



Department  
for Work &  
Pensions

## **SCHEDULE 14**

### **DWP SUPPLIER CODE OF CONDUCT**

## EMPLOYMENT PROVISION SUPPLIER CODE OF CONDUCT FOR THE DEPARTMENT FOR WORK AND PENSIONS

- 1 The Department for Work and Pensions (“DWP”) is committed to maintaining the highest ethical standards, behaviours and compliance throughout its supply chains and will not tolerate improper business conduct of any sort.
- 2 DWP has embarked on a journey of continuous improvement with the aim to be a leader in corporate responsibility and to actively strive to implement socially responsible supply chains and anti-corruption practices by working closely with its customers and suppliers as partners.
- 3 The overall objective of this DWP Supplier Code of Conduct (“Code”) is to set the minimum standards expected by DWP to achieve an inclusive culture of best practice and improved performance throughout DWP’s supply chains, by building trusting and open relationships with the supply base. Suppliers who provide goods or services to or on behalf of DWP must comply with all aspects of this Code. The overarching principles for supply partners (prime providers) are:
  - openness and transparency;
  - accountability;
  - value for money;
  - commitment to DWP’s aims and objectives; and
  - commitment to HM Government priorities.
- 4 The overarching standards of behaviour contained in this Code are:
  - **Ethical behaviour** – DWP expects the highest standards of ethical behaviour and professionalism of the Suppliers when Suppliers deal with DWP, service users and stakeholders and act within the spirit of the contract.
  - **Counter fraud and corruption** – DWP expects all Suppliers to comply with anti-corruption laws, anti-money laundering laws and to have robust control systems to prevent and detect fraudulent or potentially fraudulent activity.
  - **Transparency** – DWP expects all Suppliers to be transparent when dealing with DWP, their service users, their supply chain, service users and stakeholders
  - **Treatment of supply chain** – DWP expects Suppliers to treat their supply chain fairly when dealing with prompt payment, risk management and charging for services provided to them by the Supplier.
  - **Corporate Social Responsibility** – DWP expects its suppliers to be good corporate citizens by upholding the values of this Code and supporting key government corporate social responsibility policy areas, such as: diversity and inclusion, sustainability, prompt payment, small and medium sized enterprise engagement, support of the Armed Forces Covenant, apprenticeships and skills development. DWP supports constructive and collaborative partnership working and expects Suppliers to invest in the relationship between DWP and the Supplier.
- 5 DWP expects Suppliers, and their supply chain, to report any breach or potential breach of this Code without concern or consequence except as provided by this Code. Nothing in this

Code, or in the behaviour of the Supplier and/or its supply chain, should prohibit “whistleblowing” to DWP or another appropriate body in respect of any breach or perceived breach of this Code.

- 6 This Code may be subject to change from time to time at DWP’s absolute discretion. Compliance with this Code is mandatory. Suppliers are required to confirm their acceptance of this Code and their continuing compliance on an annual basis via a signed declaration. A form will be supplied by DWP for this purpose to be completed by Suppliers within thirty (30) days of receipt.
- 7 Suppliers, and their supply chain must comply with the terms of the Code. Where there is a risk that the Code may be breached, the Supplier and/or Supply Chain should promptly notify the risk of a breach to DWP. If non-compliance with the requirements of the Code is reported or alleged, DWP will first discuss it with the Supplier. If that does not result in a return to compliance within a reasonable timescale as determined by DWP, or in cases where the breach is sufficiently serious, DWP at its absolute discretion may enforce its rights under the Agreement, including its rights under Clause A5. Where non-compliance with this Code is deemed by DWP to be significant, DWP reserves its rights under the Agreement to allow the Supplier time to return to compliance.
- 8 Suppliers must ensure that this Code is reflected throughout their supply chain and integrated within their supply chain management process and systems.
- 9 DWP will monitor Suppliers in eight (8) priority areas:

### Relationship management / ethical behaviour

- a) Suppliers and their supply chain act on behalf of DWP and HM Government across multiple stakeholders and with and on behalf of UK citizens. These interactions must meet the highest standards of ethical behaviour in order to uphold the reputation of DWP and HM Government.
- b) Suppliers must provide systems that allow staff protection and confidentiality if reporting misconduct, corruption or if raising concerns in the delivery of contracts for and on behalf of DWP.
- c) Arrangements and relationships formed to deliver this Agreement or when representing DWP must be free from bias, conflict of interest or undue influence. Suppliers must not be involved with acts of corruption or bribery, or support acts of violence or terrorism or the abuse of individual people or communities.
- d) Suppliers must act openly, honestly and with integrity in delivering services, working with DWP, its customers and stakeholders and when claiming payment for services. Suppliers must maintain accurate systems and complete records of business transactions with appropriate and proportionate controls and control environments that maintain the integrity of the information and data and protect it from potential abuse, falsification or error.
- e) Suppliers must appoint Sub-contractors through an open and fair process such as the public advertising of opportunities wherever possible and applying HM Government Procurement Policy Notes as best practice. Suppliers must only appoint and engage with Sub-contractors who agree to comply with their contract(s) and this Code.

