

University Code of Ethical Conduct

Effective: 2022.05.01

I. Purpose

The Mission of the Universidad del Sagrado Corazón (“Sagrado” or “University”) is to educate persons in intellectual freedom and moral conscience who willing to engage in the construction of a more authentically Christian Puerto Rican society--a community of solidarity, in justice and peace.

We are guided by Christian principles and, as members of the Sagrado community, we have a shared responsibility to advance our Mission by holding ourselves and other community members to the highest standards of ethical and lawful conduct in all our academic, student support, and institutional activities.

We must be aware of and follow the policies, standards, laws, and regulations that apply to our activities, report concerns, and work together to resolve them. We are responsible for our actions and our decisions not to act and be accountable to further the University's Mission.

II. Scope

This Code of Ethical Conduct (the “Code”) applies to all members of the University community including trustees, faculty members, administrative staff, student support services staff, students, alumni and third-parties, including, agents, contractors, visitors, volunteers, lessees, and others associated with the University.

The Code establishes the general principles and is not intended to replace and may be supplemented by specific University policies that have been adopted in the past and those that may be adopted in the future.

III. Guiding Principles

Ethical integrity is not limited to compliance with laws, regulations, and contractual obligations. The appearance of improper or unethical conduct may adversely affect the good name and reputation of our University. For this reason, we must try at all times to maintain the highest standards of integrity.

Some activities or conduct may not be governed by a specific law or regulation. In such instances, each situation will be examined according to the rules of impartiality, honesty, and respect towards the rights of others. Any practice that is or appears unethical will not be tolerated.

Members of the University community are expected to perform appropriately according to their position, responsibilities, and delegated authority. The University and the University community are accountable to each other for their actions and their decisions not to act. Everyone must perform their job in accordance with this Code and, for trustees, the Bylaws of the University, exercising good judgment and serving the best interests of the University and community.

The Glossary of Terms provides the definitions to the terms most commonly used in this Code.

IV. Compliance with the Laws and Regulations

Every member of the University community must familiarize with those laws and regulations that are applicable to their position, duties, responsibilities and comply with both the letter and the spirit of the laws and regulations. Failure to comply can have serious adverse consequences for both individuals and the University in terms of reputation, finances and the health and safety of the community. The operation of the University must be carried out in accordance with all legal and contractual requirements.

The University will establish programs to educate its members and to monitor and promote compliance. University Officers and supervisors are responsible for monitoring and modeling a culture of ethical integrity and compliance. The University General Counsel is responsible for interpreting laws and regulations.

V. Compliance with the University Policies, Procedures and Other University Directives

University policies and procedures are designed to inform about our daily responsibilities, establish minimum standards, and provide members of the University community with guidance about what is expected of them. Members of the University community must carry out their work in accordance with University policies and procedures, and should familiarize themselves with those that correspond to their areas of responsibility. It is not acceptable to ignore or disobey policies if a member of the University community does not agree with them or to avoid compliance by deliberately looking for loopholes. Members of the University community must seek clarification regarding University policies, procedures or directives that they believe are unclear, out of date, or contrary to University mission or strategic priorities and objectives.

Some professions and disciplines represented at the University are governed by standards and codes specific to those professions (e.g., lawyers, certified public accountants, engineers, professional counsellors, psychologists, and nurses). Such employees must comply with laws and regulations, applicable professional standards, University policies

and this Code. If a member of the University community believes that there is a conflict between a professional standard and University policy, he or she should contact the University's General Counsel.

A. Respect for the Rights and Dignity of Others

Sagrado is committed to the principle of respecting the dignity of each person and therefore treating each person with utmost respect. Sagrado prohibits discrimination and harassment and provides equal opportunity to all community members and applicants regardless of race, color, national origin, religion, sex, gender identity, pregnancy, physical or mental disability, genetic characteristics, ancestry, marital status, age, sexual orientation, citizenship, or status as covered veteran.

B. Protection of Confidential Information and Privacy

Members of the University community receive and generate different types of confidential, exclusive, and private information on behalf of the University. It is imperative that members of the University community comply with all federal and state laws, contracts with third parties and University policies related to the use, protection, and disclosure of confidential information and personally identifiable information. These policies apply even after the end of the University community member's relationship with the University.

