



Adam Smith International

Partner Code of Conduct

June 2024

ASI Partner Code of Conduct

Policy Statement

Adam Smith International Ltd and all companies in the same group of companies including its parent company, ultimate holding company and its subsidiaries (**ASI**) is engaged in delivering sustainable international development in often fragile environments. ASI is committed to the fundamental principles of human rights, labour rights, environmental stewardship and the fight against bribery and corruption throughout its operations and is a signatory of the United Nations Global Compact (**UNGC**).

ASI believes that in doing so, we create a strong foundation for a sustainable future for ASI and our stakeholders. We have oversight over the partners we work with, including but not limited to suppliers of goods and services, subcontractors, grantees and their employees or other persons working on their behalf (collectively, **Partners**) and expect from them the same level of integrity, honesty and ethical behaviour as they can expect from us.

In order to meet these commitments, ASI requires its Partners to adhere to the principles that are set out in this Partner Code of Conduct (**Partner Code or Code**)¹. We expect our Partners to ensure that their staff comply with this Partner Code to share these standards with their supply chains and partners. We also expect that our Partners have a written code of conduct or ethics policy that, at minimum, incorporates the requirements of this Partner Code.

The principles set out in this Partner Code also form an important element of Partner selection and evaluation.

This Partner Code shall be incorporated by reference or otherwise apply to any agreement between ASI and each Partner. It is the responsibility of Partners to ensure that their subcontractors and other third parties doing work for or on behalf of ASI meet the same high standards of ethics and compliance required for Partners in this Partner Code.

Requirements

ASI expects its Partners to conduct their business lawfully and in accordance with the following principles:

1. Improve Value for Money

- a) Actively seek to demonstrate and improve results and reduce costs over the life of any agreement with ASI, and/or Purchase Orders.
- b) Be honest and realistic about capacity and capability to deliver on a contract when being engaged by ASI.
- c) Price appropriately and honestly to reflect requirements and risks.
- d) Proactively pursue continuous improvement to reduce waste and improve efficiency across the Partner organization.
- e) Earn fair but not excessive profits/rewards.

2. Accountability

- a) ASI expects its Partners to work with and encourage their own partners to strive to meet the principles of this Partner Code and be able to demonstrate this as and when required.
- b) ASI will consider a Partner's compliance with this Partner Code when making business relationship and procurement decisions. Partners are expected to have in place a system of ethics and compliance-related controls and management oversight consistent with industry standards that are appropriate for their size, complexity, and exposure to ethics and compliance risks.
- c) Partner systems should be designed to ensure compliance with the provisions of this Partner Code and any other ethics and compliance risk area that may be identified over the course of the relationship with ASI.
- d) New Partners are expected to undergo a due diligence process which will include being required to complete a due diligence questionnaire accurately, thoroughly, and in a timely manner. ASI reserves the right to suspend or terminate the relationship with any Partner that fails to complete the due diligence process. This may include a situation where the Partner refuses to promptly and adequately cooperate during the process, as the result of ASI discovering adverse information about the Partner which makes a relationship with the Partner untenable. It may also include where the Partner fails to carry out any remedial steps required by ASI.
- e) Partners must retain sufficient documentation to demonstrate ongoing compliance with this Code for as long as required by ASI. ASI may refresh its due diligence on Partners at such times and for such reasons as it may decide.
- f) Partners must also comply at all times with all applicable laws, rules, regulations, and all other legitimate federal, state, provincial, and/or municipal body's rulings, decisions or determinations of the jurisdictions in which they are established and/or where they operate.

