



THE YOUNG FOUNDATION ETHICAL POLICY

Owner: Director of Finance and Corporate Resources

Last Updated: July 2023

Next review date: July 2025

Scope

1. This policy guides how The Young Foundation makes decisions in all areas of its operations. This policy refers to:
 - the acceptance of funding
 - procurement of goods and services
 - bodies to which The Young Foundation makes grants
 - bodies or funds in whom The Young Foundation invests
 - partnerships, contractors and commercial contracts
2. In addition, it governs how we operate internally. In all our actions, we put our beneficiaries first. The Executive is responsible for day-to-day due consideration to ethical issues. However, the trustees have legal responsibility. Staff and trustees making decisions in relation to these areas must abide by this policy.

General principle

3. **The Young Foundation and its employees will, at all times, demonstrate the highest levels of integrity, truthfulness, and honesty in order to uphold both personal and organisational reputations and to inspire confidence and trust in their respective actions. The Young Foundation will conduct its business in a competent, fair, impartial, and efficient manner.**
4. This policy applies to and should be read in conjunction with the policies The Young Foundation has in place, including, but not limited to:

- **Equity, Diversity & Inclusion Policy** We expect those we work with to share our vision and enthusiasm for driving forward equity, diversity and inclusion.
- **Pay Policy** We pay at or above the London Living Wage. We expect our supply chain and partners to do the same.
- **Recruitment Policy** We recruit to this policy, which has fairness at its core.
- **Health and Safety Policy** We expect partners to comply with the law, as a minimum.
- **Safeguarding Policy** We are committed to protecting the welfare of our staff and beneficiaries and all vulnerable individuals with whom we come into contact.
- **Anti-Fraud and Bribery Policy** We have a zero-tolerance policy to bribery and fraud and processes in place to deal with it, should it arise.
- **Staff Handbook** We have a range of policies which create a fair, equitable and supportive environment for colleagues.
- **Data Protection** We commit to adhering to UK GDPR, tailored by the Data Protection Act 2018.
- **Carbon Reduction Plan** Net Zero by 2026.

Accepting funding

5. Trustees are under an overall legal duty to consider which course of action will be in the charity's overall best interests, including the issue of accepting or refusing donations and funding. The law allows practical and ethical factors to be taken into account as long as they are relevant to the specific charity and situation. **However, donations to charities can, and should, only be refused in exceptional circumstances.**
6. The Charities Act 1992 states that Trustees can refuse donations if they are not in the best interests of the charity to accept. In deciding whether to accept or refuse a particular donation, the law requires Trustees to carefully consider, based on relevant law (including anti-money laundering legislation) and the evidence available to them, which course of action will be in the charity's best interests. The law allows practical and ethical factors to be considered where they are relevant to the charity's charitable objects. In exercising this power, the Trustees must not allow personal views or prejudices to affect their conduct and decisions.
7. Donations should only be rejected when:
 - it would be unlawful to accept it (eg, the organisation knows that the gift comprises the proceeds of crime); or

Shaping a fairer future

We are the UK's home for community research and social innovation

The Young Foundation is a registered charity in England and Wales. Our charity number is 274345. We are also a company limited by guarantee. Our company number is 1319183.

- accepting the donation would be detrimental to the achievement of the purposes of the organisation, as set out in its constitution. This anticipated detriment must be set against the benefit of having the funds from the donor, which would enable the organisation to pursue its purposes.

8. The Young Foundation actively seeks opportunities to work with individuals and external organisations to achieve shared objectives. It is vital, however, that we act primarily to further our own objectives and we do not allow individuals and external organisations to bring our name into disrepute. The Young Foundation therefore, accepts financial support from, and works in partnership with public sector organisations, companies, and grant-making trusts, on the following conditions:
 - a. there will be a resultant benefit to those we serve, either directly (for example, through the direct delivery of programmes and initiatives) or indirectly (for example, through campaigning and awareness raising),
 - b. we are satisfied that neither the independence nor the integrity of The Young Foundation would be compromised by accepting such support, and
 - c. we are satisfied that any publicity that results from accepting such support will be beneficial to The Young Foundation

Social investment

9. The Young Foundation manages a small portfolio of social investments: The Young Academy Social Investment Fund. The fund is fully dispersed with investment returns flowing back into the reserves of the Charity. Any Young Foundation commitment to social or impact investments of all kinds are only made to mission-locked or assetlocked organisations in the United Kingdom who can confidently and robustly demonstrate both social and financial returns as a result of their activities.