C. Health or Patient Related Information

University personnel or third-party healthcare providers entrusted with the responsibility of providing health care to members of the University community must provide the highest quality of services in response to the needs of the patient. All patient care must be reasonable, necessary, and appropriate to the situation and be provided only by duly qualified personnel. All patient records and documentation must comply with applicable legal requirements and professional standards. University personnel or third-party healthcare providers, University Officers and supervisors must protect the confidentiality of patient information.

D. Academic Integrity in Faculty Academic Activities

1. Use of Intellectual Property of Others.

Faculty members entrusted with teaching activities must comply with the highest standards of honesty and integrity. All teaching activities must be conducted in strict accordance with applicable University policies, procedures, and approvals, as well as the requirements of government and private entities that fund research programs. Activities such as violation of intellectual property rights (e.g., copyrights, patents, trademarks, confidential information) are expressly prohibited.

2. Academic Activity.

The highest ethical and integrity standards are expected from the faculty in all academic activity, including research, publication, teaching, and other academic production. This means acting with the values of honesty, trust, fairness, respect and responsibility in learning, teaching, and research. It is important for students, teachers, researchers, and all staff to act in an honest way, be responsible for their actions, and show fairness in every part of their work.

Researchers must not fabricate data or results; intentionally change or omit data or results to improperly present results in the research file; or misappropriate the ideas, writings, research, or findings of others. All those who work in research must continue to advance knowledge while meeting the highest standards of honesty, accuracy, and objectivity. They must also demonstrate responsibility for sponsor funds and comply with the specific terms and conditions of contracts and grants.

3. Research with Humans and Animals.

Members of the University community working on research must always conduct their research with integrity and intellectual honesty. Research involving human and animal subjects must be reviewed by institutional review boards.

E. Student Integrity

Students must always conduct all academic activity and all co and extracurricular activities in accordance with the highest ethical standards and conduct themselves with integrity in all aspects of their university life both inside and outside the classroom and on and off campus. This includes their interactions with University Officers and not engaging in any forms of academic dishonesty or taking advantage of others.

Academic integrity is the pursuit of scholarly activity in an honest, truthful, and responsible manner. Violations of academic integrity include but are not limited to plagiarism, cheating on exams, falsification, unapproved collaboration, and destruction of library materials.

Students found behaving in dishonest, unethical or without integrity on campus or in a University sponsored activity on off campus may be subject to serious consequences under the Student Handbook and/or any other applicable policy or procedure.

F. Compliance with Contractual Obligations with Third-Parties

Acceptance of grants and contracts create legal obligations on the part of the University, and, for this reason, it is that they be performed in good-faith and with due care. The University's implementation of those grants or contracts must meet or exceed applicable requirements. Members of the University community must strictly comply with the terms and conditions of each grant or contract on which they are working. If there is any need to deviate from those terms, it is also vital that, in advance, the University request clarification or an amendment of those terms. Only University Officers authorized by the University may enter into contracts with third-parties on behalf of the University.

G. Use of University Property, Assets and Resources

Members of the University community must treat University property, assets and resources with care and must adhere to the laws, policies and procedures for the acquisition, use, maintenance, storage and disposal of University property. University resources must only be used for the benefit of the University and should not be used for personal gain or for personal use except incidentally and when not in conflict with the University's operations.

The University maintains its computer network resources to support the education, research, and administration of the University. Use of the University's network resources is a privilege, not a right, and those with access must do so responsibly (e.g., educational, research and administrative activities) and should not:

1. waste network resources or intentionally disrupt the network;
2. use network resources for entertainment, social media or commercial purposes;
3. violate laws and regulations concerning security, confidentiality, privacy, or copyright, or other applicable policies or laws.

VI. Integrity in Business Practices with Third-Parties

Members of the University community must conduct all business with third-parties (e.g., contractors, suppliers, payers, vendors, competitors) with honesty and integrity including, but is not limited to:

1. ensuring that representations and information provided to the government, including time recording, expenses, and other cost information, be accurate and complete;
2. adhering to all federal and state anti-fraud and referral prohibitions when dealing with vendors and referral sources;
3. adhering to all antitrust laws (those governing prices and other terms and conditions, improper sharing of competitive information, territorial allocation, and group boycotts);
4. protecting and preserving the University's property and other assets including, but not limited to, proprietary information, intellectual property, buildings, equipment, books, and funds;
5. safeguarding and respecting the rights and confidentiality of third-party intellectual property, proprietary information, or other controlled information that is entrusted to the University, in accordance with all requirements addressing the receipt of such information; and

6. complying with all requirements dealing with export-controlled information, country of origin rules, and human trafficking prohibitions.

