

## Crown Agents Ethical Code for Business Partners

### Introduction

It is Crown Agents' policy to operate to the highest standards of integrity, transparency and legality.

All Crown Agents Group companies, their directors, officers and employees are required to adhere to these standards.

Crown Agents looks to do business with business partners that share its ethical approach and adhere to these or similar standards.

### **1. Purpose**

The purpose of this Ethical Code for Business Partners is to communicate to business partners Crown Agents' approach to ethical and compliance issues and our expectation of behaviour by its business partners.

Where incorporated in their contracts with Crown Agents and otherwise agreed to be adopted, business partners will be expected to uphold and comply with this Code's principles and requirements. Failure by business partners to adhere to the Code may entitle Crown Agents to terminate their contracts with Crown Agents for cause.

### **2. Ethical Principles**

For Crown Agents

**HONEST AND ETHICAL** means that we:

- do not and we expressly prohibit and seriously endeavour to prevent our employees, contractors and, where feasible, our other business partners from engaging in any form of fraud, bribery or corruption
- seek to work with those who share our approach to ethical and compliance issues and who behave or operate their businesses on principles that align with ours
- will not cheat or engage in anti-competitive behaviour designed to deprive our clients or their funders of the benefits of competitive tendering
- will not be involved in the supply or shipment of goods or services where we have reason to believe that there is a risk that they:
  - may have been designed or are intended for use in internal repression or external aggression in violation of UK law, international treaties or conventions, or
  - are incompatible with our Policy (our 'Sensitive Goods and Services Regime')
- will not work on projects or contracts where we have ethical concerns regarding the underlying purpose or objective of the project or contract or regarding the ethical stance and/or reputation of the client or funder or any of our other prospective business partners.

- will work on projects for clients with poor human rights or corruption reputations where:
  - our work is aimed to help them improve their governance and/or their capacity to improve the social and/or economic conditions in their countries, **and**
  - we are satisfied that we can perform our work and achieve these objectives without compromising our Ethical Policy, our Global Ethical and Compliance System and in full compliance with applicable laws.

**INTEGRITY** means that we:

- keep our word and respect and honour our contractual commitments
- celebrate diversity in our workforce and respect all faiths
- operate our business in an environmentally responsible manner and endeavour to source goods and services from suppliers who similarly respect the environment and who comply with internationally recognised standards for the protection of employees and children, in particular
- do our best to avoid any conflicts of interest between our interests and those of our clients and require our employees and other business partners to similarly avoid such conflicts and will disclose these when they are identified.

**TRANSPARENCY** means that we:

- are honest and open with our clients, other business partners and our stakeholders and regulators
- are impartial and fair in our selection of contractors and suppliers and make choices on the basis of merit
- are committed to an employment policy of non-discrimination and equal opportunity
- do not have links to nor do we make donations to any political party

**COMPLIANCE WITH LAW** means that we:

- will respect and uphold the laws of all the countries in which we operate, even where these laws are not consistently enforced by local law enforcement agencies
- will not engage in or facilitate money laundering, fraud, bribery or corruption
- will maintain and operate policies and procedures to protect children from abuse
- will pay all local taxes due on our business activities in the countries in which we operate and will not engage in tax evasion or collude in it for others' benefit
- will comply with trade and financial sanctions imposed by the UK Government, EU, UN and USA

