



# THIRD-PARTY CODE OF CONDUCT

INSPIRING TRUST

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# USAA



# Letter From Russ



## Dear Third-Party Service Provider,

Thank you for being an important part of the team that enables USAA to carry out Our Mission: empowering our members to achieve financial security. As we work together, it's essential that you understand the behaviors we expect to meet our standards of excellence and align with the association's Core Values.

The Third-Party Code of Conduct is your best resource for understanding USAA's ethical standards and Our Core Values of Service, Loyalty, Honesty and Integrity. We expect our third-party service providers to act responsibly, treat our members fairly and comply with all applicable requirements. For that reason, it's important to stay current with compliance training and review the Third-Party Code of Conduct to understand what USAA expects of you.

Please report known or suspected violations of this Code or USAA's policies – even if you are personally involved. We don't tolerate retaliation against anyone who, in good faith, reports violations of our standards.

Within this Third-Party Code of Conduct, you'll find contact information for the Ethics Office and the Ethics Helpline, important resources for you to report concerns or get guidance.

Thank you for helping USAA serve our members well.

*Russ Major*


Russ Major

SVP, Chief Procurement Officer

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**SEE THIS ICON AT THE TOP OF YOUR SCREEN?** 

If you are aware of misconduct or unethical behavior, click on the icon to go directly to the USAA Ethics Hotline reporting page.

# Introduction

## OUR VALUES

At USAA, we live Our Core Values of Service, Loyalty, Honesty and Integrity. These simple yet essential values ensure that we conduct ourselves with the utmost integrity as we deliver high-quality products while following all applicable laws, regulations and standards of business conduct. We avoid all appearance of impropriety; it's what our members expect and we are committed to meeting those expectations. We in turn hold our third parties to the highest standards of ethical conduct.

## WHY WE HAVE A THIRD-PARTY CODE OF CONDUCT

USAA seeks to conduct business with reputable suppliers, vendors and other providers of goods and services, or legal entities in a business arrangement with USAA (together, USAA's "third-party service providers"), and reputable contractors, consultants and agents (together referred to as USAA's "third-party workers") who are committed to the same high ethical standards that we are committed to. All third-party service providers and their employees or representatives with whom USAA does business are expected to follow this Third-Party Code of Conduct ("Third-Party Code" or "Code") and must implement systems and controls to ensure compliance with applicable laws and regulations and the principles set out in this Code. This includes policies, training, monitoring and auditing mechanisms designed to provide ongoing improvement and assurance of its effectiveness. Third-party service providers are responsible for educating and training third-party workers and ensuring compliance with the provisions of this Code and the law. USAA reserves the right to require certification of compliance to this Code.

Nothing in this Code shall be construed as creating an employment relationship between USAA, third-party service providers and third-party workers. In addition, nothing in this Code is meant to supersede any specific provision in a particular contract. This Code contains general requirements applicable to all of USAA's third-party service providers. Particular third-party contracts may contain more specific provisions addressing some of the same topics. If there is any inconsistency between this Code and any other provision of a particular contract, the provisions of the contract have precedence. As a general matter, USAA expects our third-party service providers to comply with the specific provisions of this Code.

## FUNDAMENTAL EXPECTATIONS

The highest standard of integrity is expected at all times from third-party service providers in their interactions with or on behalf of USAA. Third-party service providers must act responsibly in all aspects and ensure that no abusive, exploitative, or illegal conditions exist, either in their own operations or in their respective suppliers' operations. Third-party service providers are responsible for educating and training their employees and subcontractors and ensuring that subcontractors are compliant with the provisions of this Code and the law. USAA reserves the right to monitor, review and verify compliance with this Code, and may take action up to and including terminating its business relationship with any third-party service provider who fails to comply with this Code.



# Introduction (CONT.)

## REPORTING CONCERNS

Third-party service providers are expected to report any actual or suspected violations of this Code, [USAA's Code of Business Ethics and Conduct](#), or any applicable law, rule, regulation or policy in connection with work done for USAA. USAA prohibits retaliation against anyone who makes a report in good faith about an actual or potential violation of this Code, policy, or any applicable law, rule or regulation.

Third-party service providers can report concerns to the [Ethics Office](#) or through USAA's [Ethics Helpline](#). The Helpline is available 24 hours a day, seven days a week, online and by phone:

- United States:** 855-208-8583
- Germany:** 0800-225-5288, then 855-208-8583
- Luxembourg:** 800-201-11, then 855-208-8583
- United Kingdom:**
  - (C&W) 0-500-89-0011, then 855-208-8583
  - (British Telecom) 0-800-89-0011, then 855-208-8583

Reports may be submitted confidentially, and where permitted by law, may be submitted anonymously.

