

# Code of Business Conduct

What you should know about our standards of business conduct

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# Integrity: Doing What Is Right

## Ask Before Acting

- Is it legal?
- Does it meet our standard of “essential rightness”?
- How would it look to those outside the firm?
  - For example, how would it look to our clients, the newspapers, our family and friends, and the people in the communities where we work?

## Remember These Rules

**Know** the legal and firm professional standards that apply to your job. **Follow** these standards—always.

**Ask** if you are ever unsure of the right thing to do. **Keep Asking** until you get a convincing **Answer**.

# From Our Managing Partner

Dear Colleagues:

For over 90 years, Kearney has stood for excellence and integrity. Our success is dependent on the unconditional trust of our clients, partners, colleagues and communities in which we live and work. This is something we continue to earn each day.

The Kearney Code of Business Conduct is a cornerstone of our commitment to integrity. The Code guides our values and behaviors and explains, in practical terms, our individual responsibilities, including the need to speak up if we see or experience anything inconsistent with these standards.

Please review the Code carefully and, as every year, participate in the firmwide reaffirmation of our shared commitment to uphold the firm's values.

Together, we can ensure that working for or with Kearney anywhere in the world continues to be a source of tremendous pride and lasting success for each of us, our alumni, our clients and our

A handwritten signature in black ink, appearing to read 'ALEX LIU', is positioned above the word 'communities.'.

communities.

Sincerely,

Alex Liu

Managing Partner and Chairman of the Board

# Commitment to Compliance and Integrity

## Core Commitments

### Clients

At Kearney we:

- Act lawfully and ethically, and encourage this behavior in all that we do
- Strictly protect confidential client information
- Never use or disclose clients' names without their explicit, prior approval
- Collect and use personal information only for legitimate purposes, in accordance with applicable law
- Describe and promote our services fairly, honestly, and legally
- Use the resources of our clients judiciously, efficiently, and respectfully, as if they were our own

### To Our Employees

At Kearney we:

- Treat everyone with respect and dignity
- Provide a workplace that is free from discrimination and harassment
- Provide safe working conditions for our employees
- Reward and promote based on merit
- Respect the privacy of all employees

### To the Marketplace Where We Conduct Business

At Kearney we:

- Oppose structural and systemic racism, discrimination and bigotry
- Compete fairly for business in full compliance with global competition laws
- Legally and ethically obtain competitive information
- Strictly abide by the unique rules related to contracting with government entities
- Maintain independence and objectivity, and avoid conflicts of interest or undue influence
- Offer or receive gifts or gratuities only when legal and free from conflict or undue influence
- Never engage in corrupt practices including bribery
- Maintain accurate books and records

### To Our Suppliers

At Kearney we:

- Expect our suppliers to align with our core values of excellence, integrity, social responsibility and essential rightness when acting on our behalf
- Expect our suppliers to comply with applicable employment laws and to support the protection of human rights wherever they operate in the world
- Expect our suppliers to support the advancement of social justice, by observing a policy of equality and nondiscrimination in acting on our behalf, and in all other aspects of their operation

### To Ourselves

At Kearney we:

- Communicate honestly and constructively
- Exercise care in the use of assets and resources
- Protect our intellectual capital
- Guard the security of our information technology, including our computer and network resources
- Preserve Kearney's brand and reputation by always acting in ways that are a credit to the firm

# What You Should Know About Our Code of Business Conduct

The Code is a starting point—other policies and practices supplement the Code and may apply to your job. Many of the principles of these existing policies are incorporated in the relevant section of the Code, and you will be referred to some of these policies.

The Code applies to all Kearney employees globally (subject to any limitations imposed by local law). Our Board of Directors has explicitly embraced this Code's contents. This Code represents a commitment to doing what is right. By working for Kearney, and annually certifying your compliance with this Code, you show that you fully understand the Code, and the standards and policies underlying it, and commit to uphold and follow them. Failure to do so puts the firm, your colleagues, or our clients at risk, and thus can result in disciplinary action in accordance with applicable laws and local regulations, including termination.

Those who supervise others have additional responsibilities under the Code, and must:

- Set an example: show what it means to act with integrity
- Ensure that those who report to them have adequate knowledge and resources to follow the Code's standards
- Monitor compliance of the people they supervise
- Enforce the standards of the Code
- Support co-workers who in good faith raise questions or concerns about compliance or integrity

## Question

A partner in our office recently treated a staff colleague disrespectfully because he believed that the support he had requested hadn't been provided quickly enough. I asked another partner how he was able to do this, since our Code specifically addresses issues around hostility and harassment. She told me that this partner had been with the firm for years, that it's critical that his current efforts to win an important client contract succeed, and that "partners need more flexibility when the interests of the firm demand it." Don't our rules apply equally to everyone?

## Answer

Yes, our rules apply to everyone. Treating any colleague in a disrespectful manner is unacceptable behavior by anyone. In fact, partners have a special obligation to set an example. This situation raises a potential violation of our commitment to avoid creating a hostile work environment for anyone, for any reason. (See the "Conduct with Kearney Employees" section on page 9.)

## What About Different Laws in Different Countries?

Kearney is a global firm, and we respect the laws in every country where we do business. We also conduct business in a manner consistent with our principles and high ethical standards, irrespective of local culture and customs. Doing what is right is an essential part of what unifies us across national boundaries and transcends laws as they may change from country to country.

If you encounter a conflict between the applicable laws of two or more countries, consult with the Law function to determine the best course of action. When in doubt, apply the higher standard of conduct.

Each of us is responsible for following the laws that apply where we work while also recognizing that the laws of some countries reach beyond their borders. Although we may not personally know all the details of each of these laws, we should always know enough to determine when to seek advice from leaders, Human Resources or the Law function.

## Question

Our prospects for growing our business in a rapidly developing nation appear increasingly bright, as our reputation for excellence has preceded us. In the course of performing an engagement, you learn about a regulation that you believe may apply to us, although compliance would be costly. The client tells you informally over lunch that most of their other consultants have disregarded the regulations or “found a way around it,” and that “rules like these are never enforced.” What should you do?

