

Annex G – BEIS ICF Supply Partner Code of Conduct**LEAF TA****Tender Ref: GB-GOV-13-ICF-0042-LEAF / ITT_732****Principles**

The ICF aims to create an inclusive culture of best practice with the delivery partners with whom it engages, and which receive UK taxpayers' funds. All Supply Partners should adhere to the overarching principles of the Supply Partner Code of Conduct (hereafter "the Code").

Overarching Principles for Supply Partners

- Act responsibly and with integrity.
- Be transparent and accountable.
- Seek to improve value for money.
- Demonstrate commitment to poverty reduction.
- Demonstrate commitment to wider HMG priorities^{[\[4\]](#)}

ICF Supply Partner responsibilities

Supply Partners and their subcontractors (delivery chain partners) should ensure they have read and understood the Code and their required compliance and seek clarification from BEIS ICF where necessary. It is important that the Supply Partners and their subcontractors (delivery chain partners) understand any risks and have systems in place to manage them.

Scope

This Code forms part of ICF's standard contractual terms and conditions and full compliance and annual verification via a signed declaration, is mandatory for contracted Supply Partners.

Adherence to the Code at the appropriate level is also a requirement for ICF direct and delivery chain Supply Partners in receipt of funding. ICF will monitor Supply Partners in six priority areas as set out below using a set of Key Performance Indicators (KPIs).

1. Value for Money and Governance

Value for Money and financial transparency is an essential requirement of all ICF commissioned work. All Supply Partners must seek to maximise development results, whilst driving cost efficiency, throughout the life of commissioned programmes. This includes budgeting and pricing realistically and appropriately to reflect delivery requirements and levels of risk over the life of the programme. It also includes managing uncertainty and change to protect value in the often-challenging environments that we work in.

Supply Partners must demonstrate that they are pursuing continuous improvement and applying stringent financial management and governance to reduce waste and improve efficiency in their internal operations and within the delivery chain. ICF expects Supply Partners to demonstrate openness and honesty and to be realistic about capacity and capability at all times, accepting accountability and responsibility for performance along the full delivery chain, in both every-day and exceptional circumstances.

Specific requirements include:

- Provision of relevant VfM and governance policies and a description of how these are put into practice to meet ICF requirements (e.g. Codes on fraud and corruption, due diligence);

- A transparent, open book approach, which enables scrutiny of value for money;
- Strict adherence to all UK and in-country government tax requirements;
- Processes for timely identification and resolution of issues and for sharing lessons learned which might be requested by ICF at any time.

2. Ethical Behaviour

ICF Supply Partners and their delivery chain partners act on behalf of the UK government and interact globally with country governments, other aid donors and their delivery partners, many stakeholders including citizens and directly and indirectly with aid beneficiaries. These interactions must therefore meet the highest standards of ethical and professional behaviour in order to uphold the reputation of the UK government.

Arrangements and relationships entered into, whether with or on behalf of ICF, must be free from bias, conflict of interest or the undue influence of others. Particular care must be taken by Supply Partner and delivery chain staff who:

- a) are directly involved in the management of a programme or procurement of services; or
- b) who engage with i) ICF staff ii) other deliverers of aid iii) beneficiaries (of aid)

Where those in a) and b) could be susceptible to undue negative or detrimental influence.

Supply Partners and their delivery chain partners must declare to ICF where there may be instances or allegations of previous unethical behaviour by an existing or potential staff member or where there is a known or suspected conflict of interest. Where a potential or existing staff member has been employed by ICF or the Crown in the preceding two years Supply Partners and their delivery chain partner must provide proof of compliance with the HMG approval requirements under the Business Appointment Rules.

Supply Partners and their delivery chain partners must have the following policies and procedures in place:

- Development and proof of application and embedding of a Staff Recruitment, Management and Retention policy (which must address circumstances where there may be potential or actual conflict of interest and embedding of a Whistleblowing Policy)
- Ongoing monitoring of potential or existing personal, business or professional conflict of interest and their mitigation and management
- Ethical training for every staff member and staff updates in ethical working practices suitable to the development sector (e.g. UN Global Compact principles) including awareness of modern slavery and the available reporting mechanisms and human rights abuses
- Procedures setting out how, staff involved in ICF funded business, can immediately report all suspicions or allegations of aid diversion, fraud, money laundering or counter terrorism finance to the ICF

3. Transparency and Delivery Chain Management

ICF requires full delivery chain transparency from all Supply Partners. All direct Supply Partners and their delivery chain partners must adhere to wider HMG policy initiatives including the support and capacity building of micro, small and medium sized enterprises (MSMEs), prompt payment, adherence to human rights and modern slavery policies and support for economic growth in developing countries.

