audit company purchasing, manufacturing, and distribution processes</li> <li>• Anti-corruption policies and trainings targeted towards purchasing and accounting processes</li> <li>• Cash payments are not accepted or used</li> <li>• Policies for reporting and identifying money laundering situations</li> </ul>
<b>Control Risk Rating</b>	Effective	Effective	Effective
<b>Residual Risk Rating</b>	Low	Low	Low

## g. References

The Apple Rubber conflict of interest policy was created after thorough review of several different standards. These include The Responsible Business Alliance, UK Bribery Act, the US Foreign Corrupt Practices Act, and the United Nations Convention against Corruption.