VII. Integrity in Accounting and Financial Reports

Accounting reports maintained by members of the University community including those submitted to the Board of Trustees, external auditors, and government agencies, must be accurate, clear, and complete. Entries in the University's books and records (e.g., departmental accounts and individual expense reports) must accurately reflect each transaction.

Published financial reports must make full, fair, accurate, timely and understandable disclosures under generally accepted accounting principles for government entities, bond issuance agreements and other requirements.

VIII. Political Activities on Campus and University Events

A. Hosting Political Activities and/or Candidates on Campus

Discussing issues of public importance is central to the intellectual and academic life. Committed to our mission, Sagrado values and fosters the candid and open exchange of ideas that enriches the academic-learning experience for our university community.

As a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, Sagrado may not directly or indirectly participate in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office this includes contributions to political campaign funds or public statements of position (verbal or written) made on behalf of the organization in favor of or in opposition to any candidate for public office. The consequences to Sagrado for violating this prohibition may result in denial or revocation of tax-exempt status and the imposition of certain excise taxes.

All political activities on University facilities or University events must receive prior written authorization from the University President to avoid improper participation or intervention in a political activity.

B. Participation in Political Activities and/or With Political Candidates

Certain statements may constitute improper participation or intervention by the University in political activities. The University or any person representing the University cannot make partisan comments in official communications or at activities nor can they use University resources (including the University email account, listservs, and letterhead) on a partisan basis in support of or in opposition to political candidates or political activities.

University staff and faculty may not engage in political activities with a political candidate or an elected official during their working hours, unless otherwise approved in writing by the University President for hosting political candidates on campus.

University staff and faculty may engage in political activities in support of or in opposition to political activities, political candidates and elected officials after work hours, provided that such activities do not involve the use of University resources or make references to the Sagrado's name, trademark or the employee's position in Sagrado.

University officers must be careful regarding the manner in which they communicate about public policy and political issues. While engaging in any political activity on a personal basis, University officers must expressly communicate that such activity is being conducted in their personal capacity and not on behalf of the University. University officers must inform in writing to the Office of the President the nature and extent of their participation prior to engaging in the political activity.

IX. Conflicts of Interest

A. Personal Conflicts of Interest Involving the University

Members of the University community have a fiduciary duty to the University and must avoid not only a real conflict but also the appearance of a conflict of interest. A conflict of interest may exist when a member of the University community makes a decision (in favor or against) in the exercise his or her duties and/or when the member receives any type of benefit or compensation (monetary or in kind) that may compromise his or her professional judgment. This fiduciary duty extends to the member's immediate family and/or an entity which employs or is about to employ any of them.

Members of the University community who have or may have an actual or potential, real or apparent conflict of interest must disclose such conflict to the Internal Auditor or if the disclosing party is the University President or a trustee, to the Board of Trustees or the Board committee entrusted with such responsibility.

Members of the University community and their immediate family may not, without the prior written consent of the University President or in the case of the President or a trustee, of the Board of Trustees or the Board committee entrusted with such responsibility:

1. provide services as a trustee, officer, director, employee or consultant to any other institution of higher education;
2. participate, be a member of, receive payment or privileges from, or have a financial interest in, any organization that significantly competes with the University; or

3. use or benefit from confidential information accessed by reason of their work with the University, including participating in “insider trading” (e.g., using non-public information about publicly-traded companies for their own benefit).

B. Personal Conflicts of Interest Involving Third-Parties

Members of the University community may not participate in the selection, award, or administration of a contract or grant including contracts subsidized with federal funds where such participation creates an actual or potential, real or apparent conflict of interest. A conflict of interest would arise when a member of the University community and/or his or her immediate family or an entity which employs or is about to employ any of them has a financial or other interest in, or a tangible personal benefit from, an entity considered for a contract.

Members of the University community may not participate in administrative decisions regarding projects or programs involving a third-party and including the federal and local governments when:

1. the decision may benefit them or someone in their immediate family;
2. the decision is, or may appear to be, motivated by a desire to benefit (beyond the contract itself) themselves or any other person; or
3. they are a public official.