3. Act in accordance with the United Nations Global Compact Principles

As a signatory of the UN Global Compact, ASI has made a series of commitments relating to the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

ASI:

- a) prohibits any use of forced, bonded or indentured labour.
- b) prohibits the use of child labour.
- c) expects its Partners to comply with local laws in terms of wages, working hours and freedom to association and right to organise and bargain collectively.
- d) does not tolerate any form of discrimination in hiring and employment practices on the ground of race, colour, religion, gender, ethnicity, age and physical disability.
- e) expects its Partners to support and respect the protection of human rights and to ensure that they are not complicit in the abuse of human rights.
- f) opposes slavery and human trafficking. We expect our Partners to comply with the same standards.
- g) expects that its Partners should only source goods and services from and work with third parties who uphold the same human rights standards. Partners must ensure that child labor is not used in the performance of their work, whether or not related to ASI business.
- h) expects its Partners to ensure that they operate a safe and healthy workplace or any other place where production or work is undertaken.
- i) ASI expects its Partners to have an effective environmental policy and comply with existing legislation and regulations to protect the environment.
- j) ASI expects its Partners to not allow or engage in any form of corruption whatsoever, including extortion and bribery
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4. B Corp Status

- a) ASI is a certified B Corp. This means that ASI and its group of companies is meeting high standards of verified performance, accountability and transparency on a range of factors from employee benefits and supply chain practices.
- b) ASI expects its Partners to be aware of these practices and, wherever possible, follow these practices in their business operations while collaborating with ASI.

5. Act in compliance with applicable laws

- a) ASI requires its Partners to comply at all times with applicable laws, rules and regulations. This includes compliance with laws, rules and regulations that ASI is subject to, even if they are outside of the Partner's jurisdiction.
- b) Where this Code sets higher standards than the law, Partners are expected to adhere to the standards of this Code.

6. Business integrity and anti- corruption

- a) ASI expects its Partners to adhere to the highest standards of ethical conduct. All forms of illegal or inappropriate activity, including, but not limited to, bribery, corruption, fraud, tax evasion, misrepresentation and anti-competitive conduct are strictly prohibited. ASI conducts its business according to the highest ethical standards, seeks to avoid even the appearance of impropriety and requires that its Partners transact their business in a similar manner.
- b) Accordingly, ASI expects its Partners to comply with all applicable anti-bribery, anti-corruption, and anti-facilitation of tax evasion laws and regulations. Such laws and regulations include but are not limited to, the UK Bribery Act 2010, the UK Criminal Finances Act 2017, the US Foreign Corrupt Practices Act 1977, and any local anti-corruption legislation (collectively "anti-corruption and tax evasion laws").

i) Gifts & Hospitality

- a) ASI prohibits its Partners from giving or receiving any money, gifts or hospitality that could, or could seem to, influence a professional relationship with a client, beneficiary, government body or any partner.

- b) Partners must control as well as record gift and hospitality giving and receiving by their personnel, including anyone acting for them or on their behalf.

ii) Facilitation Payments

- a) Partners are prohibited from offering any facilitation payments, which are small, unofficial payments (considered a bribe under the UK Bribery Act) made most commonly, but not exclusively to Public Officials¹ to secure or expedite a routine service such as issuing a visa or clearing goods through customs.

iii) Terrorism and Terrorism Financing

- a) Partners must ensure that the funding provided by our clients is not linked to terrorist offences, activities or financing. Partners must also comply with and be able to demonstrate that they comply with all applicable counter-terrorism legislation including the UK Terrorism Act 2000.

iv) Conflicts of Interest

- a) Partners, together with their employees, workers, suppliers and contractors, are expected 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 ASI, the client, any donor and any other third party associated with ASI. For purposes of this Partner Code, a potential conflict of interest occurs when a Partner's outside interests interfere with ASI's interests or those of any of ASI's clients or donors. For that reason, Partners must inform ASI if a Partner's worker, investor or other affiliated person, or his or her family member, has a relationship with an ASI employee who can make decisions which may affect Partner's business, or if an employee of ASI has any interest of any kind in the Partner's business. If a conflict or perceived conflict arises outside the initial due diligence or renewal process, the Partner must immediately disclose this conflict to ASI.
- b) When working on UK Government funded business, Partners must comply with the UK Government Business Appointment Rules, requiring applicable proposed employments to be immediately reported to the relevant UK Government client. Documentation relating to approval and containing any restrictions should be obtained, registered and provided to ASI and the relevant Government client prior to any applicable employment with the Partner or their delivery chain partners. Similar rules may apply in relation to other non-UK Government clients and donors.
- c) Partners must immediately notify ASI of any actual or potential conflicts of interest, together with details of how it has resolved the situation or its proposals for doing so.