### **3. Zero Tolerance of Fraud, Bribery and Corruption**

- 3.1 Crown Agents does not and will not offer, pay, solicit, receive, authorise, collude in or condone the payment or receipt of bribes (including so-called 'facilitation payments') or engage or collude in any fraudulent or dishonest practice anywhere in the world by any person on its behalf or for its benefit in any way whatsoever.
- 3.2 Crown Agents expects its business partners to respect and uphold all anti-fraud, bribery and corruption laws applicable in the countries in which they operate and where these laws apply outside the country whose laws they are (for example, the UK Bribery Act 2010 and US Foreign Corrupt Practise Act 1977), in all those countries to which such anti-bribery and corruption laws apply.
- 3.3 As a UK company and group, Crown Agents is subject to UK law, including the Bribery Act 2010, governing its conduct in the UK and internationally, wherever it operates and regardless of the nationality, place of registration or status of those business partners it does business with. Crown Agents looks to its business partners to share its zero tolerance approach to fraud, bribery and corruption and on other ethical matters. Crown Agents expects its business partners to behave (in the case of individual consultants or contractors) or to operate their businesses (in the case of companies or other organisations) in an honest and ethical manner and with integrity, fairness and professionalism.
- 3.4 Crown Agents expects its business partners to willingly cooperate with it in meeting its UK legal obligations with regard to due diligence and investigating and reporting suspected wrongdoing.
- 3.5 Crown Agents treats the risk of fraud, bribery and corruption very seriously, not least because of the potential for severe commercial and reputational damage if Crown Agents or one of its business partners were convicted of a bribery or corruption offence. Crown Agents assumes that its business partners share this concern for fraud, bribery and corruption risks in their businesses.
- 3.6 Even the suggestion of fraud, bribery or corruption may seriously damage the reputation of Crown Agents or its business partners and affect their ability to do business, and damage the reputation of their employees.
- 3.7 Crown Agents is committed to sharing information and strengthening collective action to eliminate fraud, bribery and corruption.

### **4. Prohibition of Bribery by Business Partners (including so-called 'facilitation payments')**

- 4.1 Crown Agents' zero tolerance policy towards bribery is as set out at paragraph 1 above.
- 4.2 Crown Agents prohibits its business partners from offering, paying, soliciting, receiving, authorising, colluding in or condoning the payment or receipt of bribes, including so-called 'facilitation payments' on Crown Agents' behalf or for Crown Agents' benefit in anyway whatsoever.
- 4.3 For the purpose of this paragraph 5, it is immaterial whether:

- the advantage or benefit is offered, provided, solicited or received by a different person from the person who is to perform the relevant function, duty or service
- or not the bribery involves a government official or some other individual or person
- the recipient of the bribe is connected to the individual or organisation who is to perform the relevant function, duty or service
- any financial or other advantage is provided before or after a service is provided
- the promised or solicited financial or other advantage does in fact materialise - if the intention was to obtain that advantage.

4.4 The offence of bribery is not committed where the recipient or intended recipient is legally entitled under the laws applicable to them in their role or office to request or receive a relevant payment, fee or fine.

#### **Facilitation Payments**

4.5 Crown Agents' prohibition under this paragraph 5 expressly includes a prohibition of the payment of all facilitation payments of any kind regardless of how they are characterised and even where the making of such payments may be lawful under the laws of the home country of the business partners concerned. Accordingly, it will not be an excuse for a business partner to seek to defend their payment of a facilitation payment by arguing that it was:

- essential to get the business done,
- usual according to the custom and practice of the relevant jurisdiction, or
- lawful under the laws of their home country (e.g. US FCPA)

### **5. Prohibition of Money Laundering**

5.1 Crown Agents operates a zero tolerance policy toward all forms of money laundering and prohibits its business partners from engaging in it.

5.2 Crown Agents expects its business partners to have in place effective systems to satisfy themselves as to the identities of the beneficial owner(s) or sources of all funds they receive or handle and to prevent themselves being exploited by criminals to launder money or fund criminal activities.

### **6. Gifts and Hospitality**

6.1 Crown Agents will never authorise or permit its employees to offer or give gifts or hospitality with the expectation or hope that a business, financial or other advantage will be received or to reward such an advantage already given.

6.2 Crown Agents does not permit its employees to solicit or receive gifts or hospitality in exchange for any business, financial or other advantage to Crown Agents or the individual employee concerned.

- 6.3 Crown Agents prohibits its business partners from giving or accepting gifts or hospitality to give or receive business, financial or other advantage on Crown Agents' behalf or for its benefit in any way whatsoever or capable of damaging Crown Agents' reputation through its association with such business partners.
- 6.4 Crown Agents' business partners are expected to exercise the utmost discretion in accepting gifts or hospitality of any kind. Acceptance may make it difficult to avoid some obligation later on and might later be thought to have affected an individual's impartiality.
- 6.5 Crown Agents expects its business partners who are companies or other organisations to have in place and to operate appropriate and effective policies and procedures for controlling and recording gift and hospitality giving and receiving by their personnel and anyone acting for them or on their behalf to ensure that they comply with this paragraph 7.