Members of the University community who have or may have an actual or potential, real or apparent conflict of interest must disclose such conflict to the Internal Auditor or if the disclosing party is the University President or a trustee, to the Board of Trustees or the Board committee entrusted with such responsibility. Exceptions to these rules must be expressly authorized in writing by the University President or in the case of the President or a trustee, by the Board of Trustees or the Board committee entrusted with such responsibility prior to engaging in the decision-making process.

X. Integrity in Business Practices with the Federal and State Government

Members of the University community who receive grants (or contracts) from federal or state governments must understand that these relationships are governed by strict laws, regulations, and ethical rules. Some of these rules prohibit practices that are typical and ethical in the commercial marketplace. Members of the University community who work in the government grant or contacting environment must understand and follow these rules. Misconduct in government transactions, even when attributable to lack of knowledge, can have serious consequences and can expose the University to penalties, loss of grants and contracts, and even suspension and debarment from future government contracting or grant opportunities.

A. Gifts, Gratuities, and Anti-Corruption Laws

1. Gifts and Gratuities to Government Officials of the United States and Puerto Rico.

The rules involving gifts are particularly strict where government customers are involved. Members of the University community must not directly or indirectly make or offer any payment of money, gift, service, or anything of value to any government official or employee (e.g., paying for meals or entertainment, travel expenses such as airfare or lodging). Unless it has been specifically approved in advance, members of the University community must not offer or provide transportation to a government official (even in a rental car) unless the government official or employee pays for the market value of the transportation. These restrictions apply whether or not the member of the University community intends to seek reimbursement of the expense from the University because the he or she may not legally use personal funds or resources to do something that cannot permissibly be done using University resources.

It is permissible for government officials to pay their fair share of the market value of their meals or entertainment. Modest items of food and refreshments (e.g., soft drinks, coffee, and donuts) may be offered to government employees during a business meeting or product demonstration.

Some may wish to make gifts to friends or relatives who happen to work for the government. Entertainment or an exchange of gifts purchased at personal expense (and not reimbursed by the University) may be permitted if they are based solely on a family relationship or personal friendship with a government employee and are clearly not related to company business, but they should first be approved by an authorized University Officer. This does not, however, permit a gift to a business customer with whom an employee subsequently becomes friendly.

2. Gifts or Gratuities to Foreign Officials.

Members of the University community must comply with the *Foreign Corrupt Practices Act* (“FCPA”) and similar anti-bribery laws of other countries in which the University conducts international activities. In general, the FCPA prohibits offering or giving, directly or indirectly, anything of value to a foreign official with the intention to induce or reward a foreign official, influence decision-making, obtain or retain business, or otherwise secure an improper advantage. Members of the University community engaged or who may be engaged in activities with foreign officials outside the United States, or within the United States with a foreign official, or with a United States citizen residing outside of the United States, must receive specific training on the FCPA.

B. Kickbacks

The Federal Anti-Kickback Act is a criminal statute that prohibits any person or company from providing, attempting to provide, or offering to provide a “kickback,” or soliciting, accepting or attempting to accept a “kickback”. The attempted kickback does not have to

be given or accepted to violate the law; the act of offering or requesting a kickback is a crime. While the definition does not, strictly speaking, refer to grants, it is possible that it could be interpreted to include contracts issued by the University under a government grant.

Purchases by the University should always be free from the perception that favorable treatment was sought, received, or given in exchange for the furnishing or receipt of a favorable treatment (e.g., contracts, grants, rewards, or other benefits).

Accordingly, members of the University community may not solicit or accept favors, gifts, royalties, or any monetary value from contractors or potential contractors with the University including meals, payment for travel expenses (e.g., cab fare, airfare, or lodging). Members of the University community must not solicit non-monetary gifts, gratuities, tickets, entertainment, or other personal benefits or favors from the University's contractors, suppliers, or those seeking such relationships.

C. Integrity During Competition for Grants and Contracts

The Procurement Integrity Act prohibits competitors from obtaining certain information that would give them an unfair competitive advantage. Although it does not directly apply to grants, it could be applied in circumstances where the University is competing for grants. That means that members of the University community must not request or receive from government employees confidential grant or procurement-related information, either in writing or verbally. This includes both "bid and proposal information" (e.g., proprietary information belonging to a competitor such as proposals, cost or pricing information, or technical information) and "source selection information" (e.g., government related information about its selection process that has not been made available to the public such as bid prices, rankings, and evaluations).