## Answer

Consult the Law function, which can then explore the issue further and provide appropriate guidance. We must all take seriously our commitment to respecting the laws of the places in which we choose to conduct business. When we are not in compliance with the law, we demean and jeopardize our reputation.

# Asking Questions and Raising Concerns

## Your Duty to Speak Up

No company can live up to its commitment to act with integrity if individuals do not speak up when they should. You can harm Kearney not only by acting inappropriately, but also by keeping silent when you are unsure of what to do, or when you see something wrong.

Kearney will not tolerate discrimination or retaliation in any form against personnel for asking questions or raising concerns in good faith.

# Where to Go for Help

## Who Should I Contact for Help?

If you have a question or concern about ethical or legal standards, what should you do? Your manager or mentor is usually a good place to start with a legal, ethical or business conduct issue. You may also seek help or advice from:

- Your supervisor’s supervisor
- Your unit, region, or practice leader
- An **Ombudsperson**, where available
- Human Resources
- The Law function

## The Kearney Integrity HelpLine

If you ever feel unsure about where to go or are uncomfortable using one of the other resources identified in the Code, Kearney has an additional resource that can help: the **Integrity HelpLine**.

The Integrity HelpLine provides a confidential way to report a concern or suspected misconduct, or to obtain information or advice regarding the application of laws or the firm’s policies.

The Integrity Helpline is operated by Navex Global, an independent company that helps businesses respond to concerns about integrity and compliance. The line operates 24 hours a day, seven days a week, and has translation services available at all times. See the Law function intranet site for local contact information.

Navex Global will make a detailed summary of your call and then forward the information to the appropriate individual at Kearney.

If you wish, your call can be made anonymously. The HelpLine assigns tracking numbers so that people who do not want to give their name can still check back to receive a response or provide more information. Of course, giving your name can often help us investigate the matter more effectively.

### **Retaliation Will Not Be Tolerated**

Any employee of Kearney who, in good faith, seeks advice, raises a concern or reports misconduct is following this Code—and doing the right thing. The firm will not tolerate retaliation against that person. Individuals engaging in retaliatory conduct will be subject to disciplinary action, which may include termination.

#### **Question**

I think my supervisor is doing something that the Code says is wrong. I know I should tell someone in my unit, but I'm afraid that my supervisor will make my job more difficult for me if I do. What should I do?

#### **Answer**

If you don't feel comfortable talking to your supervisor about it directly, this is an ideal opportunity to call the Integrity HelpLine. After your information is received, we will investigate the situation. Kearney will not tolerate retaliation against you in any form. The right thing to do is to report your concerns immediately.

## **Conduct with Our Clients**

### **What We Aim For**

Tom Kearney himself said that “The ongoing success of this firm as always rests squarely on the business of rendering a sound service of advice.” By acting honestly and ethically, we seek to earn the trust of our clients as we work to meet their needs.

### **Service Quality and Integrity**

Maintaining the high quality and integrity of our services is mission critical to our firm. As Tom Kearney said, “Our success as consultants will depend on the essential rightness of the advice we give... There is no place in the consulting business for slipshod or inaccurate work.” To ensure that we earn our clients' trust, all employees must work diligently to:

- Treat all clients with respect and dignity—the way you would want to be treated if you were a client
- Adhere to the specific commitments made to each client in the client agreement
- Objectively consider what is right for each client before considering what is in the interests of the firm
- Ensure that we do not seek engagements where we do not believe we can add significant value to our clients
- Ensure that our advice is factually correct and is effective in the client's specific environment
- Take special care to use our client's resources efficiently and prudently, as if they were our own

Kearney competes vigorously for business, but certain conduct in the name of competition is inconsistent with our commitment to integrity and compliance with the law.

### **Never Compete by:**

- Stealing or misusing a client's confidential information
- Making false or disparaging statements about our competitors or their services
- Stealing or misusing competitors' trade secrets
- Paying bribes or using undue influence to win business or to hurt a competitor



## Question

We are working with a major semiconductor company and have successfully lowered costs by nearly 5 percent in only six months. Word has apparently gotten out, and a competitor of our client has approached us to undertake similar work for them. We could leverage our experience with the current client to do the work. Is this OK?

## Answer

We are in the business of leveraging our intellectual capital. However, before deciding what to do here, you must first determine whether you are contractually restricted from doing the work; the contract with the current client may contain specific language that would prohibit doing substantially similar work for a competitor, at least for some time period. Second, you may be restricted from doing this work under the firm's professional standards defining conflict of interest, even if there's no explicit contractual prohibition. To the extent the engagement involves our client's confidential information, we'd need to be sure we could do the work without disclosing it. Only after conducting these checks can you consider leveraging the work done for the current client.

## Protecting Client Identity and Confidential Client Information

Kearney has a responsibility to strictly protect the identity of our clients, information on the services we provide for them, and confidential information that they entrust to us.

Mistakes in this area can jeopardize the trust of our clients, damage our reputation, and create potential liability for the firm. As Tom Kearney reminded us: "[We are] to perform these services with rigid adherence to the highest standards of integrity, professional ethics, and technical excellence ... to at all times respect the confidential nature inherent in a professional relationship. This is of the utmost importance ..."

It should be assumed that "the information that clients entrust to us" includes the fact that we are serving them, as well as the nature of the work we are doing. Without express permission to the contrary, you should not reveal client identity outside of Kearney and, within the firm, should do so only on a need-to-know basis.

The only personnel who should have access to a client's confidential information (such as data, deliverables, etc.) are those with a need to know associated with service to that particular client. Aside from this, sharing client-related documents should occur only when the confidential information in them has been sanitized fully.

Kearney is committed to meeting or exceeding the highest professional standards for the confidentiality of our clients' identity and information.

Additional basic rules to follow:

- Do not discuss confidential Kearney or client information with family members or social acquaintances
- Exercise care when discussing or conducting business at a client site or in public places such as airplanes, restaurants, social gatherings, elevators, taxis, and other places where the information may be overheard
- Use good judgment and comply with company security requirements when using mobile phones, the Internet, wireless communication devices, speakerphones, social media, and other forms of unsecured communications

For more information, contact the Law function or the Confidentiality Team or visit our [Client Confidentiality](#) page. Also see the section entitled "Data Privacy" in this document, which explains further our commitment to protecting personal information.