Securing funding from the Private Sector

10. The Young Foundation will consider the following when securing funding from private sector companies or investors:
 - a. provenance of funding and contracts from private sector sources: In line with the 'Know Your Donor' guidelines from the Charity Commission, The Young Foundation will not accept or solicit any funding where the trading activities of the company are knowingly and blatantly harmful to employees, suppliers, their stakeholder communities, or the environment.



- b. Consideration will also be given to a company's:
 - i. involvement in unsafe or precarious working practices
 - ii. activities with adverse impacts on supplier or stakeholder communities
 - iii. poor record of or poor commitment to minimising their environmental impact
 - iv. stated intentions and likely outcomes of working in partnership with The Young Foundation.

Securing funding from endowed foundations

11. Some Trusts and Foundations and their endowments stretch back centuries and the provenance of the sources of their wealth be problematic, particularly with regard to slavery. Sometimes the provenance of original wealth is not possible to determine. The Young Foundation will accept funding from all Trusts and Foundations which:

- a. hold charitable and funding objectives are fully aligned to supporting communities across the UK, particularly groups who are marginalised or underrepresented or who have historically been placed at a disadvantage in UK Society.
- b. may also show evidence that the Trust or Foundation having taken steps to explore and share knowledge relating to the roots of its wealth

Securing funding from political parties

12. The Young Foundation will not accept or solicit funding from any political party in the UK or any other country.

Investments of The Young Foundation funds

13. The investment of The Young Foundation funds must be invested in line with the following considerations:

- The fund is designed for charities who want to align their investments with their charitable mission and to invest for a better future.



- The fund measures and reports on its impact on people and planet.
- Is a committed sustainable investor and demonstrates the impact of their investment portfolio, benchmarked against a global equity index.
- The fund will not invest in companies which fail to meet the responsible investment criteria defined as companies involved in the following activities.
 - – alcohol (>10% revenues)
 - – armaments (>10% revenues)
 - – fossil fuels: extraction, production and refining of coal, oil and gas (>10% revenues)
 - – gambling (>10% revenues)
 - – high interest rate lending (>10% revenues)
 - – human embryonic cloning (>10% revenues)
 - – indiscriminate weaponry (no tolerance)
 - – pornography (>3% revenues)
 - – tobacco (>10% revenues)

Giving and receiving gifts and entertainment

14. Employees will neither seek nor accept for themselves or others any gifts, favours, or entertainment without a legitimate purpose from any person or business organisation. If such a gift is offered, employees must contact the relevant Director, CEO or Finance Director for guidance. All gifts offered in excess value of £25.00 must be declared and approved, prior to acceptance.

Government, regulators, and legislators

15. The Young Foundation will seek to comply with all international, national, and local legislation affecting its operations. It will strive to follow the best practice in charitable governance. It will not make any financial contributions or offer support to any political party.



Suppliers

16. Suppliers will be chosen on the basis of factors such as price, quality, service and the opportunity to drive social impact through procurement (including but not limited to procuring social enterprises and other mission-locked organisations). Honesty and openness will be paramount in the company's dealings with its suppliers. When procuring SME's for services, we will follow the guidance of the Prompt Payment Code to ensure a supplier never waits longer than 30 days for payment, on receipt of invoice.
17. Consideration will be given to the supplier's:
 - i. involvement in unsafe or precarious working practices
 - ii. activities with adverse impacts on supplier or stakeholder communities
 - iii. poor record of or poor commitment to minimising their environmental impact
 - iv. stated intentions and likely outcomes of working in partnership with The Young Foundation.
 - v. Exposure to hostile regimes
18. It is the responsibility of the manager requesting the new supplier to ask these questions.

