

AAUK Supplier Code of Conduct

Policy Information

Policy Name:	AAUK Supplier Code of Conduct
Version:	2
Applicable Legislation:	See Relevant Policies
Related AAI Policies	All AAI policies adopted by AAUK
Related AAUK Policies	All AAUK Policies

Governance Information

Policy Owner:	Procurement and Contracts Manager
Policy Sponsor:	Chief Operating Officer
Date ratified by board:	N/A
Date ratified by SLT:	20 March 2023
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Statement of Intent

At ActionAid UK (AAUK) we are committed to ensuring we achieve the highest ethical standards in all of our work. We want to work and partner with other companies and organisations that feel the same way.

This document, The AAUK Supplier Code of Conduct sets out the minimum standards (“Principles”) that we expect all of suppliers, freelancers, consultants, agents and agencies (“Suppliers”) to achieve.

Depending on what you supply, you may also need to adhere to other AAUK policies. For instance,

- if you partner with AAUK to deliver or support Programmes you must also abide by “ActionAid’s Partnership Framework”
- if you interact with our supporters in any way you must abide by our “Treating Supporters Fairly: Protecting Individuals in Potentially Vulnerable Circumstances” Policy.

Relevant policies will be mentioned in contractual agreements and copies will be made available upon request.

At the end of the document, we explain how we will ensure these Principles are embedded throughout our supply chain. We will work together with our Suppliers to support improvements and together we will consistently improve standards.

Whatever you supply AAUK with, this Supplier Code of Conduct applies to you. Other AA Federation members have different Principles and are not bound by this document.

Supplier Obligations

This document includes Principles in the following areas:

- Business Ethics & integrity
- Human Rights
- Care of Employees
- Your Third Parties
- Sustainability & Environmental
- Data Privacy & The Protection of Information

We expect our Suppliers to be able to demonstrate their activities and operations are at least in compliance with these Principles. In addition, we expect our Suppliers to:

- comply with all relevant and applicable laws, regulations and industry standards
- conduct ethical business in an honest and trustworthy manner
- have zero tolerance of bribery and corruption in any form
- protect human rights and core labour standards at all costs
- value diversity and inclusion
- maintain a safe and healthy working environment

- be actively committed to environmental sustainability

If you suspect or are aware of any potential breach of this Supplier Code of Conduct please report to AAUK using the email AAUKsupplierspeakup@actionaid.org. For us, attempted breaches are just as serious as actual breaches and so we will treat them in the same way. Please note that we may cancel your contract if the Principles in this document are breached.

It is important that you share these Principles and the email address to all of your employees and any other individuals, organisations or companies who are involved in your supply of goods and services to us.

AAUK Employee Obligations

Everyone who works for AAUK and deals with a Supplier must:

- comply with our internal Procurement policy and follow our processes when purchasing goods on AAUK's behalf
- make purchasing decisions based on criteria covering the most relevant Principles as well as price
- ensure that all Suppliers are aware that they must comply with this Supplier Code of Conduct
- work with our key Suppliers to improve their performance where discrepancies occur

Principles

1. Business Ethics & Integrity

1.1.1 Bribery & Improper Payment. You should not under any circumstances offer or receive bribes or any other form of improper payments, including what are known as "facilitating payments".

1.1.2 Fraud And Corruption. We have zero-tolerance to breaches of anti-corruption and bribery laws and we expect our Suppliers to as well. We also expect our Suppliers to have robust processes to ensure all of their subcontractors and suppliers comply with these laws.

1.1.3 Legal Compliance. AAUK's Suppliers should, at all times, comply with all applicable laws and regulations in all jurisdictions within which they operate.

1.1.4 Transparency and accountability. Subject to protection of personal data and commercial confidentiality as required, we expect our Suppliers to be open and accountable in all their business dealings. You should have robust governance structures and systems, maintain true, accurate and appropriate record-keeping, have clear decision-making processes, and aim to be transparent and fair in the award of contracts.

1.1.5 Tax Avoidance. We expect our Suppliers to ensure compliances with all proper requests to pay taxes, duties and charges imposed or levied on them. AAUK is opposed to immoral tax practices, many of which deprive poorer countries of much

needed funds. Should we discover that a Supplier engages in immoral tax practices, we will cease working with them as soon as possible.