Third-party service providers are expected to provide their employees with access to an adequate internal channel for raising issues or concerns confidentially, and anonymously (where permitted by law), without the fear of retaliation. Third-party service providers are also expected to prohibit retaliation against a person who has made a report in good faith.

## AUDITS AND INSPECTIONS

USAA reserves the right at any time to review a third-party service provider's adherence to this Code and to investigate any complaints or violation of policy. Failure of a third-party service provider to cooperate with USAA regarding audits and inspections will have consequences up to and including termination of our relationship with such third-party service provider.

## COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Third-party service providers are required to fully comply with all laws, rules and regulations applicable to their countries of operation and countries where USAA is located. This includes the United States of America, the United Kingdom, Luxembourg and Germany.



# Our Commitment to Each Other and Our Communities

## FOSTERING BELONGING

USAA strongly encourages our third-party service providers to adhere to the requirements of this Code and promote ethical behavior in all their operations and engagements. Our third-party service providers are encouraged to foster an inclusive culture where every employee feels they belong, and can be and do their best. To the extent practicable, we also encourage third-party service providers to help their employees understand the unique needs of the military community that USAA serves. This includes fostering a diverse supply chain that creates opportunities for qualified veteran and military spouse-owned businesses.

## NON-DISCRIMINATION AND HARASSMENT

Third-party service providers are expected to comply with all applicable laws concerning equal employment opportunity and prevent discrimination in hiring and employment practices. This includes fostering a work environment that is free from discrimination, harassment, and prohibited conduct regarding an individual's protected characteristics, including but not limited to race, color, sex, pregnancy, gender identity or expression, sexual orientation, age, religion, national origin, disability or veteran status. Third-party service providers are encouraged to reinforce their commitment to non-discrimination and harassment by:

- Ensuring employment practices are fair, and that everyone has an opportunity to obtain or develop their careers based on merit.
- Maintaining the principles of equal employment opportunities and adherence to the laws relating to non-discrimination and fair employment practices.

## NON-RETALIATION

USAA is committed to fostering a culture of compliance and ethical behavior; therefore, it promotes an environment where third-party service providers feel comfortable speaking up. Third-party service providers and their workers should be able to report concerns without the fear of retaliation from USAA. If a third-party worker believes, suspects or has knowledge of behavior that is inconsistent with this Code or the [USAA Code of Business Ethics and Conduct](#), they are required to speak up. Remaining silent about possible misconduct may worsen a situation and decrease trust in USAA's ability to address concerns or in some cases, negatively impacting stakeholder trust.

USAA does not tolerate retaliation against any third-party worker or third-party service provider who, in good faith, brings a complaint or report of suspected inappropriate conduct to the company's attention. USAA also prohibits a third-party service provider or third-party worker from retaliating against anyone who reports concerns in good faith.

## WORKPLACE HEALTH, SAFETY AND SECURITY

Third-party service providers are expected to comply with applicable health and safety laws, regulations, standards, as well as USAA health, safety and security policies and procedures.

# Our Commitment to Each Other and Our Communities (CONT.)

## COMPENSATION, WORKING HOURS AND CONDITIONS

Third-party workers are expected to receive compensation in compliance with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Third-party workers should be able to earn fair wages, as determined by applicable law. All wages and benefits should be paid in a regular, timely manner. Third-party service providers should provide adequate and safe working conditions in compliance with applicable health and safety laws, regulations, standards, codes, policies and procedures.

## HUMAN RIGHTS IN THE WORKPLACE

Third-party service providers are expected to maintain and promote fundamental human rights. Third-party service provider's workforce should not be forced, bonded, or indentured, or subjected to involuntary labor. Third-party service providers are expected to adhere to the minimum employment age limit defined by national law or regulation of their and USAA's country of operation. Third-party service providers should ensure that their workforce meets the minimum age requirement as set by local law. In no instance shall a third-party service provider engage in child labor. To ensure compliance, third-party service providers must create and maintain official and verifiable documentation of the ages of its workforce.

## POLITICAL ACTIVITIES AND LOBBYING

Third-party service providers are prohibited from making any political contributions of any form, or lobby government entities or officials on behalf of USAA without express written pre-approval from USAA. Additionally, third-party service providers may be required to provide USAA with information regarding the lobbying and political activities they undertake on USAA's behalf.