Violation of procurement integrity rules, particularly involving misdirected emails, are common though most violations are unintentional. If a member of the University community receives or comes in contact with any information that might be "prohibited" bid and proposal or source selection information, he or she must immediately limit further access to the document (or stop the conversation) and report it to the General Counsel.

Similar guidance applies if a member of the University community is given non-public information that might give the University a competitive advantage in a grant competition or is asked to provide input to a government customer about an upcoming competition or is asked to provide advice that could affect other interests of the University. These situations may create an organizational conflict of interest whereby the University obtains an unfair competitive advantage or cannot provide objective advice. The University is not permitted to make agreements with consultants or agents that include any payment that is "contingent on results" (e.g., a fee that will be earned only if the company is awarded a particular grant or contract).

D. Hiring Former or Current Government Employees

Former government employees can be valued employees. Because of past abuses, however, a substantial body of conflict of interest laws and regulations has been enacted to govern the employment or use of former military and civilian government employees. These rules even apply to discussions or negotiations with current government employees regarding their potential employment or use as consultants. If a member of the University community intends to hire or even discuss employment with a government employee (e.g., a friend or a neighbor), he or she must first seek advice from the General Counsel.

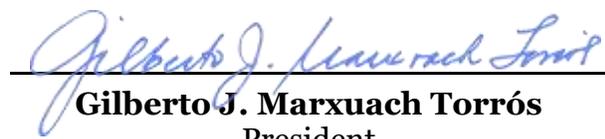
XI. Questions About this Code

Questions regarding the scope and interpretation of this Code should be directed to the office of Compliance, Internal Audit and Institutional Integrity at cumplimiento@sagrado.edu.

XII. Reporting Violations

Violations to this Code should be directed to the office of Compliance, Internal Audit and Institutional Integrity at cumplimiento@sagrado.edu. Any violations to this Code will be addressed in accordance with the University's policies and procedures.

Universidad del Sagrado Corazón reserves the right to interpret this Code in its administration, implementation, and enforcement. If there is any ambiguity in any provision of this Code, The University reserves the discretion to interpret it in accordance with the purpose for which it was established, the impact to the University's operations and good faith, unless otherwise provided by law.


Gilberto J. Marxuach Torrós
President

Glossary of Terms

For purposes of this Code, these terms have the following meaning and applies both in singular and plural.

1. *Accounting Reports* refers to financial reports, financial statements, tax reports, expense reports, time sheets, effort reports, and other related financial or accounting records or documents.

2. *Administrative Staff* refers to employees entrusted with an administrative activity as defined by the Employee Handbook.

3. *Confidential Information* refers to any information of any nature including written, oral, or visual information made by a disclosing party that is not generally available to the public (e.g., financial, operational, accounting or other information or data).

4. *Conflict of Interest* refers to a situation where a person or legal entity has a financial and/or personal interest in the selection, award, or administration of a contract including contracts subsidized with federal funds or grants where such participation could impair his or her ability to act impartially and in the University's best interest.

5. *Contract or Agreement* refers to an agreement between two or more parties that contains the common understanding between the University and a third-party as to the essential terms, mutual obligations, and legal considerations (meaning that something of value – monetary or in-kind - is exchanged).

6. *Faculty* refers to the members of our academic community entrusted with a teaching activity as defined by the Faculty Handbook.

7. *Financial or Other Interest in an Entity* within the context of a conflict of interest it refers to a person who has, directly or indirectly, through business or investments: (a) a current or potential property or financial or economic interest in the entity, or (b) a current or potential compensation arrangement with the entity, including but not limited to a potential employment relationship.

8. *Foreign Official* refers to the definition in the Foreign Corrupt Practices Act and is defined broadly to include: (a) employees or agents of a foreign government; (b) political candidates of a foreign party, or (c) employees of: (i) a foreign government-owned-or-controlled commercial enterprise, such as a university or research institution, (ii) a public international organization, or (iii) a foreign political party.

9. *Grant* refers to an agreement or contract that includes the terms and conditions for the transfer of money or property from a sponsor (grantor) to the University (grantee) with the intention of carrying out a specific purpose.