## Avoiding Conflicts of Interest Arising from Past Client Work

Serving direct competitors on similar topics can create a potential conflict of interest. Similarly, helping a company to procure goods or services from a former or current client, or vice versa, can create a potential conflict of interest. Still, the firm may serve clients with competing interests, and has no conflict of interest in doing so, as long as appropriate measures are put in place to protect confidential information.

On rare occasions, we commit to contractually imposed future business restrictions. This occurs only in exceptional cases and may only be done with the legal function's direct involvement in contract negotiations and based on firm standards for guarantees of adequate future work with that client. (For additional information on business restrictions, please contact the Law function.)

Because we serve a large number of clients on a variety of topics, including clients with competing interests, it is critical that we follow a consistent firm-wide definition for client-related conflict of interest for assessing whether or not a consultant should serve a particular client, in light of his/her past engagement experience.

**Definition:** A conflict of interest in serving clients arises when an individual has gained confidential information from one client and is in a position to use it in interactions with any other party to the original client's significant disadvantage or to the inappropriate advantage of the individual, firm, or other client.

In some cases, we negotiate contract terms with clients that restrict specific consultants from serving companies with competing interests on a similar topic for a defined period of time. However, even in the absence of such restrictions, it is your individual responsibility to ensure that you do not serve a client if doing so will create a client-related conflict of interest as defined above. If you think you may have a conflict of interest, you must promptly disclose this, and seek guidance from your mentor or the Law function if necessary.

## Advertising and Promotion of Services

Our reputation is our most important asset. To maintain the ongoing trust of clients, marketing, advertising, and sales activities must describe our services fairly, honestly and legally. When we make a claim about a service we offer, we must be able to substantiate it. All communications that promote our services must be approved by management and are subject to monitoring for compliance.

Requests from vendors and other third parties to use the Kearney name for promotion of their own services are generally not permitted. Any exceptions to this policy must be approved by the Managing Partner, General Counsel and Chief Marketing Officer.

# Conduct with Kearney Employees

### What We Aim For

Kearney is committed to fostering a workplace that is safe and, professional and promotes teamwork, merit, trust, diversity and inclusion. Hostility, harassment, unwelcome sexual advances and other unprofessional conduct are wrong and undermine our workplace goals.

## Equal Employment Opportunity, Diversity, and Inclusion

In the words of Tom Kearney, "The true strength of this firm, as in any organization, lies in the fact that we are all different. The strength inherent in this firm rests upon these collective and diverse interests. They are all we have."

Kearney is committed to ensuring an equitable, diverse, and inclusive workplace. We embrace and encourage our colleagues' differences and strive to create an environment where all colleagues can meaningfully contribute. We reject all forms of racism, discrimination, and bigotry.

Implementing diversity and creating an inclusive environment is a vital part of leadership's responsibility. We recruit, hire, train, promote, discipline, and provide other conditions of employment without regard to a person's race, color, religion, gender, gender identity, age, national origin, sexual orientation, veteran status, marital status, or disability. This includes providing reasonable accommodation for disabilities or religious beliefs and practices.

In many jurisdictions, such as the United States and European Union, violations of these standards can violate the law. In any case, these standards represent the values of our firm, wherever we conduct business.

Any employee who believes they have been subjected to any kind of discrimination that conflicts with Kearney's diversity policy and initiatives should seek assistance from their leader, an HR representative, an Ombuds or the Law function. Additionally, we urge all employees to help combat discriminatory actions by promptly identifying and reporting such behavior.

Kearney's equal opportunity standards are described in more detail in the [Equal Employment & Sexual Harassment Policy](#).

If you have further questions on equal employment or diversity and inclusion, contact your HR representative or one of the many local and global diversity networks.

In furtherance of our firm's commitment to diversity and inclusion, it is Kearney policy to prohibit making corporate gifts on behalf of Kearney to non-religious organizations that have a written policy of discrimination on the basis of sexual orientation or gender identity, or have a policy explicitly permitting chapters or affiliates of the non-religious organization to discriminate on the basis of sexual orientation or gender identity. If you request the firm to make a charitable contribution, it is your responsibility to first ensure compliance with this policy.

## Harassment-Free Work Environment

Decades before today's legal requirements were enacted, Tom Kearney knew that "no one, it can be truthfully said, ever succeeded in building enduringly into this firm by belittling the values brought by others. It is in the nature of teamwork that this can never be." Discriminatory conduct, jokes, slurs, verbal remarks or physical contact of an intimate or sexual nature, or other derogatory remarks that create an offensive or hostile environment undermine the workplace and have no place anywhere Kearney conducts business. Similarly, implicit or explicit threats, intimidation, and violence will not be allowed.

### Question

A coworker of mine frequently makes comments to a particular female employee about her appearance. It seems to be making her uncomfortable, but he won't stop. What can I do?

### Answer

You should discuss this with your supervisor, Human Resources representative or make a report utilizing the Kearney Integrity HelpLine.

## Health, Safety, and Security of Our People

Kearney is committed to providing our people with a safe and secure work environment. Each of us needs to be alert to safety risks as we go about our jobs. Remember, too, that weapons—even if used for sporting purposes—are not allowed in the workplace. Kearney's occupational health and safety standards are described in further detail within the [Occupational Health & Safety Policy](#).

If you are on-site at a client's facilities, be sure to follow the health and safety requirements that apply there. Please also review the [travel-related security updates and policies](#) before traveling to high-risk areas; managers and others in authority must also follow these policies as they apply to their teams.

## Confidentiality of Personnel Data

Kearney takes the responsibility associated with data protection seriously, respects the privacy of those whose personal data we maintain, and complies with applicable privacy and data protection laws.

Kearney personnel who have access to our employees' personal information must adhere to the highest standards of confidentiality. This means that access to personal records should be limited to Kearney staff who have authorization and a clear business need for that information.