- 1.1.6 Gifts & Entertainment** Suppliers should not give gifts to AAUK employees with the aim of placing them under any form of obligation, to influence any decision making or to in any way cause embarrassment to AAUK. Should a Supplier attempt to give an AAUK employee:
- a. A cash gift of any amount, at any time
 - b. A gift of high or excessive value
 - c. A gift of any kind when actively involved in a tender or other sourcing process
- they will have their approval as an AAUK supplier withdrawn as soon as possible. Gifts should not take the form of expenses payments (such as airfares, hotels, conferences fees) but can cover entertaining such as meals.
- 1.1.7 Conflicts & Interest.** AAUK expects its Suppliers to report all instances where personal, social, financial or political activities interfere or could interfere with their work with the charity.
- 1.1.8 Competition & Anti-Trust.** As a minimum we expect all of AAUK's Suppliers to comply with all antitrust and competition laws which apply to AAUK's and their businesses. We will not work with Suppliers who participate in any form of anti-competitive conduct, including any form of agreement or understanding with competitors to fix prices, rig bids, allocate customers or restrict supply.
- 1.1.9 Money Laundering.** We expect our Suppliers to have systems and processes in place to prevent money laundering, including the act of hiding illegal funds (especially those with links to terrorism or criminal activity) or giving such funds apparent legitimacy. Therefore, any payment made by AAUK to a vendor, supplier or other third party will only be made to a bank account titled in the name of the contracted Business Party.
- 1.1.10 Anti-Terrorism.** AAUK expects its Suppliers to have a zero-tolerance policy towards their resources being used or diverted for any criminal or terror related activities.

2. Human Rights

We are committed to respecting workers' rights, in line with International Labour Organisation Core Conventions on Rights at Work and expect our Suppliers to do the same.

2.1 Human Rights. We expect our Suppliers to respect the inherent dignity and equal rights of all members of the human family, as proclaimed in the UN Universal Declaration of Human Rights.

2.2 Modern Slavery. AAUK has a zero-tolerance policy towards modern slavery and the trafficking of humans. This means that we will not tolerate anyone within our organization or within our supply chains carrying out any form of modern slavery or human trafficking.

As a part of Action Aid International ("AAI"), AAUK has implemented the AAI Global Anti-Modern Slavery Policy and we expect our suppliers to abide by this as well. We will provide a copy of this policy on request.

3. Care of Employees

3.1 Equality, Diversity & Inclusion. We expect our Suppliers to have protocols in places that ensure their workplaces are free from harassment, intimidation, inhumane treatment and discrimination. The innate worth, rights and experiences of all people and the value of diversity should be respected regardless of their race, age, gender, gender identity, sexual orientation, culture, dress, language, political affiliation, health status, colour, class, caste, ethnicity, marital status, disability, location, pregnancy, and religion.

In addition, we expect our Suppliers to have mechanisms that allow workers to speak up or raise grievances without fear of retaliation. They must respect individual choices on trade union or works council membership within the appropriate national legal framework.

3.2 Payment of a Minimum Living Wage. AAUK has committed to paying the Living Wage as a minimum and we aim to work with Suppliers who do so as well.

3.3 Sexual Harassment, Exploitation and Abuse (“SHEA”) at Work Policy. AAUK is committed to preventing any form of sexual harassment, exploitation and abuse. We respond robustly when these harms take place and we expect our Suppliers to do so as well. We expect you to ensure no one is victimised for making a complaint and that a survivor-centred approach is taken throughout any reporting and investigation procedures.

3.4 Health and Safety. AAUK expects our Suppliers to provide a safe and healthy working environment for their employees, on-site contractors, volunteers and visitors, and to comply with all applicable laws and regulations. We expect you to adhere to all legal and organisational health and safety requirements plus have systems in place to enable employees to be pro-active in raising any concerns related to this in a sensitive and confidential manner.

3.5 Employee Rights. We expect our Suppliers to maintain a suite of policies that clearly lays out how their employees will be working and be developed and covering all aspects of the Employee lifecycle. In particular we expect you to:

- Ensure work is performed on voluntary basis
- Ensure that all employees can make a free choice about their employment - there should be no illegal, forced, bonded, involuntary or exploited labour.
- Ensure there is no involvement in human trafficking or involuntary movement of people.
- Ensure employees do not work hours in excess of the limitations set by relevant local and national laws and regulations.
- Ensure all overtime work is voluntary.
- Ensure that no underage workers are employed, either directly or indirectly.

- Ensure that everyone is working in a recognised employment relationship as defined by law and explain clearly to employees the terms and conditions of their employment and the expected work output to which their wages relate.
- Ensure access to fair procedures and remedies
- Allow access to full and confidential remedy/grievance processes.
- Allow free association and the opportunity to communicate directly with management without fear of intimidation or reprisal.