v) Charitable and Political Donations

- a) ASI prohibits its Partners from making payments to political figures, organisations or charities, which may be viewed to be given on behalf of ASI to obtain a commercial or other advantage to ASI or to the Partner in connection with the services that it delivers to ASI.

vi) Books and Records

- a) Partners must keep accurate books and records regarding all transactions made for or on behalf of ASI or connected with any ASI matters.

vii) Partner Screening

- a) Partners must conduct appropriate due diligence on employees, contractors, partners and suppliers intended to work on any project or contract with ASI. From time to time, ASI may require that its Partners undertake additional due diligence on these individuals and organisations.

viii) Tax Evasion

- a) Partners must not facilitate tax evasion and have procedures in place to stop someone acting for or on the Partner's behalf from facilitating tax evasion. This includes ensuring the Partners is registered in a lawful way in the country/ies in which it is registered for tax purposes and/or operates.

ix) Maintaining Accurate Financial Records and Financial Health

- a) Partner must maintain accurate accounting and financial records in accordance with all applicable laws and regulations and internationally recognized accounting standards.
- c) Partner acknowledges that its financial stability and solvency and that of its own sub-contractors involved in delivering any services to or on behalf of ASI is critical to the successful delivery of the services. Partner will accordingly monitor its own financial standing and that of such sub-contractors and shall report on any deterioration promptly to ASI.

7. Uphold the highest safeguarding standards

- a) ASI strictly prohibits any form of modern slavery and human trafficking, as well as harassment, including sexual harassment by any employee or associate of the Partner.
- b) Partners must prevent and reduce harm to children and vulnerable adults who may be in contact with the Partner's staff or associates.

¹ includes officials, whether elected or appointed, who hold a legislative, administrative or judicial position of any kind in a country or territory outside the UK.

- c) ASI has a zero-tolerance approach to any staff associated with its Partners engaging in:
 - sexual activities with any person under the age of 18, regardless of the local age of consent, and
 - transactional sex which shall include but not be limited to the exchange of money, employment, goods or services for sex.
- d) Any safeguarding concerns should be reported to ASI's Safeguarding Lead (safeguarding@adamsmithinternational.com), to raise concerns and ensure that any safeguarding matters are investigated and dealt with properly.

8. Uphold the highest Duty of Care Standards

- a) Partners should be able to demonstrate a duty of care framework which is a structured set of principles, guidelines, and practices that outline the organisation's or individual's responsibilities to ensure the safety, well-being, and protection of others under their care or influence. The framework will act as a foundation for the Partner's ethical and legal conduct and ensuring that the interests and well-being of those under the care or influence of the Partner are protected. This concept is particularly important in various fields, including, where individuals or entities have a legal or moral obligation to prevent harm and provide a reasonable standard of care.
- b) Key elements of a duty of care framework typically include identification of duty, applying the correct standard of care, having in place preventative measures. Partners need to communicate their approach to duty of care and ensure that they have appropriate monitoring and reporting mechanisms in place.

9. Supply Chain Transparency and Prompt Payment

- a) ASI is a member of the International Aid Transparency Initiative (IATI). Partners, where applicable, are expected to provide necessary information to enable ASI to continue providing accurate reporting data to IATI. This data should map how funds flow from the Partner to the end beneficiaries and identify actual and potential risks to the funds along the delivery chain.
- b) Partners are expected to treat their own supply chains fairly and make timely payments of its suppliers' invoices for services properly performed.

10. Monitoring

- a) By accepting the Partner Code, the Partner commits to working proactively to meet these requirements within its own operations and supply chain. This should be achieved by cooperating in a transparent manner with ASI, for example by completing self-assessments and granting ASI staff, or a third party appointed by ASI, access to relevant premises and information to conduct on-site audits, including permission to conduct interviews with employees and access to accurate and complete documentation and records related to the Partner Code. Any findings pertaining to the audit must be effectively remediated in a timely manner. We expect our Partners not to mislead us.
- b) Breaches of the Partner Code may lead to the termination of the Partner contract.