**Never** provide information about our employees to anyone outside Kearney without proper authorization.

We may at times need to access or review communications, records or information created at work or with company resources, which may include information such as intranet or internet activity, email, voicemail, and telephone conversations. We do so in a manner consistent with applicable laws, which vary by jurisdiction. For example, some jurisdictions allow us to access this information at any time, while others only allow user-level information to be accessed or reviewed when there are clear indications of abuse or violations of policies or the law. Please consult the Law function if you have any questions about the way our access or review rights may apply to you.

## Drugs and Alcohol in the Workplace

Our work requires clear thinking and decision making. Being under the influence of alcohol or drugs or improperly using medication diminishes the ability to perform at one's best.

Kearney is committed to maintaining a drug-free workplace and prohibits the possession, distribution, manufacture, or use of any illegal drug or unauthorized controlled substance. You also may not use, obtain, or be under the influence of any prescription drug while working other than as medically prescribed.

Kearney also prohibits working while under the influence of alcohol. However, consuming alcohol during work hours or on Kearney property at a Kearney-sponsored event is permissible provided the event has senior leadership approval and proper business decorum is maintained.

# Conducting Our Business

### What We Aim For

In all our business dealings, Kearney strives to be honest and fair. We will vigorously compete, but at all times also fairly compete, complying with all laws protecting competition and the integrity of the marketplace. To help ensure the success we all share in, each employee will avoid conflicts of interest that could undermine the objectivity that's essential to our efforts to build trust with our clients and business partners every day.

## Competition and Antitrust Laws

We strictly adhere to what are called "competition" laws in many countries and "antitrust" laws in the United States.

Competition laws prohibit anticompetitive agreements, such as price-fixing arrangements, and other conduct, such as predatory efforts to eliminate competitors.

## Facts About Competition Laws:

- **Competition laws vary around the world.** Many countries and regions have laws prohibiting anticompetitive behavior, so depending on where you work, the laws that apply to you will vary. **Penalties are severe.** In the United States, individuals convicted of price-fixing often receive prison sentences, and companies have received fines of hundreds of millions of dollars. In the European Union, fines for anticompetitive behavior can be 10 percent of global turnover. In the United States, beyond the possibility of criminal penalties, clients and competitors can sue for three times the harm caused.

## Basic Rules:

Certain agreements almost always violate competition laws. Never talk with or exchange information with any of our competitors, and never help a client to exchange information with its competitors, to:

- Fix prices—this can include setting minimum or maximum prices, or “stabilizing” prices
- Fix terms related to price, pricing formulas, or credit terms
- Divide up markets, clients, or territories
- Limit services offered
- Rig a competitive bidding process including arrangements to submit sham proposals
- Agree with professional associations to set industry standards, unless approved by the Law function

## Question

I’m a principal working to help a client overhaul its procurement function, and I’ve been asked to study the company’s consulting contracts. This is fantastic—by doing this assignment, I’ll be given access to all the pricing and staffing strategies of our major competitors! Is it OK if I communicate this information discreetly around the firm, so long as we make sure that we keep it confidential?

## Answer

Not only can you not communicate this information, depending on the country where you’re located, you may not even be able to access it. There is always a potential competition law issue whenever our competitors’ pricing or other sensitive information is implicated. In this situation, you need to notify your unit leader and work with the Law function before determining whether, and under what circumstances, we could accept this kind of assignment.

## Legitimate Sources of Competitive Information Include:

- Newspapers and press accounts
- Public filings
- Clients giving you a competitor’s proposal, but only if it is not confidential; if it is a government bid, always consult the Law function first
- Brochures and advertisements
- Information publicly available on the Internet
- Industry surveys by reputable consultants

## Never Use:

- A competitor’s confidential information—unless determined to be permissible and approved by the Law function
- Papers or computer records brought by you, or new hires, from prior employers
- Information marked “confidential,” or something similar, belonging to anyone else—consult the Law function if you have such information. Even if proprietary information just shows up on your desk, get legal advice
- Information on a competitor (or a client’s competitor) that someone has offered to sell

## Question

I have just been hired from another consulting firm. I have a box of materials from my former employer that would be very helpful in developing marketing plans. May I bring this with me?

## Answer

No, you should not bring materials to Kearney from a prior job that may contain confidential information. Just as it would be wrong for someone to take our confidential information out of Kearney, we should not use the confidential information of others.

## The Government as Our Client

While integrity is the foundation for dealings with all clients, special rules apply when a governmental body is our client—rules that are in some cases very different from those that apply in dealing with a commercial client. We must abide by all pertinent government contracting laws, rules, and regulations. Failure to follow applicable rules can result in penalties, contract cancellation, suspension, and debarment from future government contracting opportunities.

Anyone involved in selling, implementing, or working on government contracts must be familiar with both the general rules of government contracting and the specific requirements applicable to the regulations governing public procurement in the countries in which they work.

Specific regulations, which may vary with different government entities, will dictate the contracting procedures to be followed.

### Basic Rules Include:

- Never offer or provide gifts, gratuities, or entertainment to government personnel without the prior written approval of your unit manager or the Law function
- Know and follow “anti-kickback” rules, including restrictions on gifts by those seeking business from the government and from government contractors
- Charging and allocation of costs including time and overhead, provision of any cost and pricing data, and billing must always be accurate, complete, and in full compliance with the rules and regulations
- Don’t initiate any employment or associated consultant or marketing agreement discussions with any current or former government employee until first consulting with the Law function

## Conflicts of Interest Arising from Personal Factors

A conflict of interest arises when someone’s personal, social, financial, or political activities have the potential of interfering with their loyalty and objectivity to or on behalf of Kearney. Even the appearance of a conflict of interest can be harmful. Always fully disclose any conflicts situation to your supervisor or unit leader and abide by any conditions placed on you to control or eliminate the conflict. Appropriate steps may include, for example, removing yourself from decision making on behalf of Kearney that concerns a personal interest, or disposing of the interest that creates the conflict.

**Your external business activities:** Kearney encourages our people to participate on the boards of profit and non-profit organizations. However, if you wish to serve on a board of another organization, take on other employment while at Kearney or conduct certain other types of business activity outside of the firm, even if only performed “on your own time”, you must first disclose the activity and, in some cases, obtain approvals. Consult the Kearney External Business Activity Policy and then contact the Law function as a starting point. You may not serve as a director, officer, employee, or consultant to a competitor of Kearney.

