



Private Infrastructure
Development Group
Pioneering infrastructure changing lives

PIDG Code of Conduct

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1. Introduction

The Private Infrastructure Development Group (“**PIDG**”) is an innovative infrastructure development and finance organisation delivering pioneering infrastructure in the poorest and most fragile countries in sub-Saharan Africa and south and south-east Asia to help economies grow and change people’s lives. PIDG is funded by seven governments (the UK, Netherlands, Switzerland, Australia, Sweden, Norway and Germany) and the International Financial Corporation (“**PIDG Owners**”).

2. Our values

Our values are the principles that guide the way we work. They enable us and our people to succeed and be part of our success.

Opportunity: We fill market gaps in parts of the world where it is thought to be impossible; we provide equal opportunity in our activities, and we prize diversity within our own organisation.

Accountability: We deliver. We take ownership when things do not go as planned and we lead with high ethics and environmental, social and governance standards. This includes the impact of our work on local communities and the environment.

Safety: We insist on a safety mindset and culture delivered through practical, locally relevant solutions because it is a matter of life or death.

Integrity: We are honest and transparent because it builds mutual trust and respect with all stakeholders. Impact: We have a strong, positive and tangible effect on peoples’ lives.

3. Our responsibilities

As a responsible organisation we aim to maximise the impact of what we do and how we do it and minimise negative consequences. We consider our responsibilities through a number of lenses.

We are responsible to the PIDG Owners for ensuring that the public sector funding provided by them is used in the most efficient and effective manner, to achieve maximum impact. We endeavour to ensure appropriate governance and risk management arrangements as well as robust financial controls and investment strategies.

We are responsible to the people and communities that PIDG is established to support. In meeting their needs, we endeavour to ensure that all projects and investments that we support maintain the safety and wellbeing of people.

We are responsible to the communities in which we live and work and to the world community. We take all steps to protect the environment and natural resources.

Equally, we are responsible to PIDG employees, directors, committee members, agency workers, volunteers, interns, consultants and contractors (“**PIDG People**”) who work with us throughout the world. We aim to provide an inclusive work environment where we respect their diversity and dignity and recognize their merit. Compensation must be fair and adequate and working conditions clean, orderly and safe. There must be equal opportunity for employment, development and advancement. We must provide highly capable leadership whose actions are just and ethical.

4. Our Code of Conduct

This Code of Conduct (“**Code**”) sets out PIDG’s requirements for business conduct and minimum standards of ethical behaviour.

The Code helps us make the right decisions and take the right course of actions, regardless of where we work or the type of work we do.

The Code is supported by the PIDG Operating Policies and Procedures (“**OPPs**”), which set out the minimum policies and procedures to be adopted by PIDG (as defined below), unless otherwise indicated, to ensure compliance with the Code. Further policies, procedures, standards and guidelines may be implemented by PIDG as required to provide additional guidance on expected standards and behaviours.

PIDG may be subject to more stringent or different principles, standards or rules than those set out herein, e.g. as a result of more stringent or different requirements imposed by the PIDG Owners or by law, in which event the more stringent principles/rules or the principles/rules required by law should be adhered to.

Every member of PIDG should act as ambassadors for PIDG at all times and comply with the Code and the OPPs in spirit as well as by the letter and, as far as possible, ensure compliance by others with whom they conduct business.

4.1 Who must follow this Code?

Every person working for or on behalf of PIDG is required to understand and comply with the Code, the OPPs and laws that govern their activities. For the purposes of this Code, “**PIDG**” is:

- The Private Infrastructure Development Group Trust (“**PIDG Trust**”) and all PIDG Companies, i.e. The Private Infrastructure Development Group Ltd (“**PIDG Ltd**”), the Emerging Africa Infrastructure Fund (“**EAIF**”), GuarantCo, InfraCo Africa, InfraCo Asia and ICF Debt Pool LLP (the “**PIDG Companies**”); and
- third party service providers responsible for delivering the core activities of a PIDG Company (“**Service Providers**”).

The PIDG Companies shall require those persons and entities which receive funding from PIDG, e.g. project companies invested into by InfraCo Africa and InfraCo Asia, borrowers of EAIF and borrowers/issuers whose financing benefits from guarantees provided by GuarantCo (“**PIDG Recipients**”) to comply with all applicable standards of this Code as set out in the OPPs, by inclusion in the relevant transaction documents.

4.2 Monitoring compliance with our Code

The Board of PIDG Ltd (“**Board**”) is responsible for approving this Code following recommendation of PIDG Ltd’s Risk Committee (“**Risk Committee**”) and is accountable to the PIDG Owners for compliance with this Code and the OPPs by PIDG. The Risk Committee is responsible for reviewing PIDG’s compliance with the provisions of the Code and the adequacy of PIDG’s arrangements.

