



Overarching Ethical Policy

This policy sets the ethical standards for our organisation, ensuring that we take a consistent ethical approach across all of our operations as we deliver on our humanitarian mission to support people in crisis.

Policy owner	Chief Executive
Policy lead	Corporate Policy Manager
Audience	All of our people
Legislation and regulation	<i>Modern Slavery Act 2015 Equality Act 2010 Bribery Act 2010 Code of Fundraising Practice Charity Fundraising: A Guide to Trustee Duties 2016</i>
Formally endorsed by	Board of Trustees
Endorsement date	June 2017
Next review	June 2020

1 Introduction

- 1.1 The British Red Cross helps millions of people in the UK and around the world to prepare for, respond to and recover from emergencies, disasters and conflicts. We aim to put people in crisis at the heart of everything we do.
- 1.2 As a humanitarian organisation, our **Fundamental Principles** and values underpin all that we do and the decisions that we make. These are sometimes matters of judgement and it is therefore important that we have a framework of ethical standards through which we will assess partnerships, investments, procurement, funding or other significant activities. Additional policies and procedures that should be read in conjunction with this policy are listed in Appendix 1.
- 1.3 All of our activities should be undertaken to the highest ethical standards. The public naturally expect charities to operate in an ethical manner and this is integral to developing high levels of trust and demonstrating our integrity. Our actions and behaviour affect both the organisation and the people we support.
- 1.4 We recognise that if we do not uphold the trust people have in our organisation this could negatively impact on our reputation, our work and that of colleagues in the movement. It could also jeopardise our ability to deliver services and support to people in crisis, as well as the public's generosity in supporting our work.

2 Policy statement

Definitions

- 2.1 We define **ethical standards** as rules and guidelines we will follow, in order to maintain our integrity as an organisation.

Purpose and aims

- 2.2 This policy sets the ethical standards for our organisation, ensuring that we take a consistent ethical approach across all of our operations.
- 2.3 As part of our commitment to delivering the mission set out in our **Corporate Strategy**, this policy will ensure appropriate safeguards and processes are in place to protect the vulnerable people whom we support and our organisation's reputation, as well as those we interact with – from customers in our retail shops, to donors and supporters, and members of the public.
- 2.4 Given our commitment to be **transparent and accountable** about how the organisation operates, we will publish this policy.

Scope

- 2.5 This policy applies to all that we do as an organisation: service delivery, procurement decisions, any form of partnership, acceptance of funding (grants, donations, legacies, in kind support, agreement), investments or any contractual relationship. Appendix 1 sets out related policies and procedure, and how this overarching ethical policy will sit across all of our operations.

3 Our ethical framework

- 3.1 There are a variety of considerations we take into account when initiating new significant activities and/ or partnerships. Ethical screening is particularly relevant in the activities set out in 2.5 .
- 3.2 Decisions taken in these areas will be informed by applying best practice due diligence assessments, which ensures relevant activities meet our charitable objectives as well as our ethical standards which we set out below.
- 3.3 Our ethical framework is informed by the following policies and principles:
 - > Alignment with our **Fundamental Principles** and charitable objectives set out in our **Royal Charter**. As a member of the International Red Cross and Red Crescent Movement, we are deeply committed to and legally bound by the Fundamental Principles, which guide all we do. We will also ensure that we take into account real or perceived conflicts of interests to our charitable purpose or the services we provide to people in crisis before we undertake activities with other organisations.
 - > Core Organisational Values. We are steered in our actions by four core organisational values (dynamic, courageous, compassionate and inclusive).
 - > Human Rights. The organisation will not tolerate harassment of any kind nor discrimination on the ground of one or more of the protected characteristics detailed in the Equality Act.
 - We expect those we work with to fully comply with their responsibilities under the Act, and consistent with our **Equality and Diversity Policy**, to share our commitment to uphold and promote equal opportunities.