**Personal relationships:** The firm respects your privacy and generally does not seek to intrude into personal

matters. However, romantic relationships or interactions of a physically intimate nature between Kearney personnel – even when consensual – can lead to negative dynamics for the people involved and for others. Where one person involved may supervise or evaluate the other (including any time a partner of



the firm is involved with a non-partner colleague), this escalates the risk of actual or perceived conflicts of interest, such as impaired objectivity on evaluations, compensation, promotion and other employment-related decisions.

If you are involved in a relationship or interaction of this kind, it is your responsibility to report it to your unit or region leader or to HR (subject to applicable law), who will use their discretion in discussing with others on a need-to-know basis. The firm will decide upon and communicate to the involved parties any steps needed to mitigate any actual or potential conflict of interest or to manage any other workplace environment issue that may arise.

**Jobs and affiliations of close relatives:** The work activities of close relatives can create conflicts of interest. If you learn that a “close relative” (defined below) performs services for any actual or potential competitor, client, or supplier of Kearney, promptly notify your supervisor. You and your supervisor should then notify your Human Resources representative, who will determine if any action is required to address the situation. In general, a “close relative” should not have any business dealings with you, with anyone working in your business unit, or with anyone who reports to you. You must also be careful not to disclose any confidential business information to the relative.

“Close relative” includes a spouse, civil partner, parents, stepparents, children, stepchildren, siblings, stepsiblings, nephews, nieces, aunts, uncles, grandparents, grandchildren, and in-laws. On conflict questions, you are not responsible for learning about the activities of family members who do not reside with you. For family members outside your home, you need only be concerned with those circumstances that you know about. Unless contrary to applicable law, you must immediately disclose to your unit leader any family or personal relationships with others who work at Kearney, or for entities buying from, selling to, or competing with Kearney.

**Investments:** Personal investments can create actual or apparent conflicts of interest if, for example, you need to make a decision for Kearney or provide advice to a client concerning a company in which you or a close relative has a personal financial interest. Under the Kearney Personal Investments Policy, a conflict of interest arises if:

- The investment is significant to you and a reasonable person would conclude that your judgment in making decisions for Kearney could be affected, or
- The transaction or project on which you have decision-making authority is such that it could affect your financial interest

To avoid any such conflicts with respect to our clients, you or members of your household may not acquire stock or any other kind of financial interest in any client or other entity or individual with which you have or propose a business relationship in your role at Kearney.

Similar conflicts of interest may arise in connection with investments in suppliers, strategic allies, or other companies that Kearney does business with. If you or a member of your household has a pre-existing investment or seeks to invest in a supplier, strategic ally or any other company that Kearney does business with, and if you are responsible for or have input into any Kearney decisions with respect to that company, you must promptly disclose that financial interest or the investment you seek to make to the Law function and to your unit leader (for consulting personnel) or your management services functional leader (for non-consulting personnel), so that Kearney may determine what measures are necessary to control or eliminate the conflict.

See also [Kearney Personal Investments Policy and the Kearney External Business Activity Policy](#).

## Gifts and Entertainment

Kearney’s relationships with its clients are vital to our success. This is why these relationships must be based entirely on sound business decisions and fair dealing. Bestowing gifts and entertainment to our clients can build goodwill but can also make it harder for them to be objective about the person providing them, or the firm overall. Moreover, clients around the world increasingly have policies in place that limit the kinds of gifts that their employees can accept from consultants. Gifts and entertainment to

governmental officials also raise special risks. Never offer or provide gifts, gratuities, or entertainment to government officials without the prior written approval of the Law function.

Just as we have strict rules for offering gifts and entertainment, we must be careful in how we receive them, too. Refer to the [Kearney Gifts and Entertainment Policy](#) for more detailed information on both offering and receiving gifts or entertainment.

At Kearney, gifts or entertainment with a combined market value of \$2,500 or less to any client or potential client in a 12-month period are OK, unless they fall into the “Always Wrong” category, below.

Similarly, offering promotional items of nominal value, such as pens, calendars, and coffee mugs, which are given to clients in general, does not require approval.

### **Always Wrong**

Other types of gifts and entertainment are simply wrong, either in fact or in appearance, and are **never** permissible. Kearney personnel may **never**:

- Offer any gift or entertainment that would be illegal or result in any violation of law
- Offer any gift of cash or cash equivalent (such as gift certificates, loans, stock, stock options)
- Offer anything as a “quid pro quo,” or as part of an agreement to do anything in return for the gift or entertainment
- Participate in any entertainment with a client that is unsavory, sexually oriented, or otherwise violates our commitment to mutual respect
- Participate in any activity that you know would cause the person receiving the gift or entertainment to violate his or her own employer’s standards
- Provide any gift to a client that isn’t properly recorded on the firm’s books

### **International Bribery and Corruption**

The laws of member countries of the Organization for Economic Co-operation and Development and of many other countries, the U.S. Foreign Corrupt Practices Act, and Kearney policy prohibit bribes to foreign government and other officials (such as political candidates, political parties and their officials, employees of Government-owned businesses, UN officials, etc.), and the UK Bribery Act and Kearney policy also prohibit bribes to private sector company employees. A violation is a serious criminal offense for both companies and individuals, which can result in fines, loss of export privileges, and imprisonment for individuals.

Bribery and corruption laws apply to all Kearney personnel, agents, and representatives worldwide, and forbid:

- Offering or giving anything of value to a foreign official for the purpose of obtaining or retaining business, or for any improper purpose; this includes payments to reduce taxes or customs duties
- Unlawful bribery of private sector clients; regardless of the nature or ownership of an organization, Kearney employees must abstain from bribery of another party or its employees
- Making improper payments through third parties, which means that companies must be diligent in selecting agents and partners. Companies must keep accurate books and records so that payments are honestly described and not used for unlawful purposes

Kearney prohibits bribes to anyone, anywhere in the world, for any reason. To comply with this policy, remember that it is your responsibility to avoid these prohibited actions.