## **7. Gifts and Hospitality for Public or Government Officials**

- 7.1 In complying with their obligation to have in place and to operate appropriate and effective policies and procedures for controlling and recording gift and hospitality giving and acceptance under paragraph 7.5 above, Crown Agents' business partners shall pay particular attention in that system to the giving of gifts and hospitality to public or government officials. In particular business partners shall take full account of:-

- local laws impacting the giving of gifts and hospitality to public or government officials
- the pendency of any bids or negotiations with the organisation employing or for whom the public or government official concerned acts and the ability or perceived ability of the official concerned to influence such bids or negotiations

and shall ensure that any gifts and hospitality given to any public or government official are not lavish, extravagant or unreasonably costly in the context of the public or government official concerned.

## **8. Conflicts of Interest**

- 8.1 During both the pre-contract and post-contract stages of any collaboration with Crown Agents, it expects and requires its business partners:
- together with their employees and contractors, to manage their personal, professional and business affairs so as to avoid all actual or potential conflicts of interest between those interests and their obligations to Crown Agents, the client, any donor and any other counterparties associated with Crown Agents and the business partner in any consortium, joint or other collaborative venture
  - to have in place effective policies and procedures to identify and avoid all conflicts of interest which may or may appear to conflict or to potentially conflict between the interests of the business partner itself or its employees or contractors and the duties the business partner owes to Crown Agents, the client, any donor and any other counterparties associated with Crown Agents and the business partner in any consortium, joint or other collaborative venture

- to immediately notify Crown Agents of any actual or potential conflicts of interest , together with either how it has resolved the situation or its proposals for doing so

8.2 If requested to do so by Crown Agents, its business partners will:

- make available to Crown Agents for review their conflicts of interest policies and procedures and demonstrate their effectiveness in operation
- provide written confirmation that neither it nor its employees or contractors are subject to any conflicts of interest

## **9. Charitable and Political Donations**

9.1 Crown Agents does not and will not authorise its funds to be paid to political organisations or to fund political activities.

9.2 Crown Agents prohibits its employees from making charitable donations to charities or similar organisations associated with political figures, public or government officials in a position to benefit or advantage Crown Agents or officials or employees of its clients or sources of funding.

9.3 Crown Agents prohibits its business partners from paying or authorising payments to political figures, government officials, political organisations or charities or similar organisations associated with political figures or organisation or nominated by political figures or government officials, which are capable of being viewed as given on Crown Agents' behalf for some business, financial or other advantage to Crown Agents or capable of damaging Crown Agents' reputation.

## **10. Collusive and Anti-competitive Behaviour**

10.1 Crown Agents supports the principles of free and ethical trade at both the national and international level and requires its business partners to comply with all trade and anti-trust laws, and in particular to ensure that the interests of clients, donors and other business partners of Crown Agents with which they deal, with or for Crown Agents, are not prejudiced by any collusive, fraudulent or anti-competitive behaviour or disregard of any rules or procedures aimed at ensuring a fair and transparent procurement process on their part or by those for whom they are responsible.

10.2 Crown Agents expects its business partners to be familiar with and to strictly comply with all client and, where relevant, donor rules and guidelines applicable to any bid or proposal preparation and submission exercise on which they work with Crown Agents and thereafter, if the bid or proposal is successful, to similarly be familiar with and to strictly comply with the terms of the contract with the client applicable to the project, the subject of such bid or proposal.

10.3 Crown Agents expressly prohibits its business partners from:

- 10.3.1 soliciting, obtaining, circulating or making use of documents or information regarding prospective client's procurement requirements, bid evaluation process or

progress, internal deliberations, competitor scoring or comparison; competitor bids or discussions with the prospective client, which have not been expressly authorised to be released to them by the relevant document or information's author or owners; or

10.3.2 holding unofficial meetings or discussions with prospective client's representatives or those associated with them which are not permitted under the prospective client's or any relevant donor's procurement rules or contrary to internationally recognised best practice applicable to such situations .

