

**I. Scope:**

Through this Third-Party Code of Conduct<sup>1</sup>, Mercy-USA strives to maintain a safe and inclusive environment for all individuals that work with, represent or benefit from our services by ensuring that all spaces are free of discrimination, disrespect, harassment, abuse, or other inappropriate and unethical behaviors.

By continuously working to uphold and guard Mercy-USA's standards, we can maintain a high quality of program delivery and impact.

Mercy-USA has a **zero-tolerance** policy towards all, and any illegal and unethical actions including but not limited to sexual and child abuse, criminal violence or terrorism, and corruption by any party we work with, for, or contract.

In its application and administration of the policy, Mercy-USA only relies on the English version of this document. Translated versions of this document are intended to improve accessibility.

**II. Intended Use and Audience:**

In the process of evaluating bids and selecting business and non-business entities to support Mercy-USA in implementing programs and services, a part of the bid evaluation and selection criteria includes a due diligence process and review of ethical and corporate standards that bidders comply with and are required to continue complying with throughout the course of their business relationship with Mercy-USA.

These standards and requirements would apply to all individual employees and representatives of the bidder as well as their parent company, subsidiaries, or affiliate entities and/or contractors.

Business and non-business entities considering working with Mercy-USA are strongly encouraged to take steps in ensuring that all their business relationships adhere to the standards set forth in this Code of Conduct and the UN Global Compact.

**III. Policy Administration and Application:**

This document complements Mercy-USA policies that address in broad terms, human rights and ethical conduct including and not limited to prevention of sexual exploitation, abuse, and harassment, anti-corruption and fraud, anti-terrorism, whistleblowing, inclusion and diversity, labour laws and anti-child labour practices, as well as climate and environmental policies.

Third parties who are found in breach of the below code of conduct will be immediately contacted and may face measures including and up to termination of contract.

To report breaches of this policy, contact [inquiry@mercyusa.org](mailto:inquiry@mercyusa.org) (or other local complaints channel).

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<sup>1</sup> For business and non-business entities in business relationships with Mercy-USA. Such as provision of aid and services, logistical and procurement support, service providers, printing, packaging, or any other business.

Mercy-USA understands that certain contexts will prevent certain business and non-business entities from having the foundation, systems, or resources to apply all parts of this policy in its full capacity or that after completion of the bidding process, no entities will be found that meet all required standards.

As such, where applicable and appropriate, certain exceptions can be made to address parts of this policy such as offering or recommending training on certain topics to selected third-party business and non-business entities selected for business relationships. These exceptions must be approved by the Procurement Department at HQ with a clear plan for how these issues will be addressed.

Where needed, donor requirements or standards, if stricter, will be applied. In these cases, Mercy-USA will notify all parties of such changes.

#### **IV. Required Training or Meetings**

Whether business entities meet or do not meet our code of conduct standards, a launch meeting will be held with individuals who will be managing the Mercy-USA contracts directly to discuss expectations and requirements over the course of the agreement term including addressing Mercy-USA codes of conducts and policies as they relate to the agreement.

Depending on the level of contact with beneficiaries, third-party business, and non-business entities and/or their personnel on the field that are selected for provision of any services for or to Mercy-USA may be required to participate in information sessions on child labour and child safeguarding as well as sexual exploitation and abuse.

#### **V. Duty to Report**

Mercy-USA considers that certain types of misconduct must be reported as a form of social duty. As such, Mercy-USA personnel, representatives, contractors, service providers or any other party/individuals it works with are **required** to report suspected or known incidences of child exploitation and/or abuse, sexual or physical harm, or violence and neglect regardless of who the perpetrator is and who they work for (i.e., Mercy-USA, the contractor or other service providers).

If a third-party is found to have known and not reported incidences, it may be subject to agreement termination. Reports can be sent to [Incidentreporting@mercyusa.org](mailto:Incidentreporting@mercyusa.org) or [safeguarding@mercyusa.org](mailto:safeguarding@mercyusa.org) (based out of HQ)

#### **VI. Other Complaints/Concerns/Whistleblowing**

Mercy-USA takes reported breaches of its policies seriously and will take immediate measures to prevent further harm or misconduct. Complaints or reports can be submitted anonymously at the discretion of the reporter. Mercy-USA takes all the necessary and reasonable measures to protect the confidentiality of individuals and parties involved in an investigation, including the reporter or complainant.