### **NEVER:**

- Make an unauthorized payment, or authorize an improper payment (cash or otherwise) to any person, including foreign officials
- Induce a foreign official or any other person to do something illegal
- Shrug off or fail to report any indication of improper payments or improper payment arrangements (known as “red flags”)
- Establish an unrecorded fund for any purpose



- Make a false or misleading entry in company books
- Do anything to induce someone else to violate these rules
- Facilitating payments. So-called “facilitating payments” to foreign government employees are payments made to obtain or expedite the performance of routine non-discretionary, legitimate customary duties, such as mail delivery, scheduling inspections, and customs clearance. Such payments are prohibited by Kearney because, although they are potentially allowable by U.S. law in very narrow circumstances, these violate the laws of the United Kingdom and many other countries where we do business

For more information, contact the Law function or see the [Kearney Anti-Bribery Policy](#).

### Question

I was told that I could hire a consultant to take care of getting all the permits we need from a foreign government. He requested a \$40,000 retainer and said that he would use the money to “help move the process along.” Since we don’t really know where the money is going, do we have to worry about it?

### Answer

Absolutely. You must know where that money is going and for what purpose it is being used. Moreover, the company is required to take steps to ensure that this money is not used as a bribe. You must seek the advice of your manager or the Law function.

## Social Justice and Human Rights

Kearney supports the protection of human rights and the advancement of social justice around the world. We are guided by fundamental principles such as those in the United Nations Universal Declaration of Human Rights and the International Labour Organisation (ILO) Core Conventions. This support is reflected in our policies and actions in the countries in which we do business.

We seek to support human rights and social justice throughout our supply chain by encouraging behaviors and practices that are consistent with these principles.

We urge all responsible for procurement services or contracting with third parties to contact the Law function if you have concerns around a firm supplier or would like to obtain our model contractual templates.

## Money Laundering

Money laundering is the process of converting illegal proceeds so that illegal funds are made to appear legitimate. Kearney takes seriously its obligation to help close off the channels that money launderers use. If you observe a suspicious transaction, contact the Kearney Law function immediately. Money laundering can best be prevented by choosing clients with sound reputations and honorable business practices. We should also make sure our agreements with clients:

- Specify acceptable forms of payment
- Require that all payments be in the currency of the invoice
- Prohibit third-party payments except as specifically approved
- Require that payments for each invoice or group of invoices be made by a single instrument
- Question any other suspicious transaction

## Trade Restrictions, Embargoes, Export Controls, and Boycott Laws

Governments or other international governing organizations sometimes impose prohibitions or other restrictions on export and trade dealings with certain countries, entities, and individuals. Trade

restrictions take many forms, including bans on exports to, imports from, and travel to and from sanctioned countries.

Financial transactions and dealings involving a sanctioned country or designated individuals and entities are prohibited. For example, the United States, the European Union, and its member states have highly developed lists of persons who Kearney should not be dealing with because they are known terrorists.

An “export” is not only the transfer of a physical commodity but also the transfer of restricted information to a national of another country contained:

- In an email or fax
- On a computer, or computer media
- In face-to-face discussions
- During visits to a Kearney office by persons from a different country

In all international dealings, be sure you know and comply with all export controls and trade restrictions. Consult with the Law function whenever questions on this subject arise.

**U.S. Anti-boycott Act:** Under U.S. law, all Kearney units are required to report to the U.S. Government, and not to cooperate with, any request concerning boycotts or related restrictive trade practices. Personnel may not take any action, furnish any information, or make any declaration that could be viewed as participation in an illegal foreign boycott. These laws were originally designed to respond to the boycott of Israel by certain Middle Eastern countries, but they apply to any boycott of countries friendly to the United States. There are severe penalties for violation of these laws.

Examples of boycott requests with which we cannot comply and must report:

- A request for certification that the goods or services are not of Israeli origin
- A request for certification that Kearney does not have an office in a listed country
- A request for identifying the race, religion and sex of all personnel who will work on a given project

## Intellectual Property and Copyright of Others

Just as we protect our own intellectual capital (see “Firm Resource and Intellectual Capital,” on page 18), we respect the intellectual property information of clients and others. This includes written materials, software, music and other “intellectual property.”

Basic Rules to Follow:

- Do not bring to Kearney or use any confidential information, including computer records, from prior employers
- Do not load any unlicensed software on any Kearney-owned computer or other electronic device
- Do not accept or use anyone else’s confidential information except under an agreement approved by the Law function
- Only copy documents and materials (including computer software) that are not copyrighted (for example, a government report) or when you have specific permission to do so
- Do not use copyrighted materials (for example, audio recordings, video, photographs, film, literary works, and off-the-Internet or off-the-air recordings) in materials you are producing without specific permission from the copyright owner. Consult the Law function on whether “fair use” may allow the use of brief excerpts

## Accurate and Complete Books, Records, and Accounting

One very important way our firm is judged is through the integrity of our books, records, and accounting. In addition to preparing reports on our own internal financial performance, we file financial information with taxing and various regulatory authorities in virtually every jurisdiction where we conduct business. This financial information must be accurate and complete.

All Kearney personnel must help ensure that reporting of business information, electronic, paper or otherwise, is accurate, complete, and timely. This includes accurately booking costs, sales, shipments, time sheets, vouchers, bills, payroll and benefits records, regulatory data, and other essential company information.

In addition, all Kearney personnel must follow all laws, external accounting requirements, and company procedures for reporting financial information:

- Never deliberately make a false or misleading entry in a report or record
- Never alter or destroy company records except as authorized by established policies and procedures
- Never sell, transfer, or dispose of firm assets without proper documentation and authorization
- Cooperate with our internal and external auditors
- Contact the Finance function with any questions about the proper recording of financial transactions

## Data Privacy

The laws and regulations of some jurisdictions where Kearney does business call for us to safeguard the privacy of all persons with whom we do business – whether customers, suppliers, employees or other third parties. These laws and regulations, particularly the General Data Protection Regulation in the European Union, define personal information broadly to include any information that can be used to identify a person. In light of the ease of transferring information today, and the related risks that come with such transfers, all of us have a part to play in protecting personal information. Generally, you should:

- Only collect and use personal information in a manner consistent with the purpose for which it was initially shared with us
- Only collect and use the minimum personal information necessary to fulfill that purpose
- If you receive a request from an individual as to how we are using his or her personal information, or to delete it, consult promptly with the Law function, who can ensure we respond appropriately
- Only store personal information for as long as needed to fulfill our purposes or comply with retention laws

If you have any questions or concerns about the role you should play to help us meet these obligations, please review our [Internal Privacy Policy](#) or contact the Law function.