PIDG Ltd is responsible for providing the Risk Committee and Board with assurance over compliance with this Code and the PIDG OPPs. PIDG Ltd shall undertake a cycle of compliance reviews to gain independent assurance of PIDG’s compliance with the Code, such that assurance over compliance with all principles of this Code and the OPPs are covered on a periodic basis.

The responsibility for day-to-day compliance with the Code and the OPPs rests with each PIDG Company. PIDG is committed to ensuring that each PIDG Company is equipped with the relevant authorisation, staffing, resources, tools and information to perform and operate in compliance with this Code and the OPPs, mindful of PIDG’s responsibilities to PIDG People, PIDG’s aims and accountability for use of public funds, and the communities within which PIDG operates.

PIDG Companies and Services Providers review their compliance with the Code and OPPs on an annual basis and certify their compliance for the previous year in writing to the PIDG Ltd Chief Risk Officer (“CRO”). This self-certification is augmented by the results of the aforementioned compliance reviews and independent external assurance reviews, which are undertaken from time to time, including on high risk/high exposure areas.

4.3 Breaches of our Code

Compliance with this Code is in the interests of all individuals and entities working for and on behalf of PIDG. It is important therefore that all parties familiarise themselves with the Code and follow it.

PIDG has zero tolerance for non-compliance with the Code and all allegations of non-compliance will be investigated in accordance with the PIDG Complaints and Whistleblowing Policy which forms part of the OPPs.

4.4 Waivers

If any part of PIDG intends to institute a policy or practice that it believes might not comply with the Code, but which it believes is justified, then it shall inform the CRO in advance and in reasonable time. Depending on the nature of the non-compliance the CRO may refer the issue to the Risk Committee with a recommendation as to what action, if any, to take. The decision of the CRO or the Risk Committee will be final. Authorisation to operate at variance with the Code will only be given in exceptional circumstances.

5. Principles and Standards

People

Principle 1: Equality, diversity and inclusion

Equality, diversity and inclusion are integral to PIDG. This means we commit to ensuring that there is no discrimination in our internal processes on the basis of any of the following: age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy, adoption, maternity, paternity, race, ethnicity, religion or belief, sexual orientation or membership of trade union.

Principle 2: Recruitment & Remuneration

Recruitment of directors and employees of the PIDG Companies shall be carried out using non-discriminatory, formal, robust and transparent recruitment processes and in accordance with applicable laws.

All directors and employees of a PIDG Company shall receive induction on joining and be required to regularly update and refresh their skills and knowledge. PIDG Company directors must be able to allocate sufficient time to their duties and discharge their responsibilities effectively, and be submitted for re-election at regular intervals, subject to continued satisfactory performance.

The remuneration and incentives for all employees of PIDG Companies shall be sufficient to attract, retain and motivate individuals with appropriate skills and experience required to run and operate the PIDG Companies successfully, but should also be set at a level and structured in a way that is consistent with PIDG's aims and accountability for use of public funds.

PIDG Ltd and PIDG Owners shall agree the level of fees to be paid to the directors of the PIDG Companies.

Principle 3: Health and safety

PIDG shall make every reasonable effort to ensure the health, safety and wellbeing of everyone who works for a PIDG Company, wherever they may be working, and to comply with local laws. This includes PIDG People and others using the premises of a PIDG Company or who engage in activities with a PIDG Company.

PIDG shall make every reasonable effort to ensure these commitments are implemented in the projects that PIDG invests into and finances.

More details can be found in the **Health, Safety, Environmental and Social (“HSES”) Policies**.

Principle 4: Safeguarding

PIDG have a responsibility to protect PIDG People and all those who are involved in or impacted by the activities of a PIDG Company including children, young people and vulnerable adults, from any form of abuse, harm, exploitation and neglect, and any form of gender-based violence or harassment. PIDG have zero tolerance for any form of discrimination, bullying or harassment in the workplace and a responsibility to provide a safe place of work considerate of people’s rights, dignity and wellbeing. This includes the prevention of any form of modern slavery including child labour, forced labour and illegal exploitation of people for personal or commercial gain. These responsibilities extend to all PIDG People.

PIDG shall ensure its activities are aligned with the United Nations Guiding Principles on Business and Human Rights and with the United Nations Convention on the Rights of the Child.

PIDG shall make every reasonable effort to ensure these commitments are implemented in the projects that PIDG invests into and finances.

More details can be found in the **HSES Policies**.

Ethical conduct**Principle 5: Anti-Corruption and Integrity**

PIDG shall adopt a zero-tolerance policy to all forms of financial crime including fraud, bribery, corruption, money laundering, financing of terrorism, integrity violations and other misconduct. PIDG shall take all reasonable and appropriate measures to prevent and combat financial crime and integrity violations.

PIDG shall conduct business in an honest and ethical manner.

More details can be found in the **Anti-corruption and Integrity Operating Policy and Procedures**.