# Our Commitment to Each Other and Our Communities (CONT.)

## SUSTAINABILITY

The USAA Way guides our approach to sustainability and how we seek to meet stakeholders' evolving expectations. As part of this stewardship, we believe that taking care of our members and employees also means taking care of the communities where we work and live. This includes conservation and helping our communities be more environmentally resilient. USAA is also committed to operational excellence – wisely using and conserving our shared natural resources while pursuing efficient and environmentally conscious operations.

## ENVIRONMENTAL RESPONSIBILITY FOR THIRD PARTIES

We ask that our third-party service providers join us in this commitment to stewardship, including compliance with all applicable environment laws, regulations, policies, procedures and industry requirements. Third-party service providers are expected to manage their operations as good stewards of our shared communities while avoiding, minimizing and mitigating negative impacts to the environment or community when practical. Third-party service providers are also encouraged to implement systems designed to reduce emissions, increase energy efficiency, reduce water consumption and increase waste diversion from landfills.



## EMERGENCY PREVENTION

Third-party service providers are expected to be familiar with and follow USAA's Emergency Action Plan in USAA owned and operated facilities.

## BUSINESS CONTINUITY

Third-party service providers are expected to manage business continuity risks and assure the availability of their services during an unexpected event. Third-party service providers should have disaster recovery plans in place to ensure that they can continue to meet their obligations to USAA with minimal disruption in the event of an emergency.

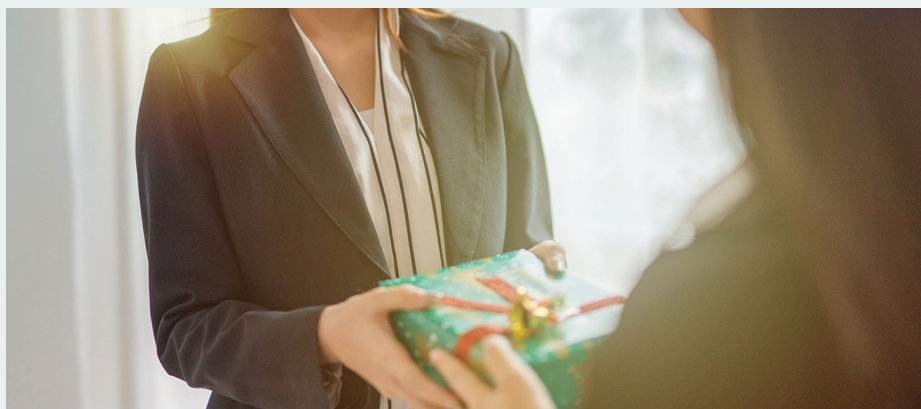


# Our Commitment to Our Stakeholders

## CONFLICT OF INTEREST

Third-party service providers are expected to avoid both actual and potential conflicts of interest – those circumstances in which their personal interests influence or appear to influence their ability to act in the best interest of USAA and its members.

Third-party service providers must not develop any relationship with a USAA Director, officer, employee or those working for USAA, whether financial or otherwise, which might conflict or appear to conflict with such person's obligation to act in the best interest of USAA. We expect our third-party service providers to disclose any actual or potential conflicts between their personal interests and the interests of USAA prior to initiating any relationship with USAA, or as soon as becoming aware of such conflict. This includes any relationship with a Director, officer, employee or person working with USAA that represents or might appear to represent a conflict of interest. Such disclosures may be made through the [Ethics Helpline](#).



## GIFTS AND ENTERTAINMENT

In any business relationship, third-party service providers are expected to ensure that the offering, giving or accepting of all gifts, entertainment or anything of value is permitted by law and regulation; does not violate the rules and standards of the recipient's organization; is consistent with reasonable marketplace customs; has a valid business purpose; and will not adversely impact USAA's reputation. Third-party service providers are expected to use good judgment and discretion to avoid even the appearance of impropriety or obligation.

USAA employees, including our Board of Directors, are not allowed to accept either (1) lavish, frequent or extravagant gifts or entertainment or (2) gifts or entertainment that could be considered or perceived to be quid pro quo for past, pending or anticipated business. USAA employees are also generally required to receive written approval in order to accept gifts from a single source valued at more than \$50 per instance. Furthermore, gifts received by USAA employees may not be in the form of cash, cash equivalents, gift cards or alcohol.

