

Code of Conduct for Vendors & Suppliers

INTRODUCTION

The Partnership for Supply Chain Management (PFSCM) aims at improving the health and well-being of people in low & middle-income countries through increased access to quality and affordable health products. Our mission is to: **1)** provide quality, best-value products and end-to-end supply chain services; **2)** deploy innovative, data-driven solutions to enhance supply chain agility; **3)** transform local and regional health supply chains to promote sustainable access to quality health products.

To achieve these objectives, PFSCM has implemented a Code of Conduct for Vendors & Suppliers, focusing on business ethics and business operations. PFSCM expects all of its Business Partners (*e.g.*, Consultants, Suppliers, and other External Parties) at all times to comply with the standards set forth in the Code of Conduct.

SCOPE OF THIS CODE

The purpose of this Code of Conduct are the following:

- It complements the content of the PFSCM Standard General Contract Terms and Conditions for Supply of Goods & Services and is binding to all bidders, suppliers, agents, intermediaries, consultants and contractors ("Suppliers" and "Vendors"), including all affiliates, officers, employees, subcontractors, agents and intermediaries of Suppliers (each a "Supplier Representative") – as stated in its Section 26.
- PFSCM has adopted and subscribed to the Ten Principles of the United Nations Global Compact. By incorporating the Ten Principles of the UN Global Compact into its strategies, policies and procedures, and establishing a culture of integrity, PFSCM and by extension its partners will uphold their basic responsibilities to people and planet, and set the stage for their long-term success. In adherence to these principles, PFSCM strives to achieve the following through its daily business operations:
 - ✓ The elimination of all forms of forced and compulsory labour;
 - ✓ The effective abolition of child labour;
 - ✓ The elimination of discrimination in respect of employment and occupation;
 - ✓ The fostering of a precautionary approach to environmental challenges;
 - ✓ The development and diffusion of environmentally friendly technologies; and

- ✓ The protection of internationally proclaimed human rights.
- Suppliers and Vendors will ensure that this Code is communicated to all their Supplier Representatives and will take reasonable steps to ensure compliance by Supplier Representatives, including by taking immediate action in cases of non-compliance.
- Suppliers and Vendors are to observe the content of this Code of Conduct while being mindful that any breach of this Code may result in a decision by PFSCM to potentially cease business with the Supplier/Vendor and/or Supplier/Vendor Representative involved; suspend disbursements; or cancel any contractual arrangement that PFSCM may have with them.

TRANSPARENCY AND ACCOUNTABILITY

As stated in our internal standard operating procedures, a core principle of PFSCM is to operate in an open, transparent and accountable manner. Consistent with this core principle, PFSCM will work to ensure all its activities, staff members and consultants adhere to the highest ethical standards.

The goal of this Code of Conduct ("Code") is to enlist suppliers' commitment to maintain integrity of PFSCM activities in compliance with the UN Global Compact principles.

REVISIONS AND UPDATES

PFSCM will regularly review and revise this Code, when needed, to reflect changes in best practice, lessons learned and feedback from partners.

FAIR AND TRANSPARENT PRACTICE

PFSCM does not tolerate corrupt, fraudulent, collusive, anti-competitive or coercive practices of any kind involving its resources. PFSCM will take strong, immediate action in all circumstances where it determines that there is substantive and credible evidence of corrupt, fraudulent, collusive, anti-competitive or coercive practices as defined hereunder.

Suppliers/Vendors and Suppliers/Vendors Representatives are expected to participate in procurement processes in a manner that is transparent, fair, accountable and honest, including by complying with all applicable laws and regulations regarding fair competition as well as recognized standards of good procurement practice.

Suppliers/Vendors and Suppliers/Vendors Representatives are expected to respond to solicitations in an honest, fair, and comprehensive manner, accurately reflecting their capacity to satisfy the requirements set out in the bid or contract documents. They are expected to follow all of the rules established for each procurement process, and only submit bids and enter into contracts if they can and will fulfil all obligations of the contract.

