

Annex 2

SUPPLIER CODE OF CONDUCT

United Nations Charter: The values enshrined in the United Nations (UN) Charter, *respect for fundamental human rights, social justice and human dignity, and respect for the equal rights of men and women*, serve as overarching values to which suppliers of goods and services to Mercy Hands are expected to adhere.

Global Compact: The Global Compact is a voluntary international corporate citizenship network initiated 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 Hands 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, and is viewed as an important means of integrating the Compact's principles into the operations of Mercy Hands. 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.

International Labour Conventions and Recommendations: 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 Hands' expectation that any supplier providing products or services to Mercy Hands will, in addition to the values of the UN Charter, adhere to the principles concerning International Labour Standards summarized below in paragraphs 4 – 9.

1. Scope of Application:

The provisions of this Code of Conduct set forth the Mercy Hands' expectations for all suppliers that are registered with Mercy Hands or with whom it does business. Mercy Hands expects that these principles apply to suppliers and their employees, parent, subsidiary or affiliate entities, and subcontractors. Mercy Hands expects suppliers to ensure that this Code of Conduct is communicated to their employees, parent, subsidiary and affiliated entities as well as any subcontractors, and that it is done in the local language and in a manner that is understood by all.

2. Continuous Improvement:

The provisions as set forth in this Code of Conduct provide the minimum standards expected of suppliers to Mercy Hands. Mercy Hands expects suppliers to strive to exceed both international and industry best practices. Mercy Hands also expects that its suppliers encourage and work with their own suppliers and subcontractors to ensure that they also strive to meet the principles of this Code of Conduct. Mercy Hands recognizes that reaching some of the standards established in this Code of Conduct is a dynamic rather than static process and encourages suppliers to continually improve their workplace conditions accordingly.

3. Management, Monitoring and Evaluation:

It is the expectation of Mercy Hands that suppliers, at a minimum, have established clear goals toward meeting the standards set forth in this Code of Conduct. Mercy Hands expects that its suppliers will establish and maintain appropriate management systems related to the content of this Code of Conduct, and that they actively review, monitor, and modify their management processes and business operations to ensure they align with the principles set forth in this Code of Conduct. Supplier participants in the Global Compact are strongly encouraged to operationalize its principles and to communicate their progress annually to stakeholders. Mercy Hands may monitor that milestones have been set and management systems have been put in place to ensure that the principles set out in this Code of Conduct have been met and failure to do so may impact the future ability of a supplier to do business with Mercy Hands. To review the progress of suppliers and subcontractors in implementing the Code of Conduct, Mercy Hands may take various supporting initiatives, including requesting suppliers to commit to the Global Compact, to self-certify that they comply with the Code of Conduct and, in some cases, to conduct on site evaluations and inspections of supplier facilities and those of their subcontractors.

Labour:

4. Freedom of Association and Collective Bargaining: Mercy Hands expects its suppliers 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.

5. Forced or Compulsory Labour: Mercy Hands expects its suppliers to prohibit forced or compulsory labour in all its forms.

6. Child Labour: Mercy Hands expects its suppliers 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.

7. Discrimination: Mercy Hands expects its suppliers to ensure equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, color, sex, religion, political opinion, national extraction or social origin and such other ground as may be recognized under the national law of the country or countries where the performance, in whole or in part, of a contract takes place.

8. Wages, Working Hours and Other Conditions of Work: Mercy Hands expects its suppliers 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 favorable 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.

9. Health and Safety: Mercy Hands expects its suppliers 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:

10. Human Rights: Mercy Hands expects its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.

11. Harassment, Harsh or Inhumane Treatment: Mercy Hands expects its suppliers to create and maintain an environment that treats all employees with dignity and respect and will not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse. 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.

12. Mines: Mercy Hands expects its suppliers not to engage in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

Environment:

13. Environmental: Mercy Hands expects its suppliers 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.

14. 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.

15. 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.

16. 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.

17. 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:

18. Corruption: Mercy Hands expects its suppliers 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.

19. Conflict of Interest: Mercy Hands suppliers are expected to disclose to Mercy Hands any situation that may appear as a conflict of interest, and disclose to Mercy Hands if any Mercy Hands official or professional under contract with Mercy Hands may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.

20. Gifts and Hospitality: Mercy Hands has a “zero tolerance” policy and does not accept any type of gift or any offer of hospitality. Mercy Hands 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 Hands expects its suppliers not to offer any benefit such as free goods or services, employment or sales opportunity to a Mercy Hands staff member in order to facilitate the suppliers’ business with Mercy Hands.

21. Post-employment restrictions: Post-employment restrictions may apply to Mercy Hands staff in service and former Mercy Hands staff members who participated in the procurement process, if such persons had prior professional dealings with suppliers. Mercy Hands suppliers are expected to refrain from offering employment to any such person for a period of one year following separation from service.

Non-adherence to these principles will be a factor in considering whether a supplier is deemed eligible to be registered as a Mercy Hands supplier or to do business with Mercy Hands, in accordance with applicable Mercy Hands policies and procedures.

We encourage Mercy Hands suppliers to improve their business practices in accordance with the principles set out in this Code of Conduct.

Contacts:

Any questions related to this Code of Conduct can be addressed to the Director of Procurement at email: Procurement@mercyhands.org.

I, , commit to follow the principles of this Code of Conduct throughout my involvement with MH. I understand that transgressions will be addressed and may result in the termination of my contract and blacklisting the company.

Name of Supplier: _____

Date: _____

Signature and Stamp: _____