ICF recognises the critical value that downstream delivery partners contribute. Direct Supply Partners must engage their delivery chain partners in a manner that is consistent with ICF's

treatment of its direct Supply Partners. This includes, but is not limited to: appropriate pricing of services; fiduciary and financial risk management processes; applying transparent and responsive measures where delivery chain partners underperform against the KPI areas; taking a zero tolerance approach to tax evasion, corruption, bribery and fraud in subsequent service delivery or in partnership agreements. Direct Supply Partners must cascade the principles of the Code throughout their delivery chain to ensure ICF ethical behaviour standards are embedded and maintained.

Specific requirements for direct Supply Partners include:

- Provide assurance to ICF that the policies and practices of their delivery chain Supply Partners and affiliates comply with the Code;
- Maintaining and sharing with ICF up-to-date and accurate records of all downstream partners in receipt of ICF funds and/or ICF funded inventory or assets. This should map how funds flow from them to end beneficiaries and identify risks and potential risks along the delivery chain;
- Publication of ICF funding data in accordance with the International Aid Transparency Initiative (IATI)
- Supply Partners shall adhere to HMG prompt payment policy and not use restrictive exclusivity agreements with sub-partners.

4. Environmental issues

ICF Supply Partners must be committed to high environmental standards, recognising that ICF's activities may change the way people use and rely on the environment, or may affect or be affected by environmental conditions. Supply Partners must demonstrate they have taken sufficient steps to protect the local environment and community they work in, and to identify environmental risks that are imminent, significant or could cause harm or reputational damage to the ICF.

Commitment to environmental sustainability may be demonstrated by:

- Formal environmental safeguard policies in place;
- Publication of environmental performance reports on a regular basis
- Membership or signature of relevant environmental Codes, both directly and within the delivery chain such as conventions, standards or certification bodies

5. Terrorism and Security

ICF Supply Partners must implement due diligence processes to provide assurance that UK Government funding is not used in any way that contravenes the provisions of the Terrorism Act 2000, and any subsequent regulations pursuant to this Act.

ICF Supply Partners must maintain high levels of data security in accordance with the Data Protection Act 1998 and any subsequent regulations pursuant to this Act, or new Act and with the General Data Protection Regulation (Directive 95/46/EC).

Specific requirements:

- Development and proof of application and embedding of a comprehensive Terrorism and Security Policy
- Development and proof of application and embedding of personal data processing processes within a Data Protection Policy
- ICF Supply Partners must safeguard the integrity and security of their IT and mobile communications systems in line with the HMG Cyber Essentials Scheme.^{[\[2\]](#)} Award of the Cyber

Essentials or Cyber Essential Plus badges would provide organisational evidence of meeting the UK Government-endorsed standard;

- All ICF Supply Partners who manage aid programmes with a digital element must adhere to the global Principles for Digital Development^[3], which sets out best practice in technology-enabled programmes
- Ensure that ICF funding is not linked to terrorist offences, terrorist activities or financing.

6. Safeguarding, Social Responsibility and Human Rights

Safeguarding, social responsibility and respect for human rights are central to the ICF's expectations of its Supply Partners. Supply Partners must ensure that robust procedures are adopted and maintained to eliminate the risk of poor human rights practices within complex delivery chain environments funded by ICF. These practices include sexual exploitation, abuse and harassment; all forms of child abuse and inequality or discrimination on the basis of race, gender, age, religion, sexuality, culture or disability. Additionally, BEIS ICF prohibit all forms of bullying. Supply Partners must place an emphasis on the control of these and further unethical and illegal employment practices, such as modern day slavery, forced and child labour and other forms of exploitative and unethical treatment of workers and aid recipients. ICF will expect a particular emphasis on the management of these issues in high risk fragile and conflict affected states (FCAS), with a focus on ensuring remedy and redress if things go wrong.

