

2.1 Equal Employment Opportunity and Affirmative Action

Based on our core values, GGW will seek to ensure that management and associates act responsibly and with sensitivity to the cultural diversity among its staff.

GGW is committed to an employment policy prohibiting discriminatory practices in every condition of employment and promoting affirmative action for women, minorities, veterans, persons with disabilities and any other category as prescribed by law. Because of this commitment, GGW has developed an Affirmative Action Plan. The Plan has been developed in accordance with the following laws (as amended): Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, Genetic Information Nondiscrimination Act of 2008, and Executive Order 11246. The Plan, the principals behind it and the procedures delineated in this policy, applies to all matters of recruitment and employment including employment agencies and advertising, compensation and opportunities for advancement, upgrading, promotions, demotions, transfers, selection for training, work assignment and termination of employment. The Plan is applicable to all exempt, non-exempt, salaried, hourly, full-time and part-time positions.

It is GGW's full intention to ensure that recruiting efforts are open to a diverse group of candidates; that all aspects of GGW personnel policies, programs, practices, and operations are applied equally to all associates; and that training and the possibility of advancement are open to all wishing to make investments in their careers without regard to race, age, color, religion, gender or expression of gender identity, national origin, political affiliation, disability, matriculation, personal appearance, sexual orientation, family responsibilities, familial status, veteran status, marital status, pregnancy, childbirth, genetic background, or any other legally protected characteristic.

Plan Monitoring:

To assure compliance with the Plan and EEO regulations, a member of the Human Resources Department will be specifically named and appointed as the Equal Opportunity and Affirmative Action Officer. As such, the Officer will administer and monitor the Plan and diversity initiatives and make periodic reports to the President and CEO.

Dissemination of Information:

As a condition of employment, each associate of GGW is required to comply with the Plan. In an effort to inform associates of and ensure compliance with the Plan, each associate is required to acknowledge receipt of the Associate Handbook. Specific details regarding implementation of the Plan are made available to associates through the Human Resources Department, and more specifically, through the Equal Opportunity and Affirmative Action Officer.

3.2 Drug-Free Workplace Policy

Introduction

GGW prohibits the use, possession, distribution, transportation or sale of alcoholic beverages or drugs by associates (other than those prescribed by a physician or sold over-the-counter and are not illegal under federal law) on its premises at any time or while representing GGW's interest, including driving for business purposes while under the influence of drugs or alcohol.

Covered