Partnerships, funders and commercial contracts

19. The provisions of this framework apply to all agreements and contracts with funders, partners and other contractors. Prior to the signing of any agreement or contract, it is the responsibility of the Project Director to ensure that this framework is reflected in those agreements and is reinforced in meetings with the other party. The project director will ensure that the expectations around third party behaviour are clear to that party. Any ethically inappropriate behaviour on the part of a third party should be reported immediately to the project director.
20. It is the responsibility of the project director to consider the other party's:
 - i. involvement in unsafe or precarious working practices.
 - ii. activities with adverse impacts on supplier or stakeholder communities.
 - iii. poor record of or poor commitment to minimising their environmental impact.
 - iv. stated intentions and likely outcomes of working in partnership with The Young Foundation.
 - v. exposure to hostile regimes.

21. It is the responsibility of the manager requesting the new relationship to ask these questions.

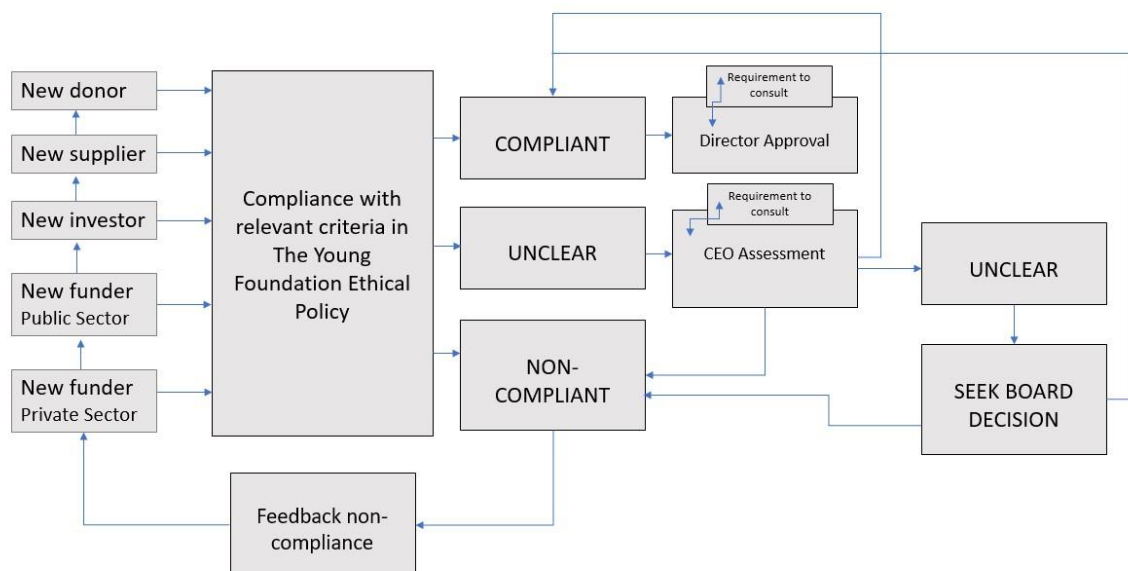
Reporting of ethical matters

22. The Executive will make decisions on ethical issues through this policy. Any decisions which may lie outside the parameters of this policy, or present ethical dilemmas will be reported to the Board of trustees as they arise, for approval. See appendix.
23. No decision should be made unilaterally. Project Directors are required to consult with the wider SMT, where compliance with this policy is unclear.

Transparency

24. All funders are listed in the Annual Reports of The Young Foundation and are available on the Charity Commission website [here](#).
25. If a manager or director is in any doubt, they should refer a decision regarding ethics to the Chief Executive. The Chief Executive should consult the trustees, if they are in doubt.

Appendix: Decision Flow Chart



References:

Accepting Donations: [iof-acceptance-refusal-and-return-a-practical-guide-to-dealing-withdonations-\(5\).pdf \(ciof.org.uk\)](#)

Prompt Payment Code: <https://www.gov.uk/government/news/government-tackles-latepayments-to-small-firms-to-protect-jobs>