If you reasonably suspect breaches of Mercy-USA policies including fraud, corruption, sexual abuse or exploitation, or child labour, by individuals who work with or represent your business or non-business entity or by individuals who work with/represent Mercy-USA at any capacity or by any other vendors, suppliers or contractors, please send your confidential to: [Incidentreporting@mercyusa.org](mailto:Incidentreporting@mercyusa.org) or to [inquiry@mercyusa.org](mailto:inquiry@mercyusa.org) (based out of HQ)

If identified, intentional misreporting and defamation can lead to disciplinary action including and up to contract termination and prevention from future contract/procurement opportunities with Mercy-USA.

Conflicts that arise with Mercy-USA personnel during the provision of any service or activity should be reported to: [hr.eaprograms@mercyusa.org](mailto:hr.eaprograms@mercyusa.org)

Complainants will receive acknowledgement of the reported and suspected breaches of policy within 5 business days. All reports are promptly investigated, and appropriate corrective actions are taken, if warranted, after investigation. Mercy-USA may or may not engage complainants or provide updates, as deemed appropriate and necessary by the investigation team.

It should be noted that Mercy-USA does not interfere in the day-to-day management or operations of its third-party partners and will only investigate breaches of this policy, if found.

#### **VII. Confidentiality and No Retaliation**

Individuals who, in good faith, report violations of Mercy-USA's code of conduct will not suffer harassment, retaliation or adverse employment consequences. An employee or representative of Mercy-USA who retaliates against an individual who has reported a violation or breach of policy is subject to disciplinary actions up to and including termination.

Violations or suspected violations may be submitted on a confidential or anonymous basis by the complainant. Confidentiality will be protected to the greatest extent possible, consistent with the need to conduct an adequate investigation.

If identified, intentional misreporting and defamation can lead to disciplinary action including and up to contract termination and prevention from future contract/procurement opportunities with Mercy-USA.

#### **VIII. UN Global Compact:**

The Global Compact is a voluntary international corporate citizenship network initiated by the UN to support the participation of both the private sector and other social actors to advance responsible corporate citizenship and universal social and environmental principles to meet the challenges of globalization. Mercy-USA strongly encourages all suppliers to actively participate in the Global Compact. And to that end, this Code of Conduct has been developed with recognition of the importance of the ten principles of the UN Global Compact. The Code of Conduct addresses the issues included in the Compact in the areas of human rights, labour, environment and anti-corruption and interpretation of the Code should be undertaken in a manner consistent with the Global Compact. Suppliers interested in supporting the Global Compact and obtaining more information on the ten principles, can visit the Global Compact website at [www.unglobalcompact.org](http://www.unglobalcompact.org).

#### **IX. International and Local Labour Laws and Standards:**

The International Labour Standards (i.e., Conventions and Recommendations) as established by the tripartite UN specialized agency, the International Labour Organization (ILO), have served as the foundation on which much of this Code of Conduct is based. It is Mercy-USA's expectation that any

supplier providing products or services to Mercy-USA will adhere to the principles concerning International Labour Standards summarized below in **paragraphs 1-6<sup>2</sup>**.

In addition to International Labour Conventions that set a minimum standard for labour best practices, any businesses with which Mercy-USA contracts on any terms must also adhere to any local labour laws which apply.

It is preferred that when international labour laws and local labour laws contradict each other or are not aligned, that the higher standard be applied.

#### **X. Management, Monitoring and Evaluation:**

Mercy-USA expects that any suppliers, service providers, contractors and general vendors selected to work with Mercy-USA have clear goals towards meeting the standards set forth in this Code of Conduct, if they have not already yet done so.

Their HR departments should show that they have active monitoring, review, and change management in place to continuously improve their overall business operations including ensuring adherence and alignment with labour laws and this Code of Conduct.

