

## Good Business Practices and Ethical Standards

The present document provides the basis for any working relationship between Soleterre and its suppliers and external consultants.

Observance of the rules and provisions of the present document constitutes a contractual obligation, and it is an integral part of contract

signed with the supplier, unless specific conditions are mentioned in the contract.

### A. PROCUREMENT PRINCIPLES:

Soleterre procurement are implemented in the respect of the main principles:

- Transparency in all the phasis of the procurement process
- Respect of Ethical Standards
- Sound financial management and best value for money (best price at better quality ratio)
- Proportionality between the procedures used to reward a market and the value of that market
- Neutrality in purchasing and equal treatment of potential suppliers:
- Preventing fraud, corruption, conflict of interest and any other kind of bribery or coercive practice:
  - ✓ Fraud: use of false or incorrect documentation, resulting in fraudulent appropriation and/or retention of funds, funds
  - ✓ diversion (use the funds for different purposes than the one for which they have been attributed
  - ✓ Coercive practices: harm or threat to harm with the purpose of influencing the performance of a selection or contract
  - ✓ Collusion: agreement between competing suppliers to influence the market in a unfair way
  - ✓ Bribery: any advantage to a person to influence the process, offering money, gifts in kind, to get contracts or
  - ✓ additional markets
- Respect of Social Rights and working conditions
- Refusal to work with suppliers involved in criminal organizations or engaged in any activities deemed illegal under national or
- international law
- Due diligence with donors rules and local laws

### B. ETHICAL STANDARDS – CODE OF CONDUCT

- Soleterre Code of Conduct is based on the internationally recognized principle of Do No Harm, a minimum requirement underlying any type of intervention, whether humanitarian or development-related, which implies taking into account, from the outset of the response, the long-term implications for physical, emotional, mental and other types of health in order to monitor the impact of humanitarian assistance in conflict zones and avoid causing further “harm” to the populations assisted.
- FOUNDATION SOLETERRE has zero tolerance to any form of abuse and sexual exploitation as well as bullying and a range of nonsexual abuse of power perpetrated by Soleterre personnel, partners and suppliers towards any individual regardless of age, gender, sexuality, disability, religion or ethnic origin.
- Any case of misconduct in relation to the code of conduct is considered by Soleterre as a grave professional misconduct and valid reason to exclude a bidder from a selection process to get a market, and/or to lead to either suspension or termination of the contract.

#### B.1 Child Protection (from Soleterre Child Protection policy):

Any form of abuse, neglect, exploitation and violence against minors is prohibited ‘without distinction of any kind, irrespective of the minor’s or his or her parents’ race, colour, sex, language, religion, political or other opinion, national, ethnic or social origin, financial situation, disability, birth or any other circumstance’ (International Convention on the Rights of the Child, Art. 2).

In particular, a minor is defined as ‘every human being below the age of eighteen years’, as defined by the International Convention on the Rights of the Child. Non-exhaustive list of child abuse:

- Physical abuse: any conduct that causes actual or potential physical harm to a child, perpetrated by another person, whether adult or child.
- Sexual abuse: involvement of a child in sexual activities that they cannot fully understand and for which they cannot exercise real choice.

- Sexual exploitation of children in exchange for money, gifts, food, accommodation, status or anything else that they or their families may need.
- Neglect or abandonment, understood as the persistent failure to meet the physical and/or psychological needs of the child, which may jeopardize their physical, psychological, spiritual and mental health and development.
- Emotional abuse: persistent emotional mistreatment that affects the child's self-esteem and emotional development (humiliation, ridicule, bullying, cyberbullying, threats, discrimination, etc.).
- Commercial exploitation: both in terms of child labor and other activities that are detrimental to the child's physical and mental health, education and moral or socio-emotional development.
- Trafficking of minors: understood as any behavior aimed at recruiting, transporting or receiving children for the purpose of exploitation (sexual, commercial, labor, etc.), with the threat of force or the actual use of force or other forms of coercion.
- Military use of children: involvement or exposure of children to military activities, including the phenomenon of child soldiers or their use as human shields.

### *B.2 Protection from Sexual Exploitation Abuse and Harassment (from Soleterre Policy)*

All forms of physical abuse or punishment, threats of physical abuse, sexual abuse or exploitation, harassment, verbal abuse, and any other form of intimidation are prohibited. Therefore, any misconduct by contractors, Soleterre staff, and/or partners represents a risk to the organization's reputation and must be reported.