## **11. Business Partners Due Diligence and Contractual Agreements**

11.1 Crown Agents' appointment of business partners or otherwise entering into contracts with them are subject to Crown Agents' due diligence procedures which have, in part, been designed to facilitate compliance with UK legislative requirements including the Proceeds of Crime Act and the Bribery Act 2010. These due diligence procedures apply to contracting with all business partners.

11.2 If requested, business partners will be expected to participate in appropriate training and to enter into a written agreement with Crown Agents that includes Crown Agents' standard anti-fraud, bribery and corruption provisions, which include:-

- anti-bribery and corruption warranties and undertakings
- the requirement for the business partner to report to Crown Agents any attempt by any person to procure the payment of a bribe or illegal inducements in connection with any Crown Agents project, contract or relationship
- obligations to keep proper books and records regarding all transactions for and on behalf of Crown Agents or connected with any Crown Agents matters.
- obligations to conduct appropriate investigations into suspicions of misconduct by its employees, consultants or contractors or reports of same and, where reported by Crown Agents, to make the findings of such investigations available to Crown Agents.
- obligations to conduct appropriate due diligence on its employees, contractors and suppliers intended to work on any project or contract with Crown Agents and to demonstrate compliance if requested by Crown Agents.
- specific rights of audit for Crown Agents, and
- Crown Agents' rights to terminate the contract and recover from the business partner any losses, damage, costs incurred and due to the business partner's breach of the foregoing anti-bribery and corruption provisions.

## **12. Recordkeeping and Audit**

12.1 Crown Agents requires its business partners to maintain separate and systematic accounts and records ("Records") transparently recording and detailing all their activities relating to their dealings with Crown Agents and any other parties in connection with any bid, proposal, project or other collaboration and to retain such accounts and records for the earlier of a

period of six years from the date such collaboration ceased, or such latter date as required by any client or donor or applicable law.

- 12.2 Crown Agents requires its business partners to grant access to their premises (including but not limited to computer areas), systems, records, data and staff, for the purpose of audit by authorised personnel of Crown Agents, external auditors appointed by Crown Agents, or any official regulator and/or agent of Crown Agents, of the business partner's performance of its obligations under this Code. Crown Agents' authorised personnel carrying out such audits shall be permitted to inspect such accounts and records and take copies of any relevant books and records, reasonably required by Crown Agents.

### **13. Annual Certificates of Compliance with this Code**

Crown Agents will require its business partners to provide annually on request a Certificate of Compliance with this Ethical Code for Business Partners, signed by the Chairman, Chief Executive Officer, Managing Director or the Director of the business partner. Failure to provide such Certificate shall provide grounds for the Crown Agents to terminate any current contracts with such business partner for cause and/or to cease all collaboration

### **14. Reporting**

#### **14.1 Reporting to Crown Agents**

14.1.1 Any business partner who suspects that violations of law or of this Code may have occurred, are occurring or are about to occur and which involve Crown Agents or any of our employees, contractors or other business partners must immediately report their suspicions to:

- their Crown Agents project or contract manager, director or Chief of Party
- Crown Agents' Chief Compliance Officer (contact details are available on [www.crownagents.com](http://www.crownagents.com))
- TEL - Crown Agents' confidential whistleblowing hotline (see paragraph 16 'Whistleblowing' below)

for examples of suspicious transactions or behaviour please take a look at the 'red flags' on our website.

14.1.2 Reports under the above arrangements will, in the first instance, be investigated by the Chief Compliance Officer, who will be alert to the necessity for discretion.

### **15. Whistleblowing**

15.1 Any Crown Agents business partner or employee or contractors of any Crown Agents business partner who has a concern that:

- they think the law, this Code or Crown Agents' Global Code of Conduct is not being upheld in a particular situation, or
- an issue or concern along the lines of the above which they have already reported by some other means is not being handled properly

is encouraged to report their issues or concern using TEL, Crown Agents' independent confidential whistleblowing hot-line. Calls are free and its lines are open 24 hours a day, 7 days a week and calls can be made in a wide selection of languages. Callers may remain anonymous, if they wish. A TEL email address is available as an alternative to telephone reporting if preferred. Crown Agents also expects its business partners to have in place their own effective systems for its employees, contractors or other business partners to report their concerns

- 15.2 Full details of TEL, including telephone numbers, email address and details of safeguards for whistleblowers, are available from the Crown Agents' web-site [www.crownagents.com](http://www.crownagents.com).
- 15.3 If a report is made in good faith, but is not confirmed by the investigation, no action will be taken against the reporter. If any report is found to have been made maliciously or frivolously, this may lead to legal or disciplinary action against the reporter concerned.