Specific requirements:

- Development and proof of application and embedding of a Safeguarding Policy;
- Delivery of Social Responsibility, Human Rights and Safeguarding training throughout the delivery chain;
- Practices in line with the International Labour Organisation (ILO) 138^[4] and the Ethical Trading Initiative (ETI) Base Code^[5] are to be encouraged throughout the delivery chain;
- Supply Partners to submit their UNGC Statement of Compliance outlining how the organisation's business activities help to develop local markets and institutions and further how they contribute to social and environmental sustainability, whilst complying with international principles on Safeguarding and Human Rights labour and ethical employment, social inclusion and environmental protection;
- Overarching consideration given to building local capacity and promoting the involvement of people whose lives are affected by business decisions.

Compliance KPIs and contractual checking mechanisms - ICF Contracts

Maintaining standards of assurance and driving sustainable improvements, in connection with the Code's principles through Supply Partner relationships is a key focus for ICF.

Supply Partner and delivery chain compliance checking processes will take place in accordance with the agreed compliance levels and the specific contractual clauses down the delivery chain, ICF shall undertake compliance checks.

Where appropriate, a plan setting out the Code of Conduct delivery methodology for the Supply Partner arrangements during the contract term may be jointly developed with ICF during Contract mobilisation.

Contract Checks and Compliance KPIs		KPI target	Specific Contractual link	Checking mechanism
i.	Declaration of acceptance of the BEIS Supply Partner Code of Conduct	Annual declaration submitted by contracted Supply		Declaration of acceptance at

		Partner on behalf of delivery chain		the applicable level of compliance with each of the 6 sections received
ii.	Declaration of sign up to the UN Global Compact	Annual declaration submitted by the direct Supply Partner		Declaration of applicable sign up / application received
1.	VfM and Governance standards			
a)	Economic and governance policies in practice	Annual updated documentation provided (copy of Policies with detailed annual financial breakdown relating to contract)		Annual contract review/programme management
b)	VfM being maximised over the life of a contract 1. By confirmation of annual profit level fluctuations since tender submittal 2. by timely identification and resolution of issues 3. ensuring lessons learned are shared	Updated documentation submitted once annually		Annual contract review/programme management checks
c)	Tax Declaration (HMRC format) • Tax the organisation paid on profits made in the last 3 years, and in which countries • Compliance with relevant country level tax regulations fully understood and met	Annually updated documentation submitted by contracted supplier and on behalf of delivery chain partners		Annual return
2.	Ethical Behaviour			
a)	Recruitment policy (which must address circumstances where there may be potential or actual conflict of interest)	Updated policy documentation submitted once annually by contracted supplier and on behalf of delivery chain partners		DPR Annual return
b)	Ongoing conflict of interest, mitigation and management	As 2a. above		DPR Annual return
c)	A workforce whistleblowing policy	Continuous workforce awareness maintained Policy in place		DPR Annual return

d)	Procedures setting out how, staff involved in BEIS funded business, can immediately report all suspicions or allegations of aid diversion, fraud, money laundering or counter terrorism finance	Continuous awareness maintained Procedure in place Continuous awareness maintained		Annual return Delivery Chain Mapping
e)	Declarations of direct or subcontractor staff members proposed to work on BEIS funded business if employed by BEIS or the Crown previously Supply Partners and their subcontractors must provide proof of compliance with the HMG approval requirements under the business appointment rules	Details submitted as applicable		Annual return Contract management
3.	Transparency and Delivery Chain Management			
a)	IATI compliance for Supply Partner and their delivery chain Supply Partners	Updated documentation submitted once annually		Supply reviews
b)	Up to date and accurate records of all delivery chain Supply Partners	Updated documentation submitted in accordance with Clause 28.7		Delivery Chain mapping Contract management
c)	Policies and practices for the management of delivery chain partners and affiliates aligned to the BEIS Supply Partner Code of Conduct	Updated documentation submitted annually		Contract management processes Delivery Chain mapping
d)	Tax evasion, bribery, corruption and fraud - statements of assurance provided	Updated documentation submitted once annually		Annual return spot checks Delivery Chain mapping
e)	HMG prompt payment policy adhered to by all delivery chain partners	Updated documentation submitted once annually		HMG spot checks Compliance checks Annual return
4.	Environmental Issues			
a)	1.Steps in place to identify environmental risks (e.g. by maintaining a risk register) Ensuring legislative requirements are being met 2. Formal context specific environmental safeguarding policies in place to ensure legislative requirements are being met	Updated documentation submitted once annually		Programme Management Contract management
b)	Published annual environmental performance reports	Updated documentation		Annual contract review