The contractor shall promptly inform Soleterre of any known breach of ethical standards or code of conduct as described in this Article (whistleblowing). PSEAH breach includes:

Sexual Abuse / Sexual Exploitation / Sexual Harassment / Sexual Violence / Transactional sex / Any other possible kind of Violence Against Women

### *B.3 Human Rights Respect (from EU PRAG)*

The contractor and its personnel shall respect human rights, applicable data protection rules and environmental legislation applicable in the country where the services have to be rendered and internationally agreed core labor standards, e.g. the ILO core labor standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labor, elimination of discrimination in respect of employment and occupation, and the abolition of child labor.

### *B.4 Fraud, Corruption, Collusion (from EU PRAG)*

i) The contractor or any of its subcontractors, agents or personnel shall not abuse its entrusted power for private gain. The contractor or any of its subcontractors, agents or personnel shall not receive or agree to receive from any person or offer or agree to give to any person or procure for any person, gift, gratuity, commission or consideration of any kind as an inducement or reward for performing or refraining from any act relating to the performance of the contract or for showing favor or disfavor to any person in relation to the contract. The contractor shall comply with all applicable laws, regulations and code relating to anti-bribery and anti-corruption.

ii) The payments to the contractor under the contract shall constitute the only income or benefit it may derive in connection with the contract. The contractor and its personnel must not exercise any activity or receive any advantage inconsistent with their obligations under the contract.

iii) The execution of the contract shall not give rise to unusual commercial expenses. Unusual commercial expenses are commissions not mentioned in the contract or not stemming from a properly concluded contract referring to the contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commission paid to a company which has every appearance of being a front company. The Soleterre and donor auditors may carry out documentary or on-the-spot checks they deem necessary to find evidence in case of suspected unusual commercial expenses.

### *B.5 Conflict of Interest (from EU PRAG)*

i) The contractor shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of the contract. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. Any conflict of interest, which may arise during performance of the contract, shall be notified to the Soleterre without delay. In the event of such conflict, the contractor shall immediately take all necessary steps to resolve it.

ii) Soleterre reserves the right to verify that such measures are adequate and may require additional measures to be taken if necessary. The contractor shall ensure that its personnel, including its management, is not placed in a situation which could give rise to conflict

of interest. Without prejudice to its obligations under the contract, the contractor shall replace, immediately and without compensation from Soleterre, any member of its personnel exposed to such a situation.

iii) The contractor shall refrain from any contact which would compromise its independence or that of its personnel.

iv) The contractor shall limit its role in connection with the project to the provision of the services described in the contract.

v) The contractor and anyone working under its authority or control in the performance of the contract or on any other activity may be excluded from access to other AICS funds available under the same project. However, if the contractor is able to prove that his involvement in previous stages of the project does not constitute unfair competition, he may participate, subject to the prior approval of the Soleterre.

vi) Civil servants and other personnel of the public administration of the country where the services have to be rendered, regardless of their administrative situation, shall not be contracted or employed as experts unless the prior approval has been granted by AICS.

#### *B.6 Whistleblowing (from Soleterre policy)*

If the contractor believes that the action of a person (or group of persons) belonging to Soleterre does not respect the above Ethical Standards, he should report it under the Soleterre whistleblowing link. Any abuse or break of Soleterre values and policies realized by the governing bodies, the direction or - in general - by all employees and Soleterre collaborators in the execution of assigned tasks can be reported at the following link:

<https://soleterreonlus.whistlelink.com/>

Reports are centralized at the foundation's Italy headquarters, where they will be treated by the Ethical Officer. The entire process will be handled respecting the confidentiality, preserving the anonymity of the whistleblower and protection of the individuals and their data.

#### **C. SITUATIONS FOR EXCLUSIONS FROM SOLETERRE PURCHASING PROCESS AND CONTRACTS:**

A contractor will be excluded from participating in procurement and grant procedures in following cases:

a) being in a situation of bankruptcy, subject to insolvency or winding-up procedures, where its assets are being administered by a liquidator or by a court, where it is in an arrangement with creditors, where its business activities are suspended, or where it is in any analogous situation arising from a similar procedure provided for under national laws or regulations; (does not apply to the purchase of supplies on particularly advantageous terms either from a supplier that is definitively winding up its business activities or from liquidators of an insolvency procedure, an arrangement with creditors, or a similar procedure under EU or national law).

b) being in breach of its obligations relating to payment of taxes/social security contributions in accordance with the applicable law.

c) being found guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the economic operator belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes a wrongful intent or gross negligence, including, in particular, any of the following:

- I. fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract;
- II. entering into agreement with other economic operators with the aim of distorting competition;
- III. violating intellectual property rights;
- IV. attempting to influence the decision-making process of the contracting authority during the procurement procedure;
- V. attempting to obtain confidential information that may confer upon it undue advantages in the procurement procedure;
- VI. breach of obligations relating to the payment of taxes or social security contributions in accordance with the applicable law.

d) being found guilty of any of the following, as defined in the law of the country where the contracting authority is located, the country in which the economic operator is established or the country of the performance of the contract:

- I. fraud, corruption, conduct related to a criminal organization
- II. involvement in money laundering or terrorist financing, terrorist-related offences or offences linked to terrorist activities
- III. child labor or other forms of trafficking in human beings

e) having shown significant deficiencies in complying with main obligations in the performance of a contract financed by the EU or by AICS, which has led to the early termination of a legal commitment or to the application of liquidated damages or other contractual penalties or which has been discovered following checks and audits or investigations by an authorizing officer, OLAF or the Court of Auditors;

f) creation of an entity to circumvent tax, social or other legal obligations (empty shell company)

#### D. D. CONFIDENTIALITY

The contractor shall at all-time act impartially and as a faithful adviser in accordance with the code of conduct of its profession as well as with appropriate discretion. It shall refrain from making any public statements concerning the project or the services without the prior approval of Soleterre. It shall not commit the Soleterre in any way whatsoever without its prior consent and shall make this obligation clear to third parties.

#### E. E. ACCESS TO SUPPLIER INFORMATION FOR DONOR, EXTERNAL AUDITORS, OLAF, EUROPEAN COURT OF AUDITORS

The supplier agrees to guarantee the right of access to its financial and accounting documents related to the project if requested by donor, by auditors, by OLAF, and by European Court of Auditors.

#### F. F. ADMINISTRATIVE SANCTIONS (from EU PRAG)

Without prejudice to the application of other remedies laid down in the contract, a sanction of exclusion from all contracts and grants financed by the AICS may be imposed, after an adversarial procedure in line with the applicable Financial Regulation, upon the contractor who, in particular,

- a) is guilty of grave professional misconduct, has committed irregularities or has shown significant deficiencies in complying with the main obligations in the performance of the contract or has been circumventing fiscal, social or any other applicable legal obligations, including through the creation of an entity for this purpose. The duration of the exclusion shall not exceed the duration set by final judgement or final administrative decision or, in the absence thereof, three years;
- b) is guilty of fraud, corruption, participation in a criminal organization, money laundering, terrorist-related offences, child labor or trafficking in human beings or any other breach of the Child Protection or PSEA policies. The duration of the exclusion shall not exceed the duration set by final judgement or final administrative decision or, in the absence thereof, five years.

Where Soleterre is entitled to impose financial penalties, it may deduct such financial penalties from any sums due to the contractor or call on the appropriate guarantee. Additionally, Soleterre will ask for reimbursement of direct costs and indirect costs (ex. financial loss) dues to launching new procurement procedure, delays in implementing activities, when the loss is relevant.

**DECLARATION ON HONOUR**  
Concerning the market of: Vehicle Rental – Tender AICS011125

**Negotiated Procedure**

In response to your invitation to offer for the above contract, we ..... (name of the company) hereby declare that:

- Agree to abide by the clauses contained in the Good Business Practices and Ethical Standards of Soleterre
- have no professional conflicting interests and/or any relation with other short-listed candidates or other parties in the procurement process or behavior which may distort competition at the time of submitting this offer
- certify that we are not in any of the situations set out in paragraph “3. SITUATIONS FOR EXCLUSIONS FROM SOLETERRE PURCHASING PROCESS AND CONTRACTS”
- will inform Soleterre immediately if there is any change in the above circumstances at any stage during the tender procedure or during implementation of the tasks
- guarantee explicitly that we respect the principles of non-exploitation of children
- are aware that, for the purpose of safeguarding the financial interests of the financing donor, our personal data may be transferred to internal audit services, to the European Court of Auditors, to the Financial Irregularities Panel or to the European Anti-Fraud Office.

\We fully understand and accept that:

- if our company, legal representative, key experts and other employees working on the project participate in spite of being in any of the situations listed in paragraph 3 or if the declarations or information provided prove to be false they may be subject to rejection from this procedure and to administrative sanctions in the form of exclusion and/or financial penalties up to 10 % of the total estimated value of the contract being awarded.
- if we fail to respond within the delay after receiving the notification of award, or if the information provided proves to be false, the award may be considered null and void

Date: .....

Signature and Stamp:.....

*Important: all pages of these Good Business Practices and Ethical Standards must be signed with the initials of the company Representative.*