

Chemonics' Supplier Code of Conduct

At Chemonics, integrity and honesty are the foundations of our work. We take great pride in our high-quality development impact and choose to work with business suppliers who share our commitment to honest and responsible business practices. Chemonics' Supplier Code of Conduct sets out our company's ethical expectations of our suppliers, subcontractors, grantees, vendors, and other authorized representatives (hereafter referred to collectively as "suppliers") who conduct business with or on behalf of Chemonics. Suppliers must always conduct their business interactions and activities in accordance with the below principles; if your company has a more expansive code of conduct, you should follow both codes.

Suppliers are expected to comply with all the laws and treaties of the countries in which they operate. Chemonics expects suppliers to abide by the ethical behaviour and business practices in accordance with values below:

Treat Others with Respect and Dignity

Suppliers are expected to maintain an open and positive workforce that treats one another with utmost understanding, dignity, and respect and that is free of verbal and physical violence, harassment, sexual exploitation or abuse. Suppliers and their personnel are strictly prohibited from engaging in any form of trafficking in persons (TIP) at any time, defined as the recruitment, transfer, or harbour of any person by means of threat, use of force, or coercion for the purpose of exploitation or procuring commercial sex acts. Suppliers must also strictly follow local and international laws and standards related to child welfare and protection and explicitly prohibit their employees and consultants from engaging in child abuse, exploitation, or neglect. Suppliers are expected to support the principles established under the United Nations Universal Declaration of Human Rights by ensuring basic human rights of individuals and groups with whom we interact are protected, and particularly with regards to vulnerable people, both adults and children.

Supplier requirements: All suppliers must show proof of an anti-bullying, anti-sexual harassment, exploitation, and abuse policy, regardless of whether or not they work with children or vulnerable adults.

If the supplier works with children (persons under the age of 18) or vulnerable adults, the supplier must show proof of a comprehensive **safeguarding policy**, including the anti-bullying, anti-sexual harassment, exploitation and abuse policies, and anti-trafficking in persons policy. **The supplier should conduct training and awareness for current employees on an annual basis.** Further information on what a comprehensive safeguarding policy must include can be found in Annex 1.

Suppliers must also show proof of their processes for staff to report, including anonymously, and raise concerns related to suspected misconduct, illegal acts, or abuse. Such process should include a related policy for anti-retaliation and include processes if the individual raising concerns is one who normally manages internal complaints. Suppliers should detail in their policies which body/department/internal authority is charged with overseeing safeguarding concerns and how concerns and allegations are tracked and managed. In addition, suppliers must abide by contractual requirements for immediately reporting any alleged or suspected safeguarding violations to Chemonics.

Be a Good Business Supplier

Suppliers are expected to deal honestly and transparently and represent their services and qualifications accurately and without exaggeration. Suppliers are expected to fulfil contractual obligations and other business commitments in good faith.

Supplier requirements: Suppliers must demonstrate how they provide their code to all staff and conduct training on an annual basis for their staff on ethical expectations, risks and acceptable/unacceptable conduct, particularly as they relate to the supplier's areas of work.

Keep Complete and Truthful Records

Suppliers are expected to comply with International Aid Transparency Act (IATA) requirements to ensure transparency in how funds are spent. Suppliers are expected to record transactions, work time, and expenses truthfully and accurately and ensure all documents, including any work products or deliverables, submitted to Chemonics are never altered, exaggerated, or contain falsified information. Suppliers are expected to pay their delivery suppliers within 30 days of a valid invoice or according to any agreed upon contract terms. Suppliers must implement due diligence processes to provide assurance that UK Government funding is not used in any way that contravenes the provisions of the Terrorism Act 2000, and any subsequent regulations pursuant to this Act.

Supplier requirements: Suppliers should be able to show proof of prompt payment policies (as detailed above) to their downstream suppliers.

Handle Assets Properly

Suppliers must use equipment provided by Chemonics or a Client properly and responsibly; Chemonics or Client assets should never be used for illegal activity, gambling, pornography, or outside business interests. Supplier shall be responsible for all loss or damage to equipment other than that caused by fair wear and tear. The supplier shall notify Chemonics immediately when the Supplier becomes aware of any loss or damage to equipment. Suppliers must use information provided through Chemonics systems for Chemonics business purposes only, protect all proprietary and sensitive information, and follow the laws governing the use of intellectual property, including software licenses, patents, copyrights, and trademarks, in their country(ies) of registration and operation. Suppliers must maintain high levels of data security in accordance with the Data Protection Act 1998 and any subsequent regulations pursuant to this Act, or new Act and with the General Data Protection Regulation (Directive 95/46/EC).