- f) Suppliers must not force unfair contract terms on suppliers, or throughout their supply chain, nor allow unfair exploitation of a dominant market or customer position.
- g) Suppliers must act at all times with respect and integrity, use open and transparent accounting, and work within the spirit of the contract as well as within the contractual terms. Where there is a conflict between the spirit and contract terms Suppliers must bring this to the attention of the DWP.
- h) Suppliers must include, promote and increase community benefit (social value) delivery in the locality where the contract is performed.
- i) Suppliers must ensure that risk is managed by the party best able to do so and be prepared to share with DWP intelligence of supply chain risks, so that end to end risks can be managed and that material commercial and operational risks, for example supply chain failure, can be managed and mitigated.

## Customers and service users

- a) Suppliers and their supply chain act on behalf of the DWP and HM Government to deliver services and support to DWP customers both with and through multiple stakeholders. These interactions must meet the highest standards of ethical behaviour, be meaningful interventions, having regard for individual needs, and paying utmost regard to the quality and nature of the interaction. Poor quality interventions are not acceptable.
- b) When working with service users Suppliers must ensure that safeguarding, social responsibility and respect for human rights, which are central to DWP's expectations, are at the heart of the service design and delivery. Suppliers and their supply chain must ensure that robust procedures are adopted and maintained to ensure the protection of individual human rights.
- c) Suppliers must deliver goods/services within the spirit of the contract making the customer central to meaningful and quality services that strive to support the customer and the overall contract and programme aims and objectives. Suppliers must ensure that business practices support the customer, for example, that any employee bonus schemes reward customer outcomes and are within the spirit of the contract and do not encourage perverse or unscrupulous behaviour.
- d) Suppliers must ensure that service users are treated with courtesy at all times and that their dignity, safety, security and well-being is a priority concern.
- e) Suppliers must develop services, quality and performance, providing enhanced customer services over the duration of the relationship with continuous improvement and innovation plans that are regularly reviewed and implemented.
- f) Suppliers must identify and build on industry best practice and continuously improve services and bring world-class innovation, ideas and expertise to help the DWP address its strategic challenges and to support growth and prosperity.
- g) Suppliers must be aware of how they contribute to overall delivery of the contract, and work with DWP and other suppliers to share best practice and ensure that their service(s) contributes to the delivery of high-quality end-to-end service / customer journey.

## Treat employees and supply chain fairly

- a) Safeguarding, social responsibility and respect for human rights are central to DWP's expectations of its Suppliers. Suppliers and their supply chain must ensure that robust procedures are adopted and maintained to ensure the protection of human rights at all times. Suppliers must ensure the elimination of unethical and illegal employment practices, such as modern slavery, forced labour and child labour, and other forms of exploitative and unethical treatment of workers and service users. Suppliers and their supply chain are encouraged to pay employees and seek employment opportunities for customers at or above the National Living Wage.
- b) Suppliers and their supply chains must have policies and processes in place for recording and eliminating the occurrence of health and safety related incidents.
- c) DWP requires full supply chain transparency and compliance with HM Government policy initiatives including the support and capacity building of micro-organisations, small and medium sized organisations, prompt payment, and support for economic growth.
- d) Suppliers must engage their supply chain in a manner consistent with DWP's treatment of its direct supply chain. This includes, but is not limited to, appropriate pricing, volume management, service fee flow, charging for central and corporate services, fiduciary and financial risk management, and applying transparent and appropriate contractual measures where the supply chain underperforms against its contracts and the spirit of those contracts. Suppliers must cascade this Code through their supply chain and ensure that the ethical standards and behaviours set out herein are adhered to by the supply chain.
- e) DWP will not tolerate bribery, corruption or fraud in any form and Suppliers must conduct their business honestly, fairly and free from such behaviours. Suppliers, and the supply chain, must protect against these behaviours and report any instances or concerns to DWP immediately. DWP takes a zero tolerance approach to bribery, corruption and fraud, and will investigate any instance of suspected bribery, corruption or fraud.
- f) DWP employees, employees of DWP Suppliers, and service users have the right to be treated with respect in all circumstances. DWP will not tolerate discrimination, harassment, victimisation, bullying, intimidation or disrespect to DWP staff, stakeholders or service users.

## Environmental Compliance

- a) DWP Suppliers must be committed to high environmental standards. Suppliers and their supply chain must demonstrate they protect the local environment and community they work with, and identify environmental risks that are imminent, significant or could cause harm or reputational damage to DWP.
- b) Suppliers must avoid causing environmental damage and/or a negative environmental impact through the supply of the goods or services and disposal of supply chain waste. Suppliers must develop and use environmentally friendly technologies and encourage their supply chains to do so.

- c) Suppliers must promote positive environmental practices for example by reducing carbon emissions, minimising waste, improving water efficiency, reducing pollution levels and making technological improvements.
- d) DWP sees compliance with and / or obtaining ISO 14001 as demonstrating compliance with DWP's environmental expectations.