Principle 6: Due diligence

PIDG shall undertake due diligence in respect of each potential opportunity to enable the group to make fully informed decisions about investments and projects. A risk-based approach to due diligence shall be followed which enables PIDG to assess risk factors at various steps in its investment process and to take all reasonable steps to ensure that PIDG funds will be correctly applied to achieve the desired outcomes in accordance with PIDG’s strategy.

PIDG shall undertake due diligence on all material suppliers which will be proportionate to the materiality, risk, value, term and complexity of the contract.

More details can be found in the **Due Diligence Operating Policy and Procurement Operating Policy**.

Principle 7: Personal and corporate ethical conduct

PIDG is committed to ensure the integrity of decision-making within the group and to ensure that such decision making is not compromised by the private interests of individuals working for and on behalf of PIDG. PIDG shall maintain a control environment that is proportionate to the risks the group may face including effective prevention and management of conflicts of interest and market abuse in the course of PIDG's activities.

Individuals have a responsibility to avoid situations and dealings that could compromise PIDG's operations, lead to actual or perceived conflicts of interest or constitute market abuse.

More details can be found in the **Conflicts of Interest and Market Abuse Operating Policy**.

Principle 8: Procurement

PIDG is committed to make sure that it obtains appropriate works, supplies and services for the stated purpose, at the appropriate time, place and cost in a manner which balances the overall requirement for value for money, including efficiency and effectiveness in maximising output, with delivering desired outcomes, fairness, transparency, integrity and accountability.

More details can be found in the **Procurement Operating Policy**.

Principle 9: Disclosure of Information

PIDG is committed to transparency and accountability and shall make available information that enables its stakeholders and the public to understand its activities, the development outcomes and other impacts of PIDG's activities including its overall contribution to infrastructure development.

PIDG is committed to ensure transparency in its activities so as to enhance the effectiveness and value for money of its activities, to contribute to better feedback from intended beneficiaries and to prevent fraud and corruption. PIDG shall operate under a presumption of disclosure.

More details can be found in the **Disclosure Operating Policy**.

Principle 10: Information governance and confidentiality

PIDG is committed to ensure that information is appropriately protected and used. PIDG shall not share confidential information or material with anyone who is not entitled to that information. PIDG shall properly protect private, personal and sensitive information relating to all who work with, for and on its behalf from wrongful disclosure, modification or destruction.

More details can be found in the **PIDG Company Privacy Policy**.

Principle 11: Tax Management

PIDG shall observe the highest standards of international good practice in managing its tax positions and be transparent in its dealings from a tax perspective.

PIDG takes a zero-tolerance approach to tax evasion and the facilitation of tax evasion and shall uphold all laws relevant to preventing tax evasion in all the jurisdictions in which the PIDG Companies operate.

PIDG is committed to abiding by the European Development Finance Institutions' Principles for Responsible Tax in Developing Countries.

Principle 12: Travel and Expense Reimbursement

All business travel undertaken, and business expenses incurred by the PIDG Trust and PIDG Companies must be reasonable and appropriate having regard to PIDG's aims and accountability for use of public funds.

More details can be found in the **Travel and Expense Reimbursement Operating Policy and Procedures**.

Principle 13: Raising concerns

PIDG is committed to upholding high ethical and legal standards and has zero tolerance for misconduct and other wrongdoing anywhere in the organisation.

Examples of misconduct or wrongdoing include any form of bullying, harassment, abuse, harm, exploitation or neglect, any actual or suspected breaches of this Code or the OPPs, and any actual or suspected breaches of applicable laws and regulations.

We encourage people to speak up and raise concerns about wrongdoing confidentially and without fear of retaliation.

More details can be found in the **Complaints and Whistleblowing Operating Policy, Complaints Procedures and Whistleblowing Procedures**.

Governance**Principle 14: Risk Management and Internal Control**

PIDG shall determine the nature and extent of the developmental, business, operational and financial risks that it is willing to take in achieving its strategic objectives and maintain a framework to manage such risks in line with its aims.

Environment**Principle 15: Environmental and Social Sustainability**

PIDG is committed to ensure that the projects it finances and invests in are assessed and developed in a manner that is socially responsible and reflective of sound environmental management practices. Negative impacts on the environment and ecosystems, and project affected communities shall be avoided where possible. If these impacts are unavoidable, they shall be reduced, mitigated and/or compensated for appropriately. PIDG shall seek opportunities to achieve positive environment, climate change and social impacts from its activities.

PIDG shall promote responsible environmental stewardship and socially responsible development. As a minimum we adopt the International Finance Corporation Performance Standards on Social and Environmental Sustainability. Our strategies are designed to the United Nations Sustainable Development Goals.

PIDG is a signatory to the Operating Principles for Impact Management and is a supporting organisation to the Task Force on Climate-related Financial Disclosures.

More details can be found in the **HSES Policies**.