Business and non-business entities with a proven strong track record in meeting their ethical and human rights obligations as related to their personnel and customers are more likely to be selected.

Business and non-business entities striving to work with Mercy-USA should also strive to continuously learn, improve, and change to meet their ethical obligations to all their personnel and customers.

#### **XI. Code of Conduct Articles**

##### **Labour Laws and Standards:**

- 1. Freedom of Association and Collective Bargaining:** Mercy-USA expects business and non-business entities with which it operates to recognize the freely exercised right of workers, without distinction, to organize, further and defend their interests and to bargain collectively, as well as to protect those workers from any action or other form of discrimination related to the exercise of their right to organize, to carry out trade union activities and to bargain collectively.
- 2. Forced or Compulsory Labour:** Mercy-USA expects business and non-business entities with which it operates to prohibit forced or compulsory labour in all its forms.
- 3. Child Labour:** Mercy-USA expects business and non-business entities with which it operates not to employ: (a) children below 14 years of age or, if higher than that age, the minimum age of employment permitted by the law of the country or countries where the performance, in whole or in part, of a contract takes place, or the age of the end of compulsory schooling in that country or countries, whichever is higher; and (b) persons under the age of 18 for work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of such persons.

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<sup>2</sup> 2 The full texts of the ILO Conventions and Recommendations can be accessed at:  
<http://www.ilo.org/global/standards/lang--en/index.htm>

**4. Discrimination and Inclusive Hiring:** Mercy-USA expects business and non-business entities with which it operates to ensure equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, disability, religion, political opinion, national extraction or social origin and such other grounds as may be recognized under United States law or the national law of the country or countries where the performance, in whole or in part, of a contract takes place. Mercy-USA expects business and non-business entities with which it operates to take all appropriate measures to ensure that neither themselves nor their parent, subsidiary, affiliate entities or their subcontractors are engaged in any gender-based or other discriminatory employment practices, including those relating to recruitment, promotion, training, remuneration and benefits.

**5. Wages, Working Hours, and Other Conditions of Work:** Mercy-USA expects business and non-business entities with which it operates to ensure the payment of wages in legal tender, at regular intervals no longer than one month, in full and directly to the workers concerned. Suppliers should keep an appropriate record of such payments. Deductions from wages are permitted only under conditions and to the extent prescribed by the applicable law, regulations or collective agreement, and suppliers should inform the workers concerned of such deductions at the time of each payment. The wages, hours of work and other conditions of work provided by suppliers should be not less favourable than the best conditions prevailing locally (i.e., as contained in: (i) collective agreements covering a substantial proportion of employers and workers; (ii) arbitration awards; or (iii) applicable laws or regulations), for work of the same character performed in the trade or industry concerned in the area where work is carried out.

**6. Health and Safety:** Mercy-USA expects business and non-business entities with which it operates to ensure, so far as is reasonably practicable, that: (a) the workplaces, machinery, equipment and processes under their control are safe and without risk to health; (b) the chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken; and (c) where necessary, adequate protective clothing and protective equipment are provided to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects to health.

#### **Human Rights:**

**7. Human Rights:** Mercy-USA expects business and non-business entities with which it operates to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses including but not limited to human trafficking.

**8. Sexual Exploitation, Abuse and Harassment, Harsh or Inhumane Treatment:** Mercy-USA expects business and non-business entities with which it operates to create and maintain an environment that treats all employees with dignity and respect. Mercy-USA further expects that its suppliers, their parent, subsidiary, and affiliated entities as well as any subcontractors, will neither use or engage in, nor allow their employees or other persons engaged by them to use or engage in, any: threats of violence, verbal or psychological harassment or abuse, and/or sexual exploitation and abuse. Sexual exploitation and abuse violate universally recognized international legal norms and standards and have always been unacceptable behaviour and prohibited conduct for Mercy-USA.