## 16. **Definitions**

bribery	which is a form of corruption, means offering, paying, soliciting, receiving, authorising, colluding in or condoning a payment, gift or favour for any financial or other advantage to improperly influence a business or personal outcome. Whether involving government officials or commercial organisations bribery can be perpetrated either directly or indirectly. Bribery is a criminal offence in most countries in the world. Under UK Law so-called 'facilitation payments' are treated as any other bribe and are prohibited.
business partners	means individuals or organisations who perform services with, for or on behalf of Crown Agents or who by virtue of their relationship with Crown Agents will or could confer a benefit and includes individual consultants/contractors, corporate contractors (whether in the role of 'prime', 'main', co-contractor or sub-contractor), joint venture partners (whether 'leaders' or co-contractors) suppliers, clients, donors, sources of funds, Group companies and associated companies (i.e. in which Crown Agents holds a significant interest)
coercion	means the practice of forcing another to behave in an improper or involuntary manner through the use of threats or intimidation
conflict of interest	Means a situation in which a party has interests that could improperly influence that party's performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations such that the conflict of interest may undermine or contribute to undermining the integrity of a business relationship
corruption	means the abuse of power, office or resources by officials or employees for personal or corporate gain e.g. by coercion, collusion, money laundering, extortion, fraud and soliciting or offering, paying or receiving

	bribes.
Crown Agents	means Crown Agents Limited, incorporated in England & Wales with registered number 3259922 and, where the context permits, any member of the Crown Agents Group
Crown Agents Group	means Crown Agents and all its subsidiaries
duress	means the English common law defence to a criminal charge and requires a good faith perception of an immediate risk of personal harm or unlawful detention to the demandee, any family or colleagues present (or under the control of the demander). Duress represents the only generally available substantive defence under UK law to a charge concerning the payment of a bribe.
extortion	is a criminal offence of unlawfully gaining money, property, services or anything of value through coercion.
facilitation payment	is a payment or gift (usually, but not necessarily, made to a public or government official) to cause the recipient to perform a duty or function or to expedite such performance, as distinguished from the payment of a lawful and officially sanctioned and imposed fee for the performance of such a function or duty. Facilitation payments are sometimes called “speed”, “grease”, “baksheesh”, “egunje” or “kickbacks”.
financial or other advantage	means anything of value and might include: <ul style="list-style-type: none"> <li>• gifts given or received</li> <li>• hospitality, such as meals, entertainment, funding travel and accommodation expenses</li> <li>• donations for political purposes or the provision of services or resources in support of political parties, politicians or political candidates.</li> <li>• charitable donations to charities closely associated with political figures or organisations</li> <li>• commercially useful non-public domain information</li> <li>• advice, resources or assistance for no charge or below cost</li> <li>• favouring family members, business partners or other nominated third parties</li> </ul>

- rebates, “over-riders” or “kick-backs” in relation to goods or services provided.

fraud

means gaining an unlawful advantage by deceit. This behaviour can be either a criminal or civil law violation.

public or government official

means individuals, whether employed, elected, appointed, or candidates for election or appointment to any:

- legislative
- judicial
- administrative post of any:
  - government (local, city, federal, provincial or national)
  - agency or instrumentality of government
  - public international organisation
  - state-owned enterprise

and/or any mix of the above.

In practice this term can include Presidents, Prime Ministers, Ministers, members of legislatures, civil servants, military, police, university staff, hospital staff, ambassadors, judges, customs officers and immigration officials and executives and employees of state-owned enterprises

zero tolerance

- means that the policy is applied without any exception and regardless of extenuating or mitigatory factors except for established legal exculpatory defences, and
- that those in authority over others are required to impose disciplinary action and may not exercise discretion