11. Partner Responsibility

- a) It is the Partner's responsibility to ensure that its own supply chain is compliant with the Partner Code or comparable requirements.
- b) ASI requires Partners to evaluate and monitor their supply chain and collect relevant information regarding compliance by their supply chain with the Partner Code to be provided to ASI upon request.

12. Confidentiality, Intellectual Property and Data Protection

- a) ASI treats all business and personal information received in a responsible manner and takes measures to ensure that this information remains confidential
- b) Partners who have access to ASI proprietary or confidential information and/or intellectual property: (i) must comply with our confidentiality and relevant contractual provisions and; (ii) are required to respect all ASI intellectual property rights, including, but not limited to, patents, trademarks, copyrights, and trade secrets. Partners must also respect all third-party proprietary or confidential information and intellectual property rights including, but not limited to, those with whom they do business on our behalf (ASI's Clients). Such obligations continue after termination or expiration of a contract.
- c) ASI recognises its own and our Partners' responsibility to keep personal information safe and secure, and requires there to be systems, processes and expert staff devoted to implementing such security controls, and safeguarding personal data, across our business and that of our Partners. In particular, Partners must:
 - Comply with all applicable data protection and privacy legislation;
 - Where appropriate, provide clear, comprehensive and accurate privacy notices when collecting or processing personal

- information;
- Ensure that individuals are able to exercise their rights in connection with personal information;
 - Only transfer ASI personal information across international borders in accordance with applicable law and with ASI's express written permission;
 - Cooperate with reasonable requests to assist ASI in carrying out data protection and transfer impact assessments;
 - Only share personal information processed on ASI's behalf with ASI's express written permission; and
 - Comply with ASI's lawful instructions regarding the processing of personal information

13. Fair Competition and Antitrust

- a) When operating on ASI's behalf, Partners are expected to comply with all fair trade practices and applicable fair competition and antitrust laws.
- b) Partners should never engage in improper practices that may limit competition through illegal or unfair means, nor should they work in concert with ASI employees to circumvent ASI's fair competition policies or the law. For example, Partners should not pass information to a ASI competitor on behalf of ASI if ASI would be prohibited from sharing the information directly.

14. Global Trade

- a) There are many relevant laws and regulations that govern trade across borders, in certain industries, of controlled technologies, with sanctioned individuals or entities, including those that prohibit money laundering, trade boycotts, sanctions, embargoes, and that regulate imports and exports. ASI expects its Partners to comply with all such applicable laws and regulations.

15. Environmental Stewardship

- a) ASI believes that we all have a responsibility to take proper care of, and to manage and minimize our impact on, the environment. We look beyond compliance with environmental laws by integrating environmental stewardship into our Partner relationships.
- b) ASI expects its Partners to demonstrate a commitment to responsible environmental stewardship, including:
 - At a minimum, complying with relevant environmental laws and regulations;
 - Considering environmental responsibility as a factor in business decision making; and
 - Working with ASI to ensure that environmental objectives are met.

16. Reporting Concerns

- a) We encourage our Partners to report violations of the Partner Code to ASI through the independent and confidential speak up hotline, managed by an external provider (please see information about the provider on our website), or directly to the relevant donor, where appropriate.
- b) We encourage an active dialogue with our Partners on issues related to the Partner Code, or other questions concerning sustainability.
- c) We expect Partners engaged in the delivery of FCDO funded programmes to be aware of the FCDO Whistleblowing Hotline as an available channel for reporting suspicions or allegations of aid diversion, fraud, money laundering, sexual exploitation, conflict of interest and abuse, or terrorism financing. Partners may be engaged by other Clients who will have their own reporting channel, which must be used by the Partners in suspicious situations.

Details of this hotline are available on ASI's website at www.adamsmithinternational.com

17. Annual Compliance Declaration

- a) ASI expects its Partners to review their operations and the operations of their supply chain and verify compliance with this Partner Code by signing its standard declaration. The text of the declaration will be provided to each Partner at the relevant time.
- b) The Compliance Declaration must be signed by the Partner's duly authorised representative (e.g. CEO, Managing Director or Company Director) and returned to ASI within 5 working days of receipt.

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Approver:	Board
Who does this Code apply to:	All Partner organisations

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