Suppliers/Vendors and Supplier/Vendors Representatives will not, directly or indirectly, including through an agent or other intermediary, engage in corrupt, fraudulent, collusive, anti-competitive or coercive practices in bidding for, or performing, a PFSCM contract or activity. For these purposes:

- "corrupt practice" means the offering, promising, giving, receiving, or soliciting, directly or indirectly, anything of value or any other advantage to influence improperly the actions of another person or entity;
- "fraudulent practice" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a person or entity to obtain a financial or other benefit or to avoid an obligation;
- "coercive practice" means any act or attempt to influence improperly the decisions or actions of a person or entity by impairing or harming, or threatening to impair or harm, directly or indirectly, such person or entity or their property;
- "collusive practice" means an arrangement between two or more persons or entities designed to achieve an improper purpose, including influencing improperly the actions of another person or entity;
- "anti-competitive practice" means any agreement, decision or practice which has as its object or effect the restriction or distortion of competition in any market.

Suppliers/Vendors and Supplier/Vendors Representatives will not solicit, offer, give or receive, or promise or represent to offer, give or receive, fees, gratuities, rebates, gifts, commissions, or other payments, except as disclosed in full to PFSCM, in connection with the procurement process or in contract execution.

Information, data, know-how and documents obtained from participating in PFSCM procurement processes, or in the course of performing a PFSCM contract, must under no circumstances be made available to any third parties for the purpose of giving existing or potential Suppliers a preferential position or advantage in relation to tenders or any other procurement processes of PFSCM, without the prior written consent.

COMPLIANCE WITH LAWS

Suppliers/Vendors and Supplier/Vendor Representatives will comply with all applicable laws and regulations in countries where they do business, as well as the publicized rules, regulations and policies of PFSCM that apply to their areas of work.

Suppliers/Vendors and Supplier/Vendor Representatives will ensure that PFSCM resources received by them are not used to support, finance or promote violence, aid terrorists or terrorist-related activity or fund organizations known to support terrorism.

Suppliers/Vendors and Supplier/Vendor Representatives will not engage in money-laundering activities. This includes any kind of activity, which hides or is intended to hide the fact that funds have been obtained illegally or are connected with the proceeds of crime, e.g. through fraud or bribery or other illegal activity.

ACCESS AND COOPERATION

Suppliers/Vendors and Suppliers/Vendors Representatives are expected to maintain accurate and complete records in appropriate books of account of all financial and business transactions under PFSCM contracts for a minimum period of five years after the date of last payment made.

Suppliers/Vendors and Suppliers/Vendors Representatives will provide at all times any assistance requested by PFSCM to enable PFSCM to comply with any legal, regulatory or statutory requirement applying to it.

PUBLICITY AND ADVERTISING

Suppliers/Vendors and Supplier/Vendor Representatives will not, without PFSCM's prior written consent, (i) use PFSCM's name or logo in publicity or advertising; (ii) use their direct or indirect business-relationship with PFSCM to imply an endorsement by PFSCM of their goods and services, and (iii) make any representation or statement for or on behalf of PFSCM.

FULL AND OPEN DISCLOSURE & CONFLICT OF INTEREST

Suppliers/Vendors will disclose to PFSCM prior to entering into a contract or at any time during the performance of contract whether they, or any Supplier Representatives, are subject to any sanction or temporary suspension imposed by any major international financing institution or organization, such as the UN or World Bank Group.

Suppliers/Vendors will disclose to PFSCM actual, perceived, or potential conflicts of interest involving the Supplier or any Supplier Representative ("Conflict of Interest"). PFSCM considers a Conflict of Interest to be a situation in which a party has interests that could improperly influence that party's performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations, and that such Conflict of Interest may contribute to or constitute a prohibited practice under this Code.

Suppliers/Vendors will not apply or seek to apply undue influence on the decision-making processes of PFSCM and will not engage in any conduct that breaches or facilitates the breach of PFSCM's Policy on Ethics and Conflicts of Interest.

Suppliers/Vendors are expected to notify PFSCM as soon as they have knowledge of any integrity concern involving or affecting PFSCM's client resources and grant funding, whether or not it involves the Supplier or a Supplier Representative.