# Firm Resources and Intellectual Capital

## What We Aim For

Kearney seeks to create a profitable, growing business by helping our clients gain and sustain competitive advantage, and achieve superior financial results. We accomplish this by effectively employing our unique assets—our people and our intellectual capital—and must do all we can to protect them.

## Firm Property and Resources

We are all responsible for using good judgment to ensure that the firm's assets are not misused or wasted.

## Corporate Opportunities

Kearney personnel owe a duty to the Firm to advance its legitimate interests when the opportunity to do so arises. Kearney employees are prohibited from:

- Taking for themselves personally opportunities that are discovered through the use of Firm property, information, or position

- Using Firm property, information, or position for personal gain
- Competing with Kearney

## Our Intellectual Capital

Our firm produces valuable, non-public ideas, strategies, and other kinds of business information. This information is called “intellectual capital” and the firm owns this information, just as we do other kinds of property. Because intellectual capital is the product of our own hard work, various laws also allow the firm to protect this information from use by outsiders. Some examples of intellectual capital are:

- Client presentations
- Proprietary tools and methodologies
- Marketing strategies and plans
- Research and technical data
- Proposals
- Client and engagement data and working papers

Always carefully protect the confidentiality of our intellectual capital to ensure that we retain the benefits of our work.

**Sharing proprietary information with third parties.** Sometimes we need to share our intellectual capital with individuals outside Kearney—with an associated consultant, for example. However, even when there may be a legitimate reason to share intellectual capital, never disclose it, except to the extent there is a real “need to know,” without management’s prior approval and under a written confidentiality agreement approved by the Law function.

### Question

We are working side-by-side with another consulting firm and our client has stressed it expects us to cooperate fully with the other firm. The other firm has requested access to the Kearney IC Tracker system. Our project manager decided to give them full access. Was this OK?

### Answer

No. We should not provide access to our internal IC Tracker system, although with a good business reason, we would provide access to relevant content on the system, which would also be subject to a confidentiality agreement.

## Computer Use and Network Security

Computer technology—hardware, software, networks, and the information that runs on them—are critical to business success. When you use company resources to send email or access Internet services, you are acting as a representative of Kearney. Any improper use of these resources may reflect poorly on Kearney, damage its reputation, and expose you and the company to legal liability. This means all personnel must:

- Use these computers responsibly and primarily for legitimate business purposes; personal use should be reasonable and kept to a minimum
- Understand that the firm may generally access or review your use of firm resources at any time, but in some jurisdictions, may only do so with respect to personal information upon suspicion of misuse, violations of company policies or illegal behavior.
- Protect the security of computer systems, and report any potential data breaches to the Global Help Desk

Good judgment should guide your use of computers, but these rules can help. **Never** use company electronic communications systems to:

- Improperly disseminate copyrighted or licensed materials
- Transmit chain letters, advertisements, or solicitations (unless authorized)

- Disseminate materials or information that would violate laws or our policies or professional standards

#### Always Work to:

- Protect information used to access company networks, including IDs and passwords, passcodes, and building-access key cards
- Draft correspondence and conduct conversations (electronic or otherwise) professionally, keeping in mind that they could end up in the hands of an unintended audience
- Think before pressing “send”; email seems informal, but is in fact a permanent record

Electronic communications to and from your firm-issued computer are not private in some jurisdictions and may be accessed at any time, while in others they may be accessed or monitored upon suspicion of misuse, violations of company policies or illegal behavior. In such cases, records of your electronic communications may be reviewed to verify that company policies are being followed. Keep this in mind and exercise care when you use the firm’s electronic resources.

Additionally, please refrain from transmitting firm and client confidential information and documents through your personal email account, social media platforms, and any other Internet-based tools that are not pre-approved by the firm.

For more information on the use of computers, see the [Information Security Policy](#).

#### Question

I sometimes email my husband to make personal plans, such as who will pick up the kids after work. Am I allowed to use my firm-issued computer for this?

#### Answer

Yes. As long as personal use is reasonable and not excessive, you can use the company’s computer and email to communicate with your family.

### Firm Funds

Protect Kearney’s funds as you would your own guarding against misuse, loss, fraud, or theft. This includes company monies advanced to you and any company travel and entertainment cards you may hold.

You should also make sure that all claims, vouchers, bills, and invoices are accurate and submitted in a timely manner.

#### Question

I overheard an administrative assistant saying that she believes that her boss is approving invoices from a “graphics arts vendor” and that the invoices are actually to his landlord for painting his apartment. Since the boss is working on some marketing materials for the firm, and the amount is relatively small, she thinks it will go undetected. She said she asked him about it and he replied, “Don’t worry, it’s fine.” Is this OK?

#### Answer

No. It is a misuse of firm assets, fraudulent, and wrong. There is no justification, including hard work, for his action. This kind of misuse of our assets, if discovered, would likely lead to dismissal from the firm.

### Contracting and Signing on Behalf of Kearney

Generally speaking, only partners are authorized to enter into legal commitments on behalf of Kearney. When we enter into agreements or sign documents on behalf of Kearney, even in the context of

negotiations prior to executing a written agreement, we can create legal obligations and legal and financial risks for the firm.

Correspondence, reports, and other documents that contain substantive opinions, conclusions, or determinations or that legally bind Kearney must be signed by or under the control of Kearney leadership. The [Decision Authorities Matrix](#) sets forth our broad requirements, and our [Policy and Process for Client Engagement Contracts](#) describes in detail how to obtain the required Law function review of all client contracts. Before you sign any agreement for Kearney, refer to these documents to be certain that you have the legal authority to obligate the firm and that you have all required approvals.