Certain USAA employees may not accept gifts or any other form of consideration from any individual or entity doing business or seeking to do business with USAA. In addition, USAA's third-party service providers must never offer an incentive to any USAA Director, officer, employee or such person's family or friends to obtain, retain or influence USAA business. USAA employees may not accept gifts or entertainment from third parties that are in active contract negotiations with USAA or if the employee is responsible for evaluating the third parties' performance. Third-party service providers must never offer gifts, favors or entertainment to USAA employees that would violate this Code.

# Our Commitment to Our Stakeholders (CONT.)

## **CONFIDENTIAL INFORMATION**

Third-party service providers must take extreme care in the appropriate use and protection of all sensitive information, including confidential, proprietary, and personal information of USAA, its regulators, employees, and its members in accordance with applicable laws, prevailing industry practices and contract terms, and prevent its disclosure, theft, damage, unauthorized or inappropriate use. All third-party service providers must notify USAA as soon as becoming aware of a real or potential breach of their systems used to process USAA data or a real or potential breach or misuse of USAA member, employee or USAA proprietary data.

## **INTELLECTUAL PROPERTY RIGHTS**

Third-party service providers should not use USAA name, logo and other brand assets without the prior written consent of USAA. Third-party service providers must respect USAA's intellectual property rights including processes, information, technology and member information. Third-party service providers are required to take all reasonable efforts and necessary precautions to protect USAA's intellectual property rights.



# Our Commitment to the Marketplace

## **FAIR COMPETITION AND ANTITRUST**

Our third-party service providers are a very important part of our business. We expect them to give us the best service, deliver the best products and materials and provide us with the best value. We treat our third-party service providers fairly by using a transparent procurement process and maintaining integrity with their information. We do not abuse our relationship with them by seeking to gain an undue advantage. Our procurement practices encourage, and do not restrain fair trade. Third-party service providers are expected to conduct business in accordance with all applicable antitrust or anti-competition laws and regulations. Third-party service providers must protect competitively sensitive or confidential information.

All of USAA's third-party service providers are expected to refrain from all forms of illegal or improper activity, including misrepresentation, extortion, embezzlement or insider trading.

## **FINANCIAL INTEGRITY**

Third-party service providers are expected to accurately record, maintain and report business documentation, including but not limited to, financial accounts, time entry, expense reports, payroll records, resumes and submissions to USAA, its members or regulatory authorities, as well as any other records or reporting under applicable legal or regulatory requirements.





