

SKL International Code of Conduct

I. Introduction

SKL International's Code of Conduct provides a framework to guide ethical conduct in a way that upholds the integrity and reputation of SKL International (SKLI) as a leading consultancy in local governance and democracy. It reflects the underlying values of SKLI as an organisation recognised for *quality, competence, transparency and credibility*, and whose activities are permeated by *gender equality and sustainability*. The Code reflects a commitment to these values and describes how these values apply in practice. Furthermore, it sets out parameters for unacceptable behaviour and the obligations of SKLI and those covered by the Code in terms of adhering to legal, moral and ethical standards. It is a set of guiding standards and principles that all employees and related persons are expected to follow both in practice and in spirit. To demonstrate commitment to transparency and accountability, this Code is available to the public on SKLI's website.

II. Who the Code of Conduct applies to

The Code of Conduct applies to all SKLI employees and overseas staff, including consultants, experts and other short- or long-term personnel engaged in SKLI's activities. It also includes participants in twinning, exchange programs and likewise, as well as Board members, elected representatives or any other person travelling in the name of SKLI, being financed by SKLI or residing in the premises of SKLI. The general term "Personnel" is used henceforth in the Code to describe all the individuals covered by the Code of Conduct.

III. Core values

In line with SKLI's values, Personnel are expected to

- a. demonstrate a commitment to quality, professionalism and high standards;
- b. demonstrate openness, transparency and mutual respect in relation to colleagues and partners;
- c. act with honesty, impartiality and integrity;
- d. be accountable for their actions.

IV. Appropriate behaviour

Personnel are expected to act in good faith and behave in a way that promotes a positive image of SKLI, its owners, activities and employees. Personnel should be sensitive to local cultural practices. They shall not engage in illegal activities or unethical practice that could damage the reputation or operations of SKLI, its owners, partners, contractors or other third parties.

When traveling overseas, the general starting point is to act in line with the laws, policies and ethics of the host country. If the local law is less stringent than this Code, then the Code should be followed instead.

Use of alcohol or drugs

Personnel must not use alcohol in a way that affects their performance and safety or the performance and safety of their colleagues, or that negatively impacts the reputation of the operations of the Company. Personnel shall abide by SKLI's Guidelines on Internal and External Representation with Alcohol. The use of illicit drugs is not acceptable.

Workplace harassment

SKLI does not tolerate any form of workplace violation such as harassment (including sexual, gender and racial harassment), bullying and discrimination, that is, any unwelcome comment or behaviour that is offensive, demeaning, humiliating, derogatory, or any other inappropriate behaviour that fails to respect the dignity of an individual. It is the responsibility of all Personnel to contribute to a safe and healthy workplace that is free from discrimination, harassment and violence.

If Personnel feel that they are being harassed in any way, they should aim in the first instance to address the issue with the person involved by indicating that the behaviour is unwelcome, offensive or deemed inappropriate. Alternatively, Personnel may refer the matter to their supervisor, project manager, SKLI's workplace environment representative or Managing Director for advice and action.

Sexual exploitation and abuse of power

Sexual exploitation is a form of gender-based violence and goes directly against SKLI's values. Sexual exploitation of any kind is not tolerated and any breach may be grounds for dismissal.

At a minimum, Personnel must:

- Never engage in any sexual activity with children (persons under the age of 18) regardless of the age of majority or age of consent locally.
- Not accept, solicit or engage in the "buying" of or profiting from sexual services. This is applicable to Personnel within and outside of working hours whilst on assignment with SKLI.
- Never exploit the vulnerability of any target group in the context of development work, especially women and children, or allow any person/s to be put into compromising situations.
- Never abuse a position to withhold development assistance, or give preferential treatment; in order to solicit sexual favours, gifts, payments of any kind, or advantage.
- When working with children, avoid actions or behaviour which may constitute poor practice and never act in ways that may place a child at risk of abuse.