Supplier requirements: Suppliers shall track FCDO-funded inventory and assets through an inventory tracker and keep an up to date inventory of their equipment, its condition and location and make such inventory available to Chemonics upon request. Suppliers should provide a copy of their information security/data privacy policy and how that policy is communicated to all their employees.

Maintain Objectivity in Decision-Making

Suppliers are expected to maintain professional objectivity by avoiding financial, business, and personal conflicts that might appear to compromise their ability to render fair, impartial judgments on behalf of our Clients. Suppliers must disclose all potential conflicts of interest as soon as they are known and freely and promptly work with Chemonics to resolve conflicts in a mutually satisfactory way. Conflicts of interest are defined as a family, personal, or financial interest, or an ownership interest in another entity, that would conflict with Chemonics or client business interests. Suppliers are prohibited from giving preferential treatment related to friends, family, (defined as a spouse, parent, brother, sister, child, grandparent, parent-in-law, sister-in-law, or brother-in-law), or business suppliers in recruitment, procurement, grant award and/or subcontracting decisions.

Supplier requirements: Suppliers must demonstrate proof of process and policy for staff to disclose all potential conflicts of interest, such as in their recruitment and hiring process and procurement of goods or services. Suppliers must then disclose all potential conflicts of interest to Chemonics as soon as they are known and must submit proof of their policy for how they manage actual and potential conflicts of interest on an annual basis.

Refrain from Unnecessary Business Favours

Suppliers should not accept or offer business courtesies of any value if they could be perceived as influencing business decisions or affecting objectivity. Suppliers must abide by FCDO, and other clients' restrictions on gifts, services, entertainment, or other benefits to U.K. and other government employees.

Supplier requirements: Suppliers must be able to show proof of an anti-bribery and anti-fraud policy, including management of gifts, and a policy of zero tolerance for tax evasion.

Uphold the Integrity of Procurement Process.

Suppliers are prohibited from obtaining government source selection information or contactor proposal information that is not publicly available. Source selection information includes competitive range determinations, rankings of proposals or competitors, and reports or evaluations of government source selection panels. Suppliers are expected to keep supplier pricing confidential and not provide special treatment to any vendor.

Supplier requirements: Suppliers must demonstrate that, if requested, they have the appropriate policies in place to ensure sound and ethical procurement of goods and services, which meet the requirements described above, including promoting fair competition. Suppliers should conduct routine internal reviews of their financial and procurement records. Suppliers must be able to demonstrate their process for informing staff of FCDO's reporting concerns mailbox and proof of sharing the information downstream (including to staff and vendors). As requested, suppliers must be able to demonstrate how their funds move to third party or other vendors who receive funding as part of the supplier's work with Chemonics.

Promote Fair Competition

Suppliers are expected to rigorously observe the laws and regulations in their country(ies) of registration and operation that prohibit competition-inhibiting practices and only use legitimate and legal practices in conducting business. Suppliers are expected to arrive at prices submitted to Chemonics independently, without disclosing these prices to any other organisation that is submitting a proposal. Suppliers should never enter into price-fixing agreements or understandings with competitors engage in other collusive bidding practices.

Supplier requirements: As mentioned under "Uphold the Integrity of Procurement Process," suppliers should include policies surrounding price-fixing and fair competition in their procurement policies.

Exercise Integrity in Hiring.

Suppliers are expected to competitively recruit staff person in all job titles based on equal opportunity and free from discrimination with regards to race, colour, religion, age, national origin, disability, or sex. Suppliers are prohibited from requesting money in exchange for a job. Suppliers must provide a safe and secure work environment and take meaningful steps to protect employees, visitors, clients, property, funds, and other assets. Suppliers shall not enter into employment discussions with any current or former U.K. government employee without a written ethics opinion issued by the government establishing the permissibility of their proposed work with supplier and any restrictions on their work.

Supplier requirements: Suppliers must have an internal staff recruitment, management, and retention policy. This policy should address how the supplier handles conflict of interest mitigation and reporting in their hiring practices and their practices for on-going monitoring of potential or existing personal, business or professional conflicts of interest. Suppliers' policies must address their processes for employing former FCDO or Crown employees in compliance with HMG approval requirements and must address a policy of anti-discrimination when hiring and employing. Recruitment policies must also address care for safeguarding requirements, which are including in further detail in Annex 1.