10. *Immediate Family* within the context of a conflict of interest it refers to a person who has directly or indirectly, through business or investments, a family relationship up to and including the fourth degree: by blood relationship (e.g., parents, sons/daughters, siblings, grandparents, grandchildren, uncles/aunts, nephews/nieces, cousins), and by affinity relationships (e.g., spouse, in-laws).

11. *Kickback* refers to the Federal Anti-Kickback Act and is defined as any money, fee, commission, credit, gratuity, thing of value, or compensation of any kind provided to any prime contractor or subcontractor, or any of their employees, “for the purpose of improperly obtaining or rewarding favorable treatment” in connection with a prime contract or subcontract.

12. *Lessee* refers to a person or legal entity who rents or leases real estate property or equipment or other assets from the University in exchange for a payment (monetary or in-kind), benefit, or without payment.

13. *Personally Identifiable Information* refers to an individual’s personal information by which he or she may be identifiable (e.g., social security number, license number, student records under the Family Educational Right and Privacy Act, individual health information under the Health Insurance Portability and Accountability Act, financial information under the Gramm-Leach-Bliley Act such as such as student financial aid, payment information, and credit cards).

14. *Policies* refers to an official statement of broad and direct application across the University’s units and offices that imposes binding obligations to the administrative staff, student support services staff, faculty, and students.

15. *Procedures* refers to an official statement that describes how to accomplish a task or reach a goal (e.g., directive statements) and are mandatory.

16. *Stakeholder* refers to a person or legal entity that is not employed by the University who have an interest in the University’s Mission, institutional activities and/or operations (e.g., donors, sponsors, investors, grantors).

17. *State* refers to the Puerto Rico central government, its administrative agencies, the legislative body, the judicial body, and the municipalities.

18. *Students* refers to active undergraduate and graduate students from enrollment to graduation, students participating in continued education courses and programs, and high school students participating in dual enrollment programs or sponsored programs (e.g., grants), as well as non-enrolled students.

19. *Student Support Services Staff* refers to administrative employees, as defined by the Employee Handbook, entrusted with a student support activity.

20. *Supervisors* refers to University employees who have supervisory responsibilities over other University employees who report directly to them in an administrative office, academic unit, or student unit.

21. *Suppliers and Vendors* refers to a person or legal entity that is not employed by the University who provides goods or services to the University in exchange for a compensation (monetary or in-kind) or a benefit.

22. *Third-Party* refers to a person or legal entity that is not employed by the University who provides goods or services to the University in exchange for a compensation (monetary or in-kind), benefit, or without compensation (e.g., consultants, contractors, subcontractors).

23. *Trustees* refers to the members of the Board of Trustees that is the University's highest governing body.

24. *University Agents* refers to a person or legal entity who has been legally empowered to act on behalf of the University in a specific activity, task, or responsibility.

25. *University Community* is a broad term that includes any person or legal entity who has an interest in the University's Mission, institutional activities and/or operations (e.g., trustees, faculty, administrative staff, student support services staff, students, stakeholders, third-party, suppliers and vendors).

26. *University Officers* refers to University employees who hold leadership positions and are responsible for an administrative office, academic unit, or student unit such as:

- President
- Chief Academic Affairs Officer (Provost)
- Chief Student Affairs Officer
- Chief of Staff
- General Counsel
- Chief Integrated Communications, Marketing and Admissions Officer
- Chief Organizational Development and Human Resources Officer
- Chief Finance Officer
- Chief Operations Officer
- Chief Compliance, Internal Audit, and Institutional Integrity Officer
- Chief Development and University Relations Officer.

27. *University Property, Assets and Resources* refers to University-owned real estate property, (e.g., buildings, parking lots), physical property (e.g., vehicles, equipment, computers, fixtures, furniture), and electronic systems (e.g., telephones, data communication services, networks, websites, domains, social media platforms), procurement tools (e.g., credit cards, petty cash), time and effort of employees, students, and others at the University.

28. *Visitors* refers to a person or legal entity that is not employed by the University who non-routinely visits the University campus for a specific purpose (e.g., participate special event such as a wedding, mass, a gallery event, or the theater).

29. *Volunteers* refers to a person or legal entity that is not employed by the University who provides services freely and voluntarily and without any remuneration or material benefit.