Consideration for the environment

Personnel should make decisions and act in a way that supports environmental sustainability. Personnel should reduce negative environmental impacts and strive to contribute to environmentally sustainable development. This includes reducing the consumption of materials and energy, reducing harmful emissions caused by operations especially from travel, selecting environmentally-friendly alternatives wherever possible and conserving natural resources.

V. Anti-Discrimination and Gender Equality

SKLI embraces diversity and respects human rights in all areas of its work. Discrimination of any kind including on the basis of gender, religion, sexual orientation, ethnicity or culture is not accepted. Personnel shall respect equal rights of individuals and strive to create an atmosphere where people's differences are accepted and valued.

Gender equality is at the heart of SKLI's work. Men and women engaged in SKLI's business activities shall be afforded equal rights and development opportunities. SKLI supports forms of employment that enable Personnel to combine work with family commitments.

VI. Bribery and Anti-Corruption

SKLI is committed to conducting its business activities with the highest degree of integrity. This commitment includes a zero tolerance approach towards all forms of bribery and corruption. For the purposes of this Code of Conduct corruption means "the abuse of entrusted power for private gain" including collusion, fraud, embezzlement and theft. Bribery is defined as "the offering, promising, giving, accepting or soliciting of an advantage (whether financial or otherwise) with an intention to influence the behaviour of the recipient".

Personnel must not engage in any form of bribery or corruption and shall not use the position of SKLI to influence or gain undue benefits or advantage for themselves or others. Personnel are expected to behave in an ethical and transparent way that sets an example for other colleagues, partners and associates.

Personnel have an obligation to prevent, detect, report and manage situations of bribery and corruption. In general, Personnel should report any potential or suspected cases of bribery and corruption to the relevant Project Manager (where engaged in an SKLI project) or to the Managing Director (for all other situations). The Project Manager/Managing Director is obliged to report any suspected or actual fraud in relation to SKLI projects to the project financier.

This Code does not provide an exhaustive list of situations where bribery or corruption may occur, but sets out general principles that Personnel should follow.

Personnel typically employed within the Swedish local government system should also refer to the Swedish Association of Local Authority and Region's guidelines on bribery and conflict of interest available in Swedish at http://www.skli.se/vi_arbetar_med/demokrati/revision/korruption/om-mutor-och-jav-publikation

Gifts and Gratuities

Personnel should as a general rule not accept or receive gifts and gratuities during the course of their work. Tokens exchanged as part of protocol or the normal presentation of gifts in a business relationship may only be accepted if they are reasonable and of low value, and where non-acceptance may be considered impolite. Where gifts are received in this way, they must be done so in a way that cannot be perceived or construed as a bribe. Cash is never to be accepted.

Some typical situations that require careful consideration include offers of gifts, discounts, commissions, meals, travel, conferences, entertainment offers, services or credit.

Where Personnel are unsure about how an offer of a gift or benefit should be handled, they should raise the issue with the relevant Project Manager or Managing Director for assessment.

Representation and entertainment

Swedish tax regulations provide the general framework and standards for reasonable level of representation and entertainment. This includes situations such as official events, recreational events undertaken in connection with business travel or study visits, and dinners or meals offered in the course of work. Personnel should consider these regulations as a guideline to what is reasonable when representing SKLI and should not accept invitations that may be considered as inappropriate as outlined above. Representation and entertainment provided by SKLI should be done so under a consideration of modesty.

VII. Conflict of interest

Personnel must take reasonable steps to avoid situations where they may be placed in a real or apparent conflict between their private interests and the interests of SKLI. In other words, actions or decisions that Personnel take on behalf of SKLI must not provide them with (or be seen to provide them with) an opportunity to further the private interests of themselves, their families, their business associates or others with whom they have a significant personal or business relationship.