- We support the objectives of the *Modern Slavery Act* and commit to publishing an annual slavery and human trafficking statement. If our partners meet the financial threshold set by the Secretary of State, we expect them to fully comply with their responsibilities.
- > Consistent with our **Corporate Strategy** for 2015-2019.
- > Environment: Compatibility with our **Environmental and Carbon Reduction Policy**, which sets out our commitment reducing the environmental impact of our operations.
- > Provision of safe and supportive acceptable working environment.
 - This includes consistency with our **Salary Policy** which commits us to paying our people appropriately, through ensuring a fair, consistent and transparent system of reward.
 - Our **Health and Safety Policy** highlights our commitment to safeguarding our people fully in respect of their health, safety and welfare at work and our responsibilities to members of the public and contractors. In addition, we are committed to the protection and promotion of health, disease prevention and ensuring access to appropriate medication.
- > **Ethical fundraising**: our procedure sets out a clear ethical framework for partnerships, as well as the donations that we will accept; and ensures that we work in accordance with charity law and regulatory requirements.
- > Ethical Procurement. Our **Purchasing and Procurement policy** sets out the framework for procurement decisions, informed by the overarching ethical framework set out in this policy. It embeds value for money as a defining principle, whilst ensuring wherever possible that our procurement activity is sustainable to society, the environment and economy.
 - However, in an emergency the humanitarian imperative is paramount. Where speed of deployment is essential to save lives, we will purchase necessary goods and services from the source most conducive to achieving these objectives.
- > We also support the objectives of the *Bribery Act* and are committed to fully complying with our responsibilities.
- > An organisational statement of ethics is included within our **Fraud, Bribery and Corruption policy**. It sets out our zero tolerance policy towards fraud, bribery and corruption (including money laundering and funding terrorism) and confirms that we are determined to prevent, and where this is not possible, to deter such acts.
- > Investment: as set out in our **Investment Policy**, we will not directly invest in shares in, or commercial paper issued by, companies which compromise our Fundamental Principles and principles set out in 3.3.

4 **Reasons for declining opportunities**

4.1 As a charity we have a duty not to decline opportunities or funding which will help us achieve our charitable objectives without good reasons for doing so.

4.2 When making a determination, we will consider the extent to which a potential partner has taken positive steps to mitigate or resolve past issues of concern.

4.3 We list below some specific categories below which require special attention given the potential to compromise our Fundamental Principles and values.

Arms and ammunition

4.4 The mandate of the Movement is to ensure humanitarian protection and assistance for victims of armed conflict and other situations of violence. Therefore under no circumstances would we enter any partnership or agreement – whether in relation to funding, delivery of services, investment or purchasing – with any organisation or individual where we are reasonably aware that their core business is the manufacture or sale of arms and ammunition, or where their public profile is associated with these activities. The maximum threshold we would permit is 10 per cent of their core business, but we reserve the right to refuse opportunities below this threshold in particular circumstances.

Tobacco

4.5 Similarly, we would not enter into any partnership or agreement with any organisation or individual where we are reasonably aware that 10 per cent or more of their core business is the manufacture or sale of tobacco, or where their public profile is associated with these activities. We reserve the right to refuse opportunities below this threshold in particular circumstances.

4.6 We recognise that we cannot apply an ethical investment policy when investing in pooled money market or investment funds. In these circumstances, and in accordance with best practice, we will seek to invest funds which do not invest in shares, or commercial paper issued by, companies with a significant interest in trading arms or in the manufacture of tobacco products.

Alcohol

4.7 Alcohol is specifically mentioned within the Emblem Regulations as an area in which special care must be taken, as many National Societies offer services that focus upon health and social issues related to alcohol abuse.

4.8 It is therefore important that we make sure that we consider the reputational risk in being connected with alcohol or alcohol companies. In practice this means that we must avoid linking the name British Red Cross or the red cross emblem with the names or logos of alcohol companies. By implication we should also take extra care about how we are associated with alcohol in general.

Due diligence

4.9 If a due diligence assessment presents an ambiguous situation, this can be escalated to the appropriate Committee for decision (for example Finance and

Audit, or Ethical Fundraising and Quality Assurance). These decisions are not binding, e.g. if a particular request was turned down it does not automatically mean we would not work or engage with them in the future.

5 Charity Commission requirements

5.1 In exceptional circumstances ex gratia payments (a payment of money, a transfer of property, or the waiver of rights to money/property) are to be made if the Board believe there is a moral obligation to do so (such as issues arising when gifts are left to the British Red Cross in a will). In addition to Board approval, approval to make ex gratia payments must be authorised by the Charity Commission.

5.2 In line with Commission guidance, any donations from an unknown or unverified source exceeding a financial threshold are expected to have a due diligence assessment completed and be reported to the Commission as a serious incident. Please see the [Incident Reporting Policy](#) and [Procedure](#) for further information.