4. Sustainability & Environmental

3.6 Environmentally Preferable Suppliers. We want to work with suppliers who understand and take steps to eliminate or mitigate the potential impact of their activities. Suppliers must comply with all applicable local environmental laws and are expected to ensure that accreditation to the appropriate standard is obtained and maintained.

We strongly encourage our suppliers to seek to minimise the associated use of energy, water and raw materials. They should also reduce waste, increase recycling and increase the use of renewables where possible. We expect suppliers to baseline the output associated with these activities, develop plans to enhance performance throughout the contract term and share their achievements with us.

3.7 Environmentally Preferable Products & Services AAUK prefers to purchase environmentally preferable products and/or services (EPP). When procuring goods & services we consider criteria such as energy efficiency, recycled content, and recyclability in addition to price and quality.

3.8 Inclusive and Diverse Supply Base. AAUK's Procurement processes have been adapted to enable an inclusive and diverse supply base and to minimise travel by using Suppliers based in the country of need wherever possible. Where appropriate we expect our suppliers to do the same.

5. Data Privacy & Information

All of AAUK's Suppliers should have effective protocols in place for securing and protecting AAUK's information including:

- 6.1 Ensuring that they only collect the personal data that is needed and do not 'over-collect' from individuals so as to minimise the data that held.
- 6.2 Respecting the proprietary and intellectual property rights of AAUK.
- 6.3 Having information classification protocols and adopting industry best practices, on sharing, protecting and securing information.
- 6.4 Observing all data privacy legal requirements on the collection, processing and transfer of AAUK personal data.

6.5 Reporting any suspected or actual information security incidents that impact AAUK information or systems to AAUK as soon as practically possible.

6. Your Third Parties

Suppliers should manage their Procurement and supplier relationships in accordance with the standards as contained within this Supplier Code of Conduct as a minimum.

To be absolutely clear, we expect you to deal fairly with the individuals and companies within your supply chain. You should not pass down unreasonable levels of risk and you should be fair and reasonable in your payment practices.

Concerns, Breaches & Reporting

We recognise that our Suppliers often have many other customers to AAUK and that as organisations, they have different ways of working to us. Therefore, we expect that these AAUK Principles will be written into your Governance Frameworks at all relevant levels rather than you using this as a standalone document.

Should there be any suspected or evidenced breaches of your Governance Framework that are covered by this Supplier Code of Conduct we require that you formally report this to AAUK as soon as possible once you have become aware of it.

You can report breaches and concerns using AAUKSupplierSpeakUp@ActionAid.org. Please do not use this email address for any other reason – all other enquires should be sent to CommercialUK@ActionAid.org.

We reserve the right to decide what happens following a report on a case by case basis.

Demonstrating Compliance

We understand that asking our Suppliers to adhere to these Principles is pointless unless we check compliance. Hence, we are implementing an enhanced Procurement Risk Management process to assess and improve our supply base.

This process has four key stages:

1. Commit

- Prior to contracting with a new supplier we will carry out due diligence to assess a company's risk factors using publicly available information.
- We expect all AAUK Suppliers to commit to The Supplier Code of Conduct when we confirm acceptance to our Approved Consultants Pools or when we agree a contract.
- We will reconfirm this commitment on an annual basis for all live suppliers.

2. Assess

- We will identify areas of risk within our supply base using globally accepted red flag locations, categories of spend and our internal Procurement thresholds.
- We will audit our Top 10 suppliers every three years to ensure their records demonstrate compliance to our Principles, along with other good business practices. This Supplier Code of Conduct and any other policies included in the contract contain the Principles we will audit against. We will also review along with Operating Procedures. Should an audit identify areas of concern in the first instance we will work together with the Supplier to implement improvements.
- For all other suppliers classified as “Red Flagged” we will require a self-assessment questionnaire to be completed. Should this identify areas of concern we will work together with our Suppliers to implement improvements. We also reserve the right to audit these suppliers should we deem it appropriate.

3. Report

- We will report out findings internally on a quarterly basis using metrics such as % of spend with suppliers signed up to the Supplier Code of Conduct; number of suppliers with risks identified using self-assessment tool; % of risky suppliers with action plans in place to address.
- Should a Modern Slavery breach occur, we will report this to the AAI General Secretariat in line with the AAI Modern Slavery Policy.

4. Improve

- We will work with suppliers to improve where risks are identified.
- Where remediation is not possible, we will look to implement alternative solutions. This may involve the termination of the contract for severe breaches.
- We will implement action plans to ensure ongoing improvement of our reported metrics.

Should you have any questions about this Supplier Code of Conduct please email CommercialUK@ActionAid.org.