Follow UK Bribery Act and Local Laws and Agreements on Corruption.

Suppliers are prohibited from paying or offering bribes or anything of value to government officials to influence business decision making. Unofficial facilitating payments of any kind to individual government employees, either directly or via third parties such as customs brokers and visa facilitators, are also prohibited. Suppliers are expected to promote anticorruption principles and never offer, provide, solicit, or accept anything of value to improperly obtain or reward favourable treatment on a government contract or subcontract. Suppliers must be committed to high environmental standards and comply with all applicable domestic and international environmental laws, work to reduce the environmental impact of their operations, and safeguard natural resources.

Supplier requirements: As mentioned above, suppliers must be able to show proof of an anti-bribery and fraud policy, including management of gifts, and adherence to UK and in-country tax requirements

that includes a policy of zero tolerance for tax evasion. Suppliers' anti-bribery policies must clearly state that unofficial facilitating payments for which no receipt is issued are strictly prohibited. Suppliers should vet government service providers such as visa and licensing consultants.

Suppliers are required to immediately report concerns, allegations and/or observations of any misconduct such as sexual harassment, sexual exploitation and/or abuse, bribery, corruption, undisclosed conflicts of interest, theft or embezzlement, and fraud to Chemonics Office of Business Conduct.

Chemonics and UK laws strictly prohibit retaliation in any form for honest and appropriate reporting of suspected misconduct.

Contact Information

If you have any questions regarding this Supplier Code of Conduct or would like to report a concern, please contact Chemonics' Office of Business Conduct via one of the following methods:

Email: businessconduct@chemonics.com

Online: www.chemonics.com/reporting

Phone/Skype: 888.955.6881

WhatsApp: 202.355.8974

Report directly to FCDO's Counter Fraud Section through one of the following methods:

Email: reportingconcerns@fcdo.gov.uk

Phone: +44 1355 843747

ANNEX 1

Comprehensive Safeguarding Policy

All suppliers, subcontractors, grantees, vendors, and other authorized representatives (hereafter referred to collectively as "suppliers") are encouraged to have a comprehensive safeguarding policy. All suppliers who receive funding through a UK-funded programme MUST follow the below guidance to develop a comprehensive safeguarding policy. This policy is required for any supplier that receives funding from a UK-funded programme AND that works itself with children and/or vulnerable adults or any supplier whose downstream partners work with children or vulnerable adults. Criteria and guidance for each subset of a comprehensive safeguarding policy is given below as a guide to ensure they have addressed FCDO's, and Chemonics' concerns in their policies.

At a minimum, it is expected that the supplier's safeguarding policy include the following components:

Commitment to safeguarding. Suppliers should be able to demonstrate, in a company-issued statement, their commitment to safeguarding. Suppliers should include messaging on how they track safeguarding issues, including past and current concerns.

If the supplier has a corporate safeguarding officer or point of contact, they should note that clearly in their policy and how the officer reports to senior leadership and/or a board of directors should be detailed, such as how often the information is reported. A clear process for how staff and beneficiaries can submit concerns or allegations and then how the supplier investigates such claims should be included. Suppliers should detail how they provide safeguarding training to current and new hire staff, including how they track completion of such training in their organisation.

Child protection and vulnerable adult protection policy. Suppliers must prohibit employees and their own downstream partners from engaging in or furthering acts of sexual exploitation, abuse, or engaging in sexual activities with any beneficiary or anyone under the age of consent. The supplier is expected to expressly prohibit any trafficking in persons in any form. It is expected that suppliers commit

to the safety and security of their employees and beneficiaries and actively promote safe environments in which they conduct business.

In addition, the supplier must promote and employ child-safe screening procedures in their recruitment process for new hires, especially for any candidate whose work involves direct contact with children. Policies should include a commitment to strictly follow international laws related to child welfare and protection and a commitment to reducing the risk of child abuse, exploitation, or neglect in carrying out projects and activities. Lastly, suppliers must commit to reporting any and all allegations and potential violations of child abuse, exploitation, or neglect to Chemonics and the suppliers' proper channels for safeguarding oversight.