6 Responsibilities

6.1 The [Board of Trustees](#) is ultimately accountable for this policy.

6.2 The [Ethical Fundraising and Quality Assurance Committee](#) will consider any fundraising matters that require board decision or oversight, for example when a due diligence assessment presents an ambiguous situation (see 4.9 above). Any other matters will be escalated to the relevant committee (for example, the [Finance and Audit Committee](#) for matters relating to procurement or investment).

6.3 The [Chief Executive](#) is the member of the Executive Leadership Team who is responsible for this policy on behalf of the Board.

6.4 The [Executive Leadership Team](#) are responsible for ensuring that ethical standards within this policy are implemented by embedding them in relevant decision-making procedures and processes in their directorates.

6.5 The wider [Leadership Group](#) are responsible for championing and implementing ethical decision-making in line with this policy within their areas of responsibility.

6.6 The [Corporate Policy Officer](#) is the policy lead and is responsible for developing and reviewing the policy; developing an organisational communications plan for the policy; and managing queries about the policy on a day-to-day basis.

6.7 All [of our people](#) are responsible for acting in accordance with the policy.

6.8 Each Directorate will have a lead that will hold responsibility for maintaining a database of completed ethical checks.

7 Laws and regulations

7.1 This policy will ensure we comply with relevant legal and regulatory obligations.

7.2 We are legally bound by the Fundamental Principles, which continue to provide guidance and inspiration as we deliver our humanitarian mission.

8 **Monitoring and compliance**

- 8.1 Appropriate screening methods and measures to ensure compliance will be built into the procedures which support implementation of this policy.
- 8.2 We recognise that we may need to work with existing partners or suppliers to develop an improvement plan if they do not fully meet the standards laid out in this policy, and welcome the opportunity to do so.
- 8.3 We are also a member of Supplier Ethical Data Exchange (Sedex), an organisation focused on ethical business practice in global supply chains. Our membership of Sedex requires that we risk assess our supply chain annually.
- 8.4 We would encourage our people to use the **Raising a Concern policy and procedure** should they wish to report any concerns about behaviour that breaches the standards in this policy.

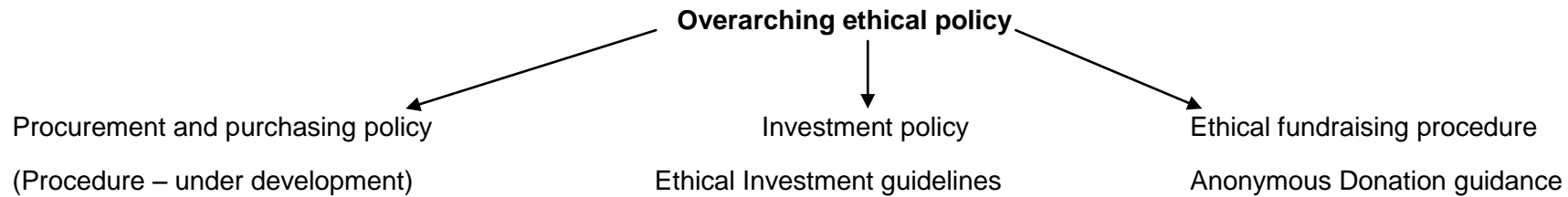
9 **Review and maintenance**

- 9.1 This policy was approved by the Board of Trustees in June 2017. It is next due to be reviewed June 2020.

10 **Appendices**

- 10.1 Appendix 1: related documents
- 10.2 Appendix 2: document provenance

Appendix 1: related policies and procedures, and structure



Related policies mentioned in this document, which set out our principles in key areas:

Environmental and carbon reduction policy

Health and safety policy

Equality and diversity policy

Incident reporting policy; and procedure

Face to face, and telephone fundraising policies

Salary policy

Fraud, bribery and corruption policy

Transparency and accountability policy

Appendix 2: document provenance

Date endorsed	Category	Summarise changes made	Reason for changes	Consulted	Changes endorsed by
January – March 2017	Scheduled response to audit action	New overarching policy drafted and consulted. It brings together the ethical purchasing and fundraising policies, replaces ex gratia policy, references the investment policy, and includes contracts and other partnerships.	Audit action to consider benefits of an overarching ethical policy, to harmonise standards across BRC.	All directorates.	Board of Trustees