## Due Diligence Framework for External University Activity

This document provides a framework to assist in providing assurance from an ethical and reputational perspective when colleagues are engaging in collaborative or partnership type activities with external parties. 'Activities' may be domestic or international and funded or non-funded arrangements. They include but are not limited to donations, research or educational projects, partnerships or commercial arrangements. The framework takes into account guidance provided by UUK for institutions on the considerations and measures they should take to guard against hostile interference and promote academic freedom when undertaking international collaborations.[1] The framework has particular relevance for colleagues in Business Development and Enterprise, Education, Research Strategy and Development, NU Advancement, International Office and other colleagues involved in collaboration with external individuals or organisations.

The purpose of the document is to outline considerations to be taken into account when thinking about entering in to a formal or informal partnership with external individuals or organisations, clarify due diligence processes and introduce a consistent escalation process where reputational concerns regarding proposed activities are apparent. As a minimum, considerations should ensure potential activities align to the University's strategic vision, objectives and values, assess the level of risk presented by the proposed partnership / activity and highlight whether any risk to be taken is commensurate with the benefits that partnership/activity will bring.

Although this framework is primarily for use in relation to University's activities, it is designed in such a way as to also provide guidance for colleagues working on behalf of organisations such as joint ventures which are closely related to the University.

The defining feature of the framework is that both the external individual or organisation and the nature of the proposed activity must be verified and approved with an appropriate level of scrutiny and authority proportionate to the potential risk(s) presented before any agreement is entered in to.

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[1] UUK: Managing risks in Internationalisation: Security related issues

| Stage 1 – Due diligence |
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Depending upon the type of activity, (e.g. a donation, research project or commercial agreement) specific processes may already be in place and must be followed in order to ensure that appropriate due diligence / ethical issues are considered as part of the approval process. See links below. (In any cases of doubt or ambiguity the Principal Investigator, Education lead or equivalent must seek advice from the named Approving Officer: see below)

**Research and research related activities such as Consultancy and CPD**

Ethical review: See further
Trusted Research: See further

**Education**

Educational Partnerships: See further

**Donations**
Acceptance of Donation policy – See further

In addition to these processes, consideration should be given to whether the proposed activity poses a reputational risk, based on a consideration of whether any of the following characteristics apply:

- Caution location (including of beneficial owner and / or linked businesses) (See statement at foot of this document)
- Caution activity[2] (See statement at foot of this document).
- Expected value over £10,000 for any donation

**In the majority of cases, no further action will be necessary**. However, if any of the above characteristics apply, a formal due diligence report will be commissioned by the relevant Professional Service before the activity progresses[3].

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[2] This may relate to the proposed collaborative activity and/or other activities carried out by the proposed partner.
[3] In rare circumstances it may be clear that a proposed activity should not be progressed without the need for further due diligence.

## Stage 2 – Full due diligence

A due diligence report will be actioned by the relevant Professional Service. The following minimum information will be obtained before proceeding with the partnership:

- Key personnel
- Linked businesses
- Confirmation of regulatory compliance including sanctions and adverse compliance
- A completed check of partner activity

Following receipt of a due diligence report, approval to proceed **must** be sought from an authorised Approving Officer.

Approving Officers will review the proposed activity in line with the Principles for Engagement attached in Appendix 1.

**Approving Officers:**

- Donations and philanthropy: Director of Advancement / Registrar
- Research partnerships: Director of Research Strategy & Development
- CPD, consultancy and overarching business and other partnerships: Director of Business Development & Enterprise
- Educational relationships including formal home and international educational partnerships and placements: Academic Registrar
- Other international student placements and educational relationships: Head of International Relationships & Partnerships
- Engagement partnerships involving Voluntary, Community and Social Enterprise Organisations : Head of Engagement

Approving Officers will consult with others, including the International Office where required and the Insurance Manager.

Proposed activities will be referred to University Executive Board by the Approving Officer if any of the following apply:

- Donation over £100,000 where the Director of Advancement / Registrar deem this necessary
- The Approving Officer identifies significant concerns that could adversely impact the reputation of the University, informed by the Principles of Engagement (Appendix 1). (For research or business development activity this may follow consultation with the BEIS Research Collaboration Advice Team (RCAT)).