## Insider Trading

To protect the investing public, securities laws make it illegal for those with “inside information” to buy or sell securities, such as stocks, bonds, and options. Securities law violations are prosecuted at times even when the amount involved is small, and violations can result in severe penalties, including even imprisonment for individuals, and irreparable damage to the firm’s reputation.

What is “inside information”? Information that is not available to the public and is “material.” Generally, information is “material” if a reasonable investor would consider it relevant in determining whether to buy or sell a security. “Material” is defined in more detail in our [Personal Investments Policy](#).

**Information about other companies.** Because Kearney is not a publicly traded company, you might think that these laws do not apply to us. But Kearney personnel frequently have inside information of clients or other third parties, including associated consultants or suppliers.

Kearney’s Personal Investments Policy prohibits you from:

- Trading in any securities of any company or entity (whether or not a client of Kearney) if you are aware of material non-public information about that company or entity or its securities, regardless of the source of the information
- Trading in any securities of any client for which you provided services during the previous two years
- Trading in any securities of any non-client that was involved in any matter on which you provided services during the previous two years if you are aware that the firm had confidentiality obligations with respect to such company

These prohibitions apply not only to you but also to any members of your household, and all entities over which you or they have investment control. Note that insider trading laws also apply both to people who “tip,” and are tipped by others, about inside information.

Refer to the [Kearney Personal Investments Policy](#) for more detailed information.

## Question

A supplier sold my unit a software system on a trial-run basis. The trial run with our client was a success and we are going to buy this company’s system. I think other organizations will follow our lead. My client invests in tech stocks. Can I tell her about our decision and let her decide whether she thinks this company is a good investment?

## Answer

Absolutely not. The information you have about our plans to use this company’s product is confidential, non-public information, and may be material. If you convey it to a client, you are violating our policy not to divulge confidential firm information. If your client uses the information to invest, you may both be violating securities laws.

## Question

We are completing a high-level strategy study for a client that supports their decision to launch an important new product. Speculation about the new product has been reported in the business press and my stockbroker recently recommended I buy the stock for completely independent reasons. Given that

some news about the product is already being reported and my broker has recommended it for reasons that have nothing to do with my work for the client, can I buy the stock?

### Answer

No. Even if such a purchase could ultimately be found to be lawful, it would violate our policy's prohibition on buying stock of a client you have served in the previous two years.

## Media Inquiries, Public Speaking, and Publishing Articles

Our clients, potential clients, and others count on us to provide reliable information on Kearney's operations, performance, and outlook. **To Protect the Integrity of the Information:**

- If you are contacted by the media, confer with your practice leader and the Communications function before answering any questions or making any comments
- Speeches and articles offer excellent opportunities for Kearney representatives to present topics and ideas of interest to business and professional audiences. Any article or speech intended for publication or delivery to an audience must have the appropriate unit leader's approval

## Records Management

Maintaining records is essential to the work of all our companies, and care must be taken to ensure that records are managed properly. It is the subject matter of a record, not its form (electronic, paper, voice recording), that determines the appropriate retention period.

Three principles should guide us:

- **Maintain records required by our policies or specifically required by law.** Some laws have specific record-keeping requirements. Each unit must faithfully maintain all records required by law and for the relevant time period required by law or appropriate for the nature and content of the material contained in the records. The [Kearney Record Retention Policy](#) also delineates the types of records that should be kept and for what period of time. Speak to the Law function if you have questions about this.
- **Be alert to the need for accuracy.** Our personnel should always try to ensure the accuracy of records, but this becomes especially important when records or documents are produced for an official purpose, such as in response to a subpoena or in the course of litigation, a government inquiry, or regulatory review. Providing false or misleading records is wrong under any circumstances—doing so when records are produced or maintained for official purposes is a serious violation of law
- **Retain any records related to litigation, tax positions, audits, or an investigation.** If there is an investigation or litigation or one is anticipated, it is essential to retain any related records. This includes all electronic records—be sure automatic disposal systems are stopped when necessary to preserve such records

Also, for additional information, refer to the [Kearney Record Retention Policy](#).

## Political Activity

The laws of many countries where we do business set strict limits on contributions by corporations to political parties and candidates, and violators are subject to serious penalties—including imprisonment. Because such laws vary, you should consult with the Law function before engaging in any political activity on behalf of Kearney anywhere in the world.

**Corporate political activity.** To ensure compliance with these laws, personnel must not make any direct or indirect political contribution on behalf of Kearney unless authorized by the Law function in writing. This includes contributions to candidates, campaign office holders, and parties. Contributions can include such things as:

- Buying tickets for a political fundraising event

- Providing goods or services
- Loaning personnel during working hours for fundraising activities
- Paying for advertisements and other campaign expenses

**Personal political activity.** Kearney applauds the civic involvement of its employees and individual acts of support of candidates or parties, undertaken in one's own time. Never use firm time, property, or equipment for personal political activities.

**Lobbying.** Lobbying requires disclosure, is subject to specific rules, and covers many kinds of activity. You may be engaged in lobbying if your work for Kearney directly, or on behalf of clients, involves:

- Contact with legislators or regulators or their staffs
- Government contract sales
- Efforts to influence legislative or administrative action

Discuss these activities with the Law function to determine whether disclosure and other rules apply.



# Your Pledge

The Kearney Code of Conduct makes clear that adherence to the law and highest standards of integrity is critical to Kearney's success.

Compliance does not just happen, however. It requires a commitment by every one of us. That is why Kearney asks for 100% of our employees to certify to our Code at onboarding and annually. It signals your individual commitment to act responsibly on behalf of your company.

## Additional Information

<b>Document availability</b>	Internal
<b>Policy scope</b>	Kearney employees
<b>Initial document publication</b>	November 1, 2022
<b>Present document publication</b>	November 1, 2022
<b>Version</b>	Version 2022.2
<b>Policy review timeline</b>	Annual – All policies and procedures will be reviewed on an annual basis. Kearney may periodically review its Code of Business Conduct as it deems necessary.
<b>Next date of review</b>	October 1, 2023
<b>Policy owner and contact</b>	Lisa Scott
<b>Approval</b>	Affan Arain

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