Prior to entering into agreements with Mercy-USA, third parties are informed of the standards of conduct with respect to the prohibition of sexual exploitation and abuse, expected by Mercy-USA. Such

standards include, but are not limited to, the prohibition of: (1) engaging in any sexual activity with any person under the age of 18, regardless of any laws of majority or consent, (2) exchanging any money, employment, goods, services, or other things of value, for sex, and/or (3) engaging in any sexual activity that is exploitive or degrading to any person. Mercy-USA expects its suppliers to take all appropriate measures to prohibit their employees or other persons engaged by the suppliers, from engaging in sexual exploitation and abuse. Mercy-USA also expects its suppliers to create and maintain an environment that prevents sexual exploitation and abuse including but not limited to the banning of the use of or engagement in any form of pornography, child grooming, online grooming, and/or sexual degradation or jokes/comments. Mercy-USA contracts will contain provisions concerning a supplier's obligation to take appropriate measures to prevent sexual exploitation and abuse. The failure of selected bidders to take preventive measures against sexual exploitation or abuse, to investigate allegations thereof, or to take corrective action when sexual exploitation or abuse has occurred, constitute grounds for termination of any agreement with Mercy-USA. Moreover, no harsh or inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment.

The following article is added to all bidding documentation and agreements.

The Contractor must take all appropriate measures to prohibit and prevent actual, attempted and threatened sexual exploitation and abuse ("SEA") and/or Gender-Based Violence (GBV) by their employees or any other persons engaged and controlled by it to perform activities under this Agreement.

**9. Mines:** Mercy-USA expects business and non-business entities with which it operates not to engage in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

**Environment:**

Mercy-USA is committed to taking the necessary measures to reduce environmental harm and to ensure its programs have in place measures to reduce implementation footprint to better serve communities most impacted by climate change and its consequences.

**10. Environmental:** Mercy-USA expects business and non-business entities with which it operates to have an effective environmental policy and to comply with existing legislation and regulations regarding the protection of the environment. Suppliers should wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.

**11. Chemical and Hazardous Materials:** Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

**12. Wastewater and Solid Waste:** Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled, and treated as required prior to discharge or disposal.

**13. Air Emissions:** Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled, and treated as required prior to discharge or disposal.

**14. Minimize Waste, Maximize Recycling:** Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

**Ethical conduct:**

**15. Corruption:** Mercy-USA expects business and non-business entities with which it operates to adhere to the highest standards of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud, or bribery.

**16. Conflict of Interest:** Mercy-USA expects business and non-business entities with which it operates to declare any situation that may appear as a conflict of interest and disclose to Mercy-USA if any Mercy-USA official or professional under contract with Mercy-USA may have an interest of any kind in the third party's business or any kind of economic ties with them. A disclosure form is completed before any agreement with Mercy-USA is signed. Mercy-USA personnel are also required, as soon as they are aware, to declare any potential real or perceived conflict of interest.

**17. Gifts and Hospitality:** Mercy-USA has a **zero-tolerance** policy and does not accept any type of gift or any offer of hospitality. Mercy-USA personnel and the organization will not accept any invitations to sporting or cultural events, offers of holidays or other recreational trips, transportation, or invitations to lunches or dinners. Mercy-USA expects that business and non-business entities it works with not to offer any benefit such as free goods or services, employment, or sales opportunity to a Mercy-USA staff member to facilitate their business with Mercy-USA. Mercy-USA personnel are expected to immediately report breaches of this article. Non-adherence can lead to immediate contract termination.

**18. Post-employment restrictions:** Post-employment restrictions may apply to Mercy-USA staff who are still in service and former Mercy-USA staff members who participated in the procurement process if such persons had prior professional dealings with individual third parties. The third-party business and non-business entities contracted by Mercy-USA are expected to refrain from offering employment to any such person for a period of one year following separation from service.

**19. Terrorism and Debarment:** Mercy-USA has a **zero-tolerance** policy towards any individuals or organizations that encourage, engage in, support, promote, participate with, advocate for, contribute to or finance terrorism. Mercy-USA expects business and non-business entities with which it operates or contracts to take all measures necessary to prevent and avoid working with, associating, or engaging with any form of terrorist activity or entity. As such, Mercy-USA will conduct the necessary vetting on all senior members of any third party it works with including board members before any agreement is signed. Mercy-USA adheres to the United States of America sanctions and lists, the UN sanctions lists, and any country-level sanctions lists in areas of operation. Additionally, Mercy-USA does not contract with any entity debarred by the US Government.

