



Policy Name:	Due Diligence	Policy No.:	1.6
Effective Date:	2 October 2020	Revision No.	1.1

DUE DILIGENCE POLICY

Business for Development (B4D) recognises that we can achieve greater impact by partnering with like-minded organisations. However, it is important for us to undertake due diligence on potential partners to ensure compatibility in values and approach, as well as from a governance perspective.

This applies to other consulting firms that we may partner with to execute program related work, as well as potential clients.

1. CONSULTING PARTNERSHIPS

The following applies to organisations that we may partner with when undertaking program related work.

Examples include in-country partners, or other consultancies that have a complementary skill set.

General approach

When considering a potential partnership, we will consider the following:

- Is there alignment with B4D's purpose, vision and principles?
- Will it be a balanced partnership? For example, will we be equally regarded?
- Does the partnership leverage the capabilities and strengths of both parties and do we have a compatible working approach?
- Do they have a track record of success in the proposed work stream?
- Do we believe that they have the capacity to deliver the work expected from them?
- Have there been any issues or negative publicity related to the organisation? (issues may be related to legal, compliance, program failure or other adverse reporting)

Governance

We will also undertake the following governance measures:

- Check the potential partner's legal registration status, when dealing with an organisation.
- Conduct a reference check on potential partners against prohibited entities listings.
- As per ACFID requirements, a capacity assessment for implementation of key safeguarding and risk policies will be undertaken. This includes:
 - a commitment to the safeguarding of children;
 - a complaints handling policy/procedure; and
 - code of conduct for staff.



Formal agreements will be established with all B4D partners, setting out the agreed:

- terms of engagement;
- contract price and payment terms;
- services to be delivered; and
- dispute resolution process.

Collaboration

B4D commits to undertake the following with our partners:

- For programs led by B4D, partners will be involved fully and transparently in the relevant elements of the program. This could include the entire program lifecycle (from scoping stage) where appropriate.
- Communication protocols will be agreed during the initial work planning stage – for example, frequency of team calls, best methods of communication, consideration of other collaboration tools.
- A debrief will be undertaken at the end of each program to allow each partner to reflect on success, improvement opportunities, and potential future collaboration.

2. POTENTIAL CLIENTS

General approach

When considering a potential client engagement, we will consider the following:

- Program scope – Is the proposed scope of work aligned with our purpose, vision and principles and strategy
- Reputation – Does the potential client have a history of unethical behaviour such as human rights violations, corruption, environmental damage, etc.? Also consider the reputation of the industry that the client is in and how this will reflect on B4D (Warren Buffett's 'front page of the newspaper' test).
- Location of operations – Where will we need to travel to execute program activities? What are the current Smartraveller and International SOS risk ratings for these locations and are there any sanctions against these regions?
- Stakeholder buy-in – Is there senior management support for our work (without their support, we shouldn't proceed), as well as from key client stakeholders such as the program-level community relations lead?

Governance

We will also undertake the following governance measures:

- Check the potential client's legal registration status and assess their financial stability where possible to do so.
- Conduct a check on potential partners against prohibited entities listings.
- Other checks may include using the 'Finding the missing millions' toolkit (handbook for using extractive companies' revenue disclosures to hold governments and industry to account).



Formal agreements will be established with all B4D clients, setting out the agreed:

- terms of engagement;
- contract price and payment terms;
- services to be delivered; and
- dispute resolution process.

