



# CODE OF CONDUCT FOR SUPPLIERS

Amended as of 11 February 2021

# CONTENTS

<b>A. Introduction .....</b>	<b>3</b>
<b>B. Scope of this code.....</b>	<b>3</b>
<b>C. Fair and Transparent Practice .....</b>	<b>3</b>
<b>D. Compliance with laws .....</b>	<b>5</b>
<b>E. Access and Cooperation.....</b>	<b>5</b>
<b>F. Publicity and Advertising .....</b>	<b>6</b>
<b>G. Full and Open Disclosure and Conflicts of Interest .....</b>	<b>6</b>
<b>H. The United Nations Global Compact for responsible corporate citizenship .....</b>	<b>6</b>
<b>I. Child Protection .....</b>	<b>7</b>
<b>J. Protection from Sexual Exploitation and Abuse and Sexual Harassment .....</b>	<b>8</b>

## **A. Introduction**

1. As a major financing institution in the fight against AIDS, tuberculosis and malaria, the Global Fund recognizes the importance of accountability for suppliers and transparency and predictability in its operations.
2. As stated in its Framework Document, a core principle of the Global Fund is to operate in an open, transparent and accountable manner. Consistent with this core principle, the Global Fund will work to ensure all its financing activities, including its corporate procurement and grant operations, and staff adhere to the highest ethical standards.
3. The goal of this Code of Conduct ("Code") is to enlist suppliers' commitment to maintain integrity of the Global Fund-funded grant operations and corporate procurement activities in compliance with this core Global Fund principle.
4. The Global Fund will regularly review and revise this Code, when needed, to reflect changes in best practice, lessons learned and feedback from partners.

## **B. Scope of this code**

5. This Code requires all bidders, suppliers, agents, intermediaries, consultants and contractors ("Suppliers"), including all affiliates, officers, employees, subcontractors, agents and intermediaries of Suppliers (each a "Supplier Representative"), to observe the highest standard of ethics in Global Fund-funded activities regarding supply of goods and/or services to the Global Fund or any recipient of Global Fund financing, including principal recipients, sub recipients, other recipients, country coordinating mechanisms, procurement agents and first-line buyers.
6. The principal recipients, sub recipients, other recipients, country coordinating mechanisms, procurement agents and first-line buyers must ensure that this Code is communicated to and complied with by all of their Suppliers. Suppliers 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. Breaches of this Code may result in a decision by the Global Fund to sanction the Supplier and/or Supplier Representative involved, suspend disbursements to grant recipients or cancel funding.

## **C. Fair and Transparent Practice**

7. The Global Fund does not tolerate corrupt, fraudulent, collusive, anti-competitive or coercive practices of any kind involving its resources, including grant funds. The Global Fund 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.
8. Suppliers and Suppliers 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.

9. Suppliers and Suppliers 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 fulfill all obligations of the contract.
10. Suppliers and Supplier 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 Global Fund- financed 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.
11. Suppliers and Supplier 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 the Global Fund or the grant recipient, in connection with the procurement process or in contract execution.
12. Information, data, know-how and documents obtained from participating in Global Fund or grant recipient procurement processes, or in the course of performing a Global Fund-financed 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 the Global Fund or the applicable grant recipient, without the prior written consent of the Global Fund.

## **D. Compliance with laws**

13. Suppliers and Supplier 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 the Global Fund that apply to their areas of work.
14. Suppliers and Supplier Representatives will ensure that Global Fund 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.
15. Suppliers and Supplier 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.

## **E. Access and Cooperation**

16. Suppliers and Suppliers Representatives are expected to maintain accurate and complete records in appropriate books of account of all financial and business transactions under Global Fund-financed contracts for a minimum period of five years after the date of last payment made under the Global Fund-financed contract.
17. Suppliers and Suppliers Representatives are expected to cooperate with the Global Fund and comply with any reasonable request, in the opinion of the Global Fund, of its Office of the Inspector General (OIG) and other agents or representatives of the Global Fund to allow access to relevant staff and to inspect any relevant accounts and records and other documents relating to bidding for and performing Global Fund-financed contracts.
18. Suppliers and Suppliers Representatives will provide at all times any assistance requested by the Global Fund to enable the Global Fund to comply with any legal, regulatory or statutory requirement applying to it.
19. The Global Fund expects its grant recipients to take timely and appropriate action in situations where a grant recipient becomes aware that any of its representatives or the beneficiary of a contract financed by the Global Fund grant has engaged or is suspected of engaging in corrupt, fraudulent, collusive, anti- competitive or coercive practices in connection with the procurement or performance of that contract. The Global Fund will impose sanctions that the Global Fund deems necessary if it considers at any time that a grant recipient has not taken timely and appropriate action satisfactory to the Global Fund in such situations.