Anti-slavery policy (modern day slavery policy). Suppliers are expected to expressly prohibit any staff member, contractor, or vendor from engage in any form of trafficking in persons, procure commercial sex acts, destroy, conceal, confiscate, or otherwise deny an individual access to their identity or immigration documents, use misleading or fraudulent practices during the recruitment of employees or offering of employment under the project, including charging recruitment fees. The supplier must commit to terminating any relationship that is found to have committed a violation of this policy.

Recruitment policy. As mentioned above under "Exercise Integrity in Hiring," Suppliers must be able to demonstrate written policies regarding their practices for fair recruitment, hiring, and retention of staff. Policies must align with local labour law, at minimum. Suppliers should be able to demonstrate practices surrounding hiring candidates with safeguarding responsibilities, such as specific questions in the interview and reference check process tailored to safeguarding. Suppliers' policies should include mandatory references and should note if criminal background checks are required and/or if probationary periods of employment are company policy.

Ethical behaviour policy, including:

Anti-sexual harassment, exploitation, and abuse policy. The Supplier is expected to expressly prohibit unwelcome sexual advances, requests for sexual favours, and all other verbal or physical conduct by any individual toward any other individual, where submission to such conduct becomes a term or condition of employment or the basis for any employment decision, or where the conduct creates an intimidating, hostile, or offensive working environment. The supplier should make clear no promotions or change in status of job will be made on the basis of provision or denial to sexual advances.

Sexual harassment may include sexually oriented kidding, teasing, or jokes; repeated offensive sexual flirtations, advances, or propositions; obscene or sexually oriented language or gestures; display or circulation of obscene or sexually oriented images; and offensive physical contact such as grabbing, patting, pinching, or brushing against another's body. Any hostile conduct based on gender or gender identity is also forbidden by this policy, regardless of whether the individual engaging in the harassment and the individual being harassed are of the same or different genders or gender identities. This policy forbids harassment based on gender or gender identity regardless of whether it rises to the level of unlawful conduct.

Employees who are called upon to give information in connection with a workplace investigation into allegations of sexual harassment, exploitation or abuse must comply. Failure or refusal to cooperate with a workplace investigation, including refusal to provide information or the knowing provision of maliciously false information to a workplace investigator, may be grounds for corrective action up to and including termination of employment.

Suppliers should indicate how staff and beneficiaries can report any concerns or allegations of sexual harassment, abuse, or exploitation and should indicate measures the supplier has taken so that staff do not necessarily have to report through their direct supervisor. Suppliers should also indicate their anti-retaliation policy.

Anti-discrimination and harassment policy. Suppliers should be committed to providing their employees with a work environment that is free of unlawful discrimination, including harassment on the

basis of any legally protected status. Suppliers should make clear that they will not tolerate any form of discrimination or harassment.

Prohibited conduct includes, but is not limited to, any verbal or physical conduct that may reasonably be perceived as denigrating or showing hostility toward an individual because of race, colour, religion, gender or gender identity, national origin, age, sexual orientation, veteran's status, disability, or other status protected by law. This includes, but is not limited to, epithets, slurs, negative stereotyping, or intimidation based on an individual's protected status. This also includes circulating or posting material that denigrates or shows hostility toward an individual because of his or her protected status or denigrates or shows hostility toward a protected class of individuals.

Suppliers should indicate the avenues and methods by which employees can report concerns or allegations.

Anti-violence/prevention of workplace violence policy. Suppliers should make clear that they do not tolerate violence in the workplace, which includes intimidation, threats, harassment, physical attack, property damage, or acts of violence committed against employees, clients, or vendors on company property or in the course of conducting company business. This list is not exhaustive, and suppliers may want to make explicit their policies for a weapons-free workplace and can indicate that employees may not carry any weapons in the workplace, subject to immediate termination. Suppliers should expect that all employees commit to upholding a violence-free workplace but should include the methods by which employees can report any acts of violence, internally and externally, such as to the police. Suppliers should also indicate the parties responsible for investigating workplace violence.

Anti-retaliation. The supplier should demonstrate a policy of zero tolerance for anti-retaliation against anyone who reports concerns to the organisation, FCDO, or Chemonics in good faith. Suppliers should note if anyone who exercises retaliation against an individual for reporting suspected harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is subject to disciplinary or corrective action up to and including termination. A process for staff and/or beneficiaries to report retaliation should be included in the supplier's policy.