Notes:

- Due diligence **must not** be carried out by a colleague directly involved in the project or partnership subject to the report.
- A minimum level of training will need to be provided to any colleague with responsibility for conducting due diligence reports.
- A limited trial of external provision of identity and key information verification, due diligence and risk-ranking commenced in May 2022. The trial will focus mainly on NU Advancement partnerships, but due diligence reporting will be available to other units on request.
- A common system for confidential recording and sharing of due diligence reports will need to be put in place – it is proposed that this is overseen by the University Executive and Governance Office
- An informal advisory panel of colleagues with an appropriate range of expertise will be introduced to provide additional advice and support to Approving Officers and University Executive Board where necessary.

## Stage 3 - Approval to progress

| Green – Proceed with proposed activity | Amber – Refer to Executive Board | Red – Activity must not progress |
|---|---|---|
| <ul><li>No serious concerns</li><li>Approval to proceed given by Approving Officer</li></ul> | <ul><li>Serious concerns identified by Approving Officer</li><li>Donation over £100,000 where deemed necessary</li></ul> | <ul><li>Proposed activity rejected by University Executive Board</li></ul> |

**Caution activities**

The policy of the University is not to accept funding for any aspect of its activities where the values of the funder are believed to be inconsistent with those of the University. To give a specific example, it is in the highest degree unlikely that the University would accept funding from any company engaged in the manufacture of tobacco products, given that it would be extremely difficult to believe that the motives of such companies did not include the increase in sales of their products, which are now known to be both addictive and extremely hazardous to health. There are, however, many cases where so clear a policy is more difficult to enunciate; this is particularly true of multi-national companies or organisations, which may be engaged in a very wide variety of activities, most of which are perfectly acceptable. There should be consideration of a (prospective) collaborator's ethical policy, which is sometimes set out in publicly accessible documents, and its ethical record in the light of this should be assessed before engaging in any activity with Newcastle University. In cases of doubt or ambiguity, the colleague(s) involved owe a clear duty of care to the University; they must consult the relevant Approving Officer for advice. In cases where concerns remain, due diligence and referral processes will be followed as appropriate.

Examples of caution activities which are likely to require further due diligence are listed below:

- The production, processing or distribution of:
    o tobacco and nicotine based products;
    o pornography
    o gambling, related equipment and infrastructure
    o weapons, ammunition, arms and military or police equipment or infrastructures
- The exploration and/or extraction of fossil fuels and other minerals
- Activities that involve deforestation or other forms of natural resource exploitation
- Businesses targeted at economically disadvantaged people charging very high interest rates

**Caution location**

Organisations headquartered in countries of potential concern. This is based on a number of externally published indexes such as the UN Sanctions List and Country Corruption Index and will be updated on a regular basis. See further: Research Strategy and Development - Trusted Research - List of countries (sharepoint.com)

**Appendix 1**

**Engaging with prospective partners in 'Caution Locations' or involving 'Caution Activities'**

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**Five [suggested] principles to inform decision-making and activity:**

1) We should seek out and prioritise opportunities which **actively (not passively) align with our values** and which help deliver value-led collaborations.
2) We should use the **UN Sustainable Development Goals (SDGs)** as a framework within which to review and define collaborative opportunities, to ensure a values-led approach
3) We should ensure that **current and prospective partners are aware of our commitment to our core values**, particularly as they relate to academic freedom, diversity and social justice
4) There should exist **compelling academic reason(s)** for activities, accompanied by named sponsors/owners of activities
5) We should enter new collaborations or new phases of collaboration having made plans for **exit or pause strategies**, the circumstances in which we would invoke that, and the implications of ceasing or pausing activities at short notice