## Value

- a) Value for Money ("VfM") and financial transparency are essential requirements to DWP commissioned work. All suppliers and their supply chain must seek to maximise value including by improving performance and quality of services throughout the life of the contract / relationship.
- b) Suppliers must demonstrate that they are pursuing continuous improvement throughout the contract and supply chain, and applying stringent and robust financial controls, management and governance to reduce waste and improve efficiency in their internal operations and within the supply chain. DWP expects Suppliers and their supply chain to demonstrate openness and honesty and be realistic about their performance including the supply chain, in all circumstances.
- c) DWP expects to obtain value for money and to be able to demonstrate long-term value for money to the UK taxpayer. This means that contracts should be priced to offer sustainable value throughout their life, including when changes are made to the contract.
- d) DWP's minimum expectation is that contracts are delivered to meet targets and that Suppliers will continually improve value and quality through continuous improvement, improved performance and improved quality.
- e) DWP does not expect suppliers to exploit an incumbent, monopoly position, supply chain(s), urgent situation(s), or an imbalance of capability or information to impose opportunistic pricing.
- f) DWP expects suppliers to work in good faith to resolve any disputes promptly and fairly during the life of a contract through good relationship management and, where appropriate, use contractual dispute resolution mechanisms, recognising that taxpayer and supplier interests are rarely best served by litigation.
- g) DWP expects suppliers to seek opportunities to improve value and social value in contracts and to share best practice with DWP and other DWP Suppliers.
- h) Where a contract is being retendered incumbent Suppliers must act in a timely manner and provide information required by DWP to support the scoping of the re-procurement and/or help develop the new provision.

## Reputation and conflict

- a) High standards of ethical behaviour, compliance with laws and regulations, and adoption of best practice are essential to protecting the reputation and long term success of DWP employment provision and the services DWP offers and provides to service users. DWP expects Suppliers and their supply chain to behave ethically, comply with legal and industry requirements and seek to implement best practice. DWP wants to work with suppliers who have a reputation for fair dealing, delivering performance and quality delivery.

- b) DWP wants working with HM Government to be seen as reputation-enhancing for the supplier. Suppliers must be honest when representing their work for DWP, their performance of the contract and their relationship with DWP. DWP expects suppliers to protect the HM Government's reputation and ensure that neither they nor any of their partners or Sub-contractors bring the government into disrepute, for example by engaging in any act or omission which may diminish public trust in HM Government.
- c) DWP requires suppliers to mitigate against any real or perceived conflict of interest through their work with HM Government. A supplier with a position of influence gained through a contract must not use that position to disadvantage any other supplier or reduce the potential for future competition, for example by creating a technical solution that locks in the supplier's own goods or services.
- d) The Supplier and their supply chain must conduct business in compliance with competition (anti-trust) laws and must not seek to co-ordinate the market with other suppliers or the supply chain in a way that restricts competition.

## Confidentiality, lobbying and political engagement and support

- a) Suppliers must at all times comply with the provisions in their contracts and any legal requirements to protect sensitive information. Suppliers to DWP may also be party to confidential information that is necessary for them to be effective partners. This information, even if it is not covered by contractual provisions, should be handled with the same care as information of similar sensitivity in the supplier's own organisation.
- b) Where pipelines or other financial information, such as estimates, are shared in connection with current or future opportunities, Suppliers should understand that these are estimates only and do not bind the DWP.
- c) Suppliers must only undertake lobbying and political engagement in compliance with applicable laws and with the express and explicit aim of supporting DWP customers, DWP or taxpayers, and must not undertake any such activity to the personal gain of any person or organisation. Suppliers must act ethically in all interactions with DWP, HM Government, Government Agencies, Ministers, political parties, lobby, trade and any other such bodies which influence HM Government or DWP policy and strategy.

## Counter fraud and corruption

- a) Suppliers must adhere to anti-corruption laws, including but not limited to the Bribery Act 2010, and money laundering regulations. Suppliers must have robust processes to ensure that the Sub-contractors in their supply chain also comply with these laws.
- b) DWP has a zero tolerance to any form of corrupt practices including extortion and fraud, and will investigate any suspected instances. DWP expects suppliers to be vigilant and to proactively identify fraud, and the risk of fraud, in their business. Suppliers must have robust systems, controls and/or control environments to protect against the potential for fraud, including, but not limited to, prohibiting perverse employee reward systems.
- c) Suppliers and their supply chain must declare to DWP any instances or allegations of unethical behaviour by an existing or previous member of staff, or where there is a known or suspected conflict of interest. Suppliers must immediately notify DWP

where fraudulent practice and/ or financial irregularity is suspected or discovered and disclose any interests that might affect their decision-making or the advice that they give to HM Government.

## Contract Annual Compliance Declaration

- a) Prior to the contract award, and thereafter on an annual basis (on a date to be determined and agreed by both DWP and the Supplier), the Supplier must submit a compliance declaration in connection with the management of this Agreement and on behalf of their supply chain. Suppliers should secure written assurance of supply chain compliance to verify supply chain compliance, holding such assurance for inspection/validation by DWP from time to time.
- b) The compliance declaration will be issued by DWP and will seek against each requirement of the Code a compliance statement for the previous reporting period and the continued adherence to the Code as amended by DWP from time to time.

## Reporting to DWP

For further information on the Code and / or to report issues under this Code contact the Authority's Representative.