## Our Commitment to the Marketplace (CONT.)

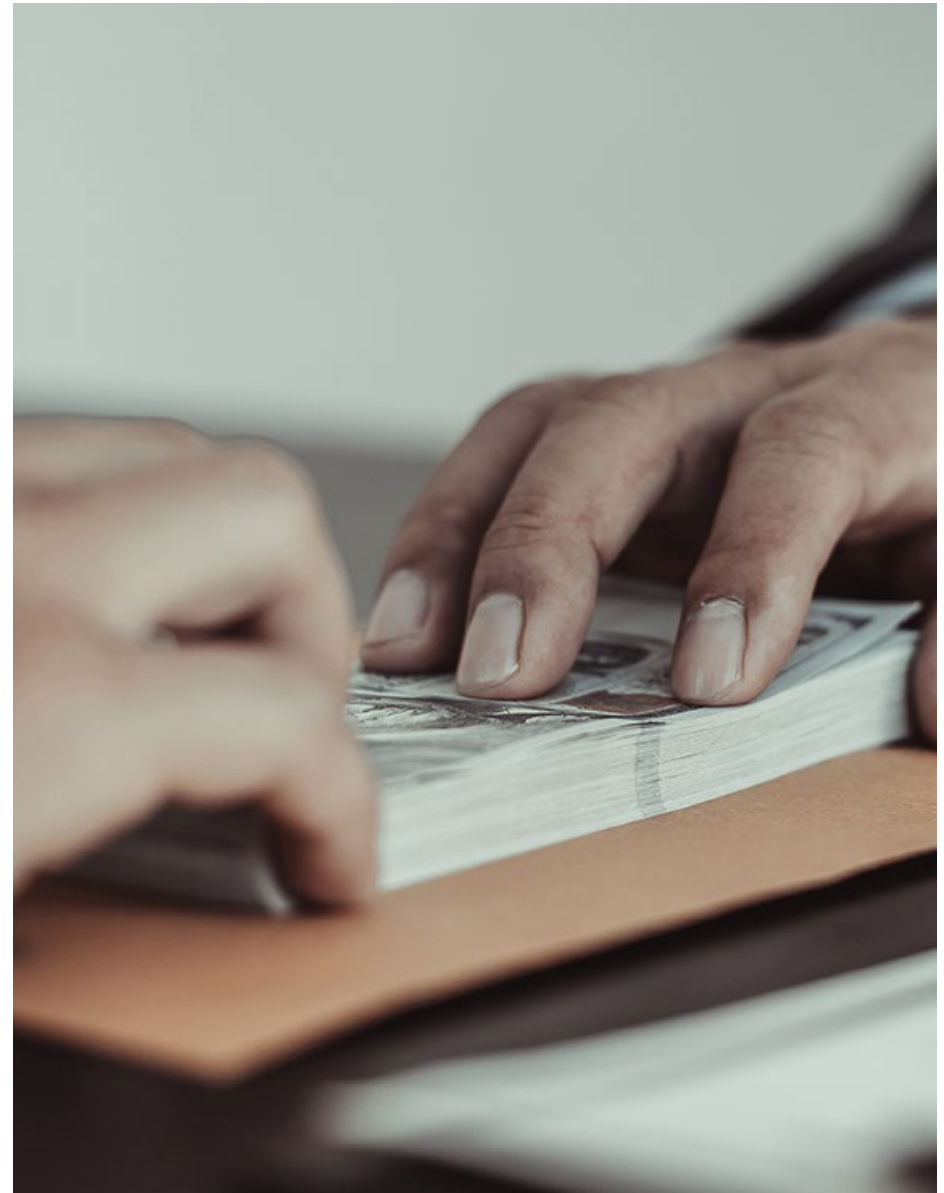
### ANTI-BRIBERY AND CORRUPTION

USAA has no tolerance for bribery or corruption. Third-party service providers must perform their activities related to USAA’s business and operations in compliance with applicable Anti-Bribery laws including the U.S. Foreign Corrupt Practices Act (“FCPA”), U.K. Bribery Act, Bank Bribery Act as well as federal and state laws (“Anti-Bribery Laws”) that impact USAA’s domestic and operations abroad.

Under no circumstances may a third-party service provider, or any of its employees, agents or representatives offer, accept, pay, promise to pay, authorize, transfer, solicit or arrange for the payment of anything of value (including but not limited to gifts, entertainment, travel, lodging, charitable or political contributions and employment offers), to or from any person, including a government official, on behalf of USAA, whether directly or indirectly, to obtain or retain business or to improperly influence a business decision.

USAA’s third-party service providers must never encourage, allow, or even appear to encourage or allow others to engage in any form of bribery on behalf of themselves or USAA. This prohibition includes even small payments, often known as facilitation payments, intended to expedite or secure the performance of an action (typically a routine and non-discretionary governmental action).

Third-party service providers must also have in place adequate policies and procedures designed to effectively prevent bribery and corruption, and must notify USAA of any alleged potential, suspected or actual breach of the law or this Third-Party Code via the [Ethics Helpline](#).





# Our Commitment to the Marketplace (CONT.)

## INTERNAL AND EXTERNAL FRAUD

USAA has no tolerance for fraud committed by an external party, a member, a client, an employee and third-party service providers against USAA or its members.

Strong external and internal fraud risk management governance and oversight is crucial to controlling USAA's and the member's exposure to fraud. USAA upholds the highest standards of ethics and professional conduct and ensures that corporate business activities and individual employee conduct reflects good judgment, common sense, and is consistent with Our Core Values of Service, Loyalty, Honesty and Integrity and The USAA Way. Third-party service providers, including management at all levels and their employees, are held to the same standards.

Third-party service provider management is responsible for the implementing of control activities designed to comply with the USAA Fraud Policy as applicable to their respective business areas. This includes driving a strong culture that promotes the identification, escalation and reporting of fraud and fraud risks. In addition, third-party service provider management is responsible for ensuring that their employees complete required fraud training, and maintaining an appropriate level of knowledge regarding fraud risks that impact their business areas.

Third-party service providers and their employees at all levels are responsible for reporting concerns, suspicious activity or instances of fraud, identity theft and elder financial exploitation to USAA management, the Ethics Helpline or a USAA account relationship management representative.

Activities performed on behalf of USAA must comply with applicable, Fair and Accurate Credit Transactions Act, Identity Theft Prevention Program, Elder Financial Exploitation, National Association of Insurance Commissioners and Insurance Fraud Model Act laws, rules and regulations.

## EXPORT/IMPORT CONTROL

Third-party service providers must ensure that their business practices are in accordance with all applicable laws and regulations governing the export and import of domestic and foreign origin parts and components and related technical data.