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**In more detail: principles and questions to consider**

| Principle | Possible questions to consider |
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| 1) We should seek out and prioritise opportunities which **actively (not passively) align with our values** and which help deliver value-led collaborations. | • Can we draw clear links between what is being proposed and our core and aspirational values?<br>• Is this authentic: could we evidence (and/or defend) this?<br>• Despite potential academic benefits, could the proposed activity be perceived as aiding in the reputation cleansing of a government of a Caution Location country (e.g. greenwashing, sportswashing, etc.)? How comfortable are we with that? If yes, how could that be mitigated?<br>• How might this collaboration be perceived by or affect different sections of our community? Could we defend the collaboration within a values-led framework?<br>• Should we undertake some consultation with key networks on the proposed collaboration (e.g. NU Women network, Rainbow Network, as appropriate, etc.)? |
| 2) We should use the **UN Sustainable Development Goals (SDGs)** as a framework within which to review and define collaborative opportunities, to ensure a values-led approach | • Can we say (with authenticity) that the proposed collaboration genuinely has potential to enhance global progress towards achieving SDGs? How might we evidence that? |
| 3) We should ensure that **current and prospective partners are aware of our commitment to our core** | *(To note: this is linked to principle (5) – if we make this explicit in agreements and our commitment to our values is subsequently breached during the collaboration, we have clear grounds to cease or pause activity)* |

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|---|---|---|
| | **values**, particularly as they relate to academic freedom, diversity and social justice | • Can we say with confidence that the current/prospective partner is aware of our core values and the implications of breaching those?  How can we evidence that? |
| 4) | There should **exist compelling academic reason(s)** for activities, accompanied by named sponsors/owners of activities | • How does this collaboration contribute to our research and/or education goals?<br>• Does it have sufficient levels of academic ownership, with appropriate levels of expertise? |
| 5) | We should enter new collaborations or new phases of collaboration having given due thought to **exit or pause strategies**, the circumstances in which we would invoke that, and the implications of ceasing or pausing activities at short notice | • What might be some 'red lines' associated with this particular project?<br>• How will the ethical and reputational considerations be monitored, by who, and how regularly?<br>• Are there specific trends or issues (based on concerns) that should be more closely watched?<br>• Do we have the regional and political expertise to be able to manage this collaboration, if things go wrong?<br>• Do we have the institutional agility to respond to these 'red lines' and the associated impact of pausing or ceasing activities?<br>• In what circumstances might we invoke government, legal, or other external input? |

# A framework for determining when to make public statements on national and international events

**Background**

The University is often asked to make institutional statements, primarily on social media and staff and student channels, around national and international events.

These are often political or linked to natural disasters or international conflict and there is an expectation for 'The University' to show solidarity and concern.

On some occasions these help to highlight our commitments to social responsibility and promote causes where we can take a lead, in line with our values, as well as the potential power of these events to engage or support our audiences. A good example of this is our work around Ukraine and the wider support we have put in place for those seeking refuge from conflict.

However, where there is no positive action behind a statement or where a decision is being made because of external pressures alone, the resulting statement is largely performative and can be reputationally damaging if it is seen as little more than virtue signalling.

There is also a recognition that we need to avoid over-saturating our audiences, sharing information with the right people, at the right time and in the right way.

**Consistency** and **clarity** in our approach is essential. It will be by this that we are judged publicly, almost more than by what we say. We must be clear why we have said no to certain requests to make a public statement – as we did around the death of Sarah Everard and the Reclaim the Streets movement – and why in other cases we have said yes, as we did in our response to the George Floyd murder and the very specific trauma for students and colleagues in the context of our own anti racist work.

This document seeks to lay out a framework - some basic questions and principles - to help Communications and other Executives make decisions about when to show public support. It is deliberately not a policy as this can be restrictive in a situation where we need to be agile and every case must be considered on its own merit.

**Framework**

In making a decision, there are five structural questions to guide our decision-making:

**1. Does the issue align with our Vision and Values?**
eg Social and Environmental Justice, our Sustainable Development Goals.

**2. Can we meaningfully influence the issue?**
This would mean we have policies in place to address the issue or a significant research interest in the area. If we are not seen as competent or leading in an area we will be open to backlash.

**3. Does this event directly affect the University?**
We need to filter our reaction to news stories/social media/direct emails against whether they directly affect staff, students or our operations.

At any one time there are many troubling, often conflicting, events in the news. On a daily basis there is some justification for us to comment on dozens of these (whether they are about minority

groups, our wider city region, or the countries our students/colleagues come from). We could not – and should not – cover everything.