Based on budget thresholds, donor requirements or other potential requirements, Mercy-USA may have in place additional vetting measures not mentioned in this document.

The lists utilized by Mercy-USA may be checked online through the following links:

<https://www.treasury.gov/resource-center/sanctions/SDN-List>

<https://www.state.gov/j/ct/rls/other/des/123086.htm>

<https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

<https://sam.gov>

The following article is added to all bidding documentation and agreements.

The Contractor / supplier certifies that neither it nor its principals support or advocate for terrorist entities and/or activities and further certifies that neither it nor its principals are presently excluded or disqualified from participation in this transaction by any United States of America government federal department or agency.

## **XII. Third Party Acknowledgement and Understanding:**

**Bid/Agreement Reference #:** \_\_\_\_\_

I, \_\_\_\_\_ (name), an employee or representative of my company/business, known as \_\_\_\_\_<sup>3</sup> based in \_\_\_\_\_ (City, Country) will sign (**on page 9**) and initial all pages of this document to confirm that I understand, know and acknowledge all parts of this Code of Conduct document and how it applies to myself and the business/party I represent. I am also confirming that throughout the time we are conducting business with and for Mercy-USA, while on or off duty, while at duty stations, away or on leave, we are and will be required to uphold all parts of this document. I fully understand that this Code of Conduct complements but does not replace any other policies, rules, or regulations of my business or party or the laws of the country in which we operate. I understand that Mercy-USA **only** relies on the English version of this document in its application and administration of the policy.

By signing below, I hereby acknowledge that I agree to uphold all the above-included sections and confirm that I have read, understand, and have received the necessary training/information session explaining each section of this document.

I am also confirming that I/we **and/or** my/our business or non-business entity:

**Do** have a real, perceived, or apparent conflict of interest<sup>4</sup>. As such, I have fully disclosed any potential conflicts of interest known (completed relevant form and submitted) and understand the steps I need to take to disclose any new or potential conflicts of interest that may arise in the future.

**Do not** have any real, perceived, or apparent conflict of interest and understand the steps I need to take to disclose any new or potential conflicts of interest that may arise in the future.

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<sup>3</sup> Company name



Mercy-USA General

<sup>4</sup> Conflict of Interest Dis

<b>Representative Name:</b>  <b>Third-Party Name:</b>  <b>Signature Date:</b>  <b>Representative Signature:</b>
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<b>FOR OFFICE USE ONLY</b>  <b>Received Time and Date:</b>  <b>Received by:</b>  <b>Position:</b>  <b>Signature:</b>  <b>Other comments for record:</b>
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**XIII. Contacts List:**

Accessible complaints channels are essential to ensuring a safe, accountable, and transparent process.

Individuals submitting reports or complaints are encouraged to, as possible, submit their complaints directly to their contacts at the Mercy-USA local program offices. Unresolved issues may be escalated as needed only.

Complaints received and deemed out of scope will be forwarded to the appropriate office or department.

Issue/Complaint/Report Type	Contact Email	Reporting Office
Third-Party breaches	<a href="mailto:incidentreporting@mercyusa.org">incidentreporting@mercyusa.org</a>	Local program office
Sexual Exploitation, Abuse, Harassment including child abuse, exploitation	<a href="mailto:incidentreporting@mercyusa.org">incidentreporting@mercyusa.org</a>	Local program office
Other reports or complaints/questions or concerns about the policy, its application or reporting channels	<a href="mailto:incidentreporting@mercyusa.org">incidentreporting@mercyusa.org</a>	Local program office
Third-party breaches	<a href="mailto:inquiry@mercyusa.org">inquiry@mercyusa.org</a>	HQ

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Sexual Exploitation, Abuse, Harassment including child abuse, exploitation	safeguarding@mercyusa.org	HQ
Other reports or complaints/questions or concerns about the policy, its application or reporting channels	inquiry@mercyusa.org	HQ