Personnel shall also avoid placing SKLI in situations that may create a conflict of interest for SKLI as an organisation; for example, putting SKLI in a situation where SKLI may actually or potentially further the private interests of its shareholders, board members, owners or affiliated entities.

It is the responsibility of Personnel to declare in writing to the relevant SKLI Project Manager (where engaged in an SKLI project) or to the Managing Director (for all other situations) those private interests and relationships that they think could be seen to impact the decisions or actions they take on behalf of SKLI.

Personnel are expected to comply with actions requested by the Project Manager or Managing Director to manage the conflict of interest, which may include:

- removing themselves from matters in which the conflict exists or is perceived to exist;
- not pursuing a particular course of action;
- reporting the potential conflict of interest to a third party;
- giving up the particular private interest causing the conflict;
- in rare circumstances, resigning a position within the Company or as consultant.

Outside Activities or Additional Employment

Personnel must avoid participating in outside activities or additional employment that conflict with the interests and work of SKLI. For example:

Business Interests: Employees and experts in projects must not hold interests in a business directly or indirectly through a relative or friend that could benefit from, or influence, the decisions of SKLI.

Employment: Employees must not take supplementary employment that affects their performance or impartiality with SKLI or conflicts with the interests of SKLI.

Volunteer Activity: If Personnel are involved in volunteer work, the activity must not influence or conflict with decisions relating to SKLI.

Pre- and Post-Separation: Employees considering a new offer of appointment or employment must be aware of and manage any potential conflicts of interest between their current position and their future employment, and must remove themselves from any decisions affecting their new appointment or employment. Once employees have left SKLI, they must not disclose confidential information that they became aware of during their time with SKLI and must not use their contacts with their former colleagues to gain an unfair advantage for their new employer.

The collective agreement that applies to SKLI employees provides more detailed guidance about how outside activities and additional employment are to be handled.

VIII. Appropriate use of resources and intellectual property

SKLI resources and property have to be strictly accounted for. Therefore, all Personnel are obliged to handle financial and material resources with the utmost personal care, to safeguard these at all times against theft or other damage, and to ensure that private misuse does not occur.

Means of transport, housing, office, accommodation and equipment should be chosen and acquired under consideration of modesty.

Although transparency is a core value of SKLI, Personnel must also respect and comply with restrictions of information of strategic importance for SKLI such as exclusively developed concepts and methods, information that is considered confidential or sensitive, as well as information that might affect SKLI's partners or third parties negatively.

Personnel must respect and protect confidential and proprietary information, use it only for the purposes of their work of SKLI and not use it for personal gain. Personnel must comply with obligations regarding the collection, storage, use, transmission and disclosure of information whether given by SKLI itself or by other parties such as project financiers and partners.

IX. Responding to Potential Breach

It is the responsibility of Personnel to avoid situations which may breach the principles and practice outlined in this Code of Conduct. Where Personnel detect a potential or actual breach, they should report it as soon as possible to the relevant SKLI Project Manager (where Personnel are engaged in an SKLI project) or to the Managing Director (for all other situations including for SKLI employees).

The Managing Director has the ultimate responsibility for responding to breaches of the Code. SKLI Project Managers are expected to report breaches of the Code to the Managing Director for action but may respond to potential or minor breaches themselves where it is reasonable to do so.

Where a potential breach has been reported or discovered, the Project Manager and/or Managing Director will review the circumstance and details of the potential breach and determine the appropriate course of action with reference to other laws and contractual obligations. This may include:

- Undertaking further investigative action to determine whether a breach has occurred and the exact nature of the breach;
- Contacting the Personnel involved. The identity of the reporter will not be disclosed unless required by law or in a legal proceeding. Personnel have the right to respond to the potential breach and may be asked to rectify the situation within a certain timeframe;
- In serious cases, contacting the authorities who make take further criminal, civil or investigative action.

Where a breach is suspected or has occurred, Personnel must comply with all reasonable actions requested or taken by SKLI or the relevant authorities.