## **F. Publicity and Advertising**

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

## **G. Full and Open Disclosure and Conflicts of Interest**

21. Suppliers will disclose to the Global Fund 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.
22. Suppliers will disclose to the Global Fund or the grant-recipient actual, perceived, or potential conflicts of interest involving the Supplier or any Supplier Representative ("Conflict of Interest"). The Global Fund 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. To ensure that Suppliers under Global Fund-financed contracts observe high standards of ethics, the Global Fund will take appropriate actions to manage such Conflicts of Interest or may reject a request for funding or disbursement if it determines that a Conflict of Interest has compromised, or risks compromising, the integrity of any procurement process.
23. Suppliers will not apply or seek to apply undue influence on the decision-making processes of the Global Fund and will not engage in any conduct that breaches or facilitates the breach of the Global Fund's Policy on Conflicts of Interest.
24. Suppliers are expected to notify the Global Fund as soon as they have knowledge of any integrity concern involving or affecting Global Fund resources and grant funding, whether or not it involves the Supplier or a Supplier Representative. For further information, see <https://www.ispeakoutnow.org/home-page/>

## **H. The United Nations Global Compact for responsible corporate citizenship**

25. The United Nations 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 (see [www.unglobalcompact.org](http://www.unglobalcompact.org)). The Global Fund strongly encourages all Suppliers to actively participate in the Global Compact.

26. In accordance with the ten principles outlined in the UN Global Compact. Suppliers will be expected to:

- a. support and respect the protection of internationally proclaimed human rights;
- b. ensure that they are not complicit in human rights abuses;
- c. uphold the freedom of association and the effective recognition of the right to collective bargaining;
- d. support the elimination of all forms of forced and compulsory labour;
- e. support the effective abolition of child labour;
- f. support the elimination of discrimination in respect of employment and occupation;
- g. support a precautionary approach to environmental challenges;
- h. undertake initiatives to promote greater environmental responsibility;
- i. encourage the development and diffusion of environmentally friendly technologies; and
- j. work against corruption in all its forms, including extortion and bribery.

## **I. Child Protection**

27. Suppliers and Supplier Representatives are expected to safeguard and protect the rights of all children, irrespective of ability, ethnicity, faith, gender, sexuality and culture.

28. The Children's Rights and Business Principles (see <http://childrenandbusiness.org/>) provide a framework for business to respect and support children's rights. The Global Fund strongly encourages all Suppliers to adopt and apply these principles which include to:

- Meet their responsibility to respect children's rights and commit to supporting the human rights of children
- Contribute to the elimination of child labour, including in all business activities and business relationships
- Ensure the protection and safety of children in all business activities and facilities
- Provide decent work for young workers, parents and caregivers
- Ensure that products and services are safe, and seek to support children's rights through them
- Use marketing and advertising that respects and support children's rights
- Respect and support children's rights in relation to the environment and to land acquisition and use
- Respect and support children's rights in security arrangements
- Help protect children affected by emergencies
- Reinforce community and government efforts to protect and fulfill children's rights

29. Consistent with the provisions of the ILO Convention on the Worst Forms of Child Labour (Number 182), Suppliers must prohibit forced or compulsory labour in all its forms, including all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; child prostitution and pornography; using children for illicit activities, in particular for the production and trafficking of drugs; and work which is likely to harm the health, safety or wellbeing of children.
30. Consistent with the provisions of the ILO Minimum Age Convention (Number 138), Suppliers must not 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 wellbeing of such persons.

## **J. Protection from Sexual Exploitation and Abuse and Sexual Harassment**

31. Supplier and Supplier Representatives are prohibited from engaging in sexual exploitation and abuse, and sexual harassment. For purposes of this Code:
- Sexual exploitation is any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.
  - Sexual abuse means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.
  - Sexual harassment is any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation. Sexual harassment may involve any conduct of a verbal, nonverbal or physical nature, including written and electronic communications, and may occur between persons of the same or different genders.
32. Sexual activity by Suppliers and Supplier Representatives with children (persons under the age of 18) is prohibited regardless of the age of majority or age of consent locally (in the jurisdiction where such activity takes place). Mistaken belief regarding the age of a child is not a defense.
33. Suppliers are expected to have policies and measures in place to prevent and respond to sexual exploitation and abuse and sexual harassment. They are expected to facilitate or provide assistance to victims and survivors related to their safety and protection, medical care, psychosocial support and legal services, as well as to facilitate survivor and victims' timely, safe and confidential access to a remedy.
34. Suppliers and Supplier Representatives are required to report all cases (including any allegations) of sexual exploitation and abuse, and sexual harassment to the Global Fund.