		submitted once annually		
5.	Terrorism and Security			
a)	Up to date status declaration regarding the reporting of terrorist offences or offences linked to terrorist activities or financing	Updated documentation submitted if and when changes identified since tender submittal		Annual return Annual contract review
b)	Certification at or above the level set out in the tender submittal	Updated documentation submitted if changes identified since tender submittal		Annual return
c)	Best practice global Principles for Digital Development in place	Updated documentation submitted if changes identified since tender submittal		Annual contract review Compliance checks
6.	Safeguarding, Social Responsibility and Human Rights			
a)	Provision of a current internal document demonstrating good practice and assuring compliance with key legislation on international principles on labour and ethical employment	Updated documentation		DPR Delivery chain mapping
b)	Agreed level of measures in place and cascaded to assure the prevention of actual, attempted or threatened sexual exploitation or abuse or other forms of inequality or discrimination by employees or any other persons engaged and controlled by the Supply Partner to perform any activities relating to BEIS funded work. Robust procedures for vetting, the reporting of suspected misconduct, illegal acts or failures to investigate in place	Updated documentation submitted		DPR Delivery chain mapping Programme Management
c)	Recognition of the ILO standards Membership of Ethical Trading Initiative (ETI)	Membership number		Recognition of the ILO standards Membership of Ethical Trading Initiative (ETI)
d)	1.Principles cascaded to employees and delivery chain partners via an internal policy or written outline of good practice service delivery approaches to Human Rights	Updated documentation submitted annually Updated documentation submitted if and when changes		Annual return Compliance checks Annual return Compliance checks Tender evaluation

	and Safeguarding reflecting UN Global Compact Principles 1 & 2 2. Number and details of any organisational safeguarding allegations reported 3. Level of commitment in relation to the Contract evident in delivery practices in line with the workplace and community guidance provided in the BEIS Supply Partner Code of Conduct Annex 2	identified since tender submittal Updated documentation submitted annually		Compliance checks
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Contractual Annual Compliance Declaration

Prior to Contract Award and thereafter on an annual basis at the end of each financial year, the Supply Partner is required to submit a Compliance Declaration in connection with the management of any ICF Contract in place and on behalf of their delivery chain partners. Supply Partners should be aware that spot check compliance monitoring will take place to verify responses.

Supply Partner Compliance Declaration

KPI Compliance Area		Commentary	CEO Signatory	Signature & date of signing
1.	VfM and Governance standards			
a)	Evidence of how economic and governance policies work in practice			
b)	VfM maximisation over contract life 1. Annual confirmation of % profit on contract 2. timely identification and resolution of issues 3. ensuring lessons learned are shared			
c)	Tax Declaration (HMRC format) Comply with all tax requirements			
2.	Ethical Behaviour			
a)	Adherence to agreed conflict of interest management procedures			
b)	Confirmation of direct and delivery chain partner compliance with the HMG approval requirements under the Business Appointment Rules.			
c)	Confirmation and full evidence of awareness of an up to date workforce whistleblowing policy			
d)	Procedures in place and full evidence of awareness of how, staff involved in BEIS funded business, can immediately report all suspicions or allegations of aid diversion, fraud,			

	money laundering or counter terrorism finance			
e)	HMG Business appointment rules followed - Conflict of Interest (COI) declarations made for direct or delivery chain staff members proposed to work on BEIS funded business if employed by BEIS or the Crown previously			
3.	Transparency and Delivery Chain Management			
a)	Supply Partner and delivery chain partners IATI compliant			
b)	Provision of up to date and accurate records of all delivery chain Supply Partners provided within the required frequencies, including annual contractual spend on SME's, women owned businesses and modern apprenticeships in place			
c)	Verification that policies and practices for the management of delivery chain Supply Partners are aligned to the BEIS Supply Partner Code of Conduct i.e. by demonstrating delivery chain governance arrangements in place			
d)	Assurance there has been no change to previous statements provided in relation to tax evasion, bribery, corruption and fraud			
e)	Confirmation of adherence to HMG prompt payment policy with all their delivery chain Supply Partners			
4.	Environmental Issues			
a)	Environmental risks identified (e.g. by maintaining a risk register) with formal context specific environmental safeguarding policies in place			
b)	Annual published environmental performance reports			
5.	Terrorism and Security			
a)	Up to date status declaration regarding the reporting of terrorist offences or offences linked to terrorist activities or financing			
b)	No engaged employees or delivery chain partner personnel appears on the Home Office Proscribed Terrorist individuals and Organisations List			
c)	Adherence to the best practice global principles for digital development			

6.	Safeguarding, Social Responsibility and Human Rights			
a)	<p>1.Provision of a document demonstrating current organisational good practice and assuring compliance with key legislation on international principles on labour and ethical employment (to include Modern Day Slavery Act 2015 compliance detail)</p> <p>2.Confirmation of awareness raising to direct and supply chain employees working on BEIS funded business of www.modernslaveryhelpline.org</p>			
b)	<p>Organisational procedures in place directly, and within the delivery chain:</p> <p>1.To prevent actual, attempted or threatened sexual exploitation and abuse or other forms of inequality or discrimination by employees or any other persons engaged and controlled by the Supply Partner to perform any activities relating to BEIS funded work</p> <p>2.For vetting, reporting suspected misconduct, illegal acts or failures to investigate actual attempted or threatened sexual exploitation or abuse</p>			
c)	<p>Current membership of UN Global Compact</p> <p>Current membership of ETI</p> <p>Current Membership of Inter Agency Misconduct Disclosure Scheme</p>			
d)	<p>1.Evidence of cascade to employees of an internal policy or written outline of good practice service delivery approaches to Human Rights and Safeguarding reflecting UN Global Compact Principles 1&2 demonstrating an appropriate level of commitment in relation to the Contract</p> <p>2.Numbers and details of organisational safeguarding allegations reported</p> <p>3. Examples of delivery practice that demonstrate commitments in line with workplace and community in line with UN Global Compact Principles 1 & 2 (Annex 2)</p>			

UN Global Compact – Human Rights

Principle 1: businesses should support and respect the protection of internationally proclaimed Human Rights

Principle 2: businesses should ensure they are not complicit in Human Rights abuse

Organisations should do this by giving attention to vulnerable groups including women, children, people with disabilities, indigenous groups, migrant workers and older people.

Organisations should comply with all laws, honouring international standards and giving particular consideration to high risk areas with weak governance. Examples of how suppliers and partners should do this are set out below:

In the workplace

- by providing safe and healthy working conditions
- by guaranteeing freedom of association
- by ensuring non-discrimination in personnel practices
- by ensuring that they do not use directly or indirectly forced labour or child labour
- by providing access to basic health, education and housing for the workers and their families, if these are not provided elsewhere
- by having an affirmative action programme to hire victims of domestic violence
- by making reasonable accommodations for all employees' religious observance and practices

In the community

- by preventing the forcible displacement of individuals, groups or communities
- by working to protect the economic livelihood of local communities
- by contributing to the public debate. Companies interact with all levels of government in the countries where they operate. They therefore have the right and responsibility to express their views on matters that affect their operations, employees, customers and the communities of which they are a part
- through differential pricing or small product packages create new markets that also enable the poor to gain access to goods and services that they otherwise could not afford
- by fostering opportunities for girls to be educated to empower them and also helps a company to have a broader and more skilled pool of workers in the future, and
- perhaps most importantly, a successful business which provides decent work, produces quality goods or services that improve lives, especially for the poor or other vulnerable groups, is an important contribution to sustainable development, including human rights
- If companies use security services to protect their operations, they must ensure that existing international guidelines and standards for the use of force are respected

^[1] <https://www.gov.uk/government/organisations/hm-treasury/about#priorities>

^[2] <https://www.gov.uk/government/publications/cyber-essentials-scheme-overview>

^[3] <https://digitalprinciples.org/>

^[4] http://ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138

^[5] <https://www.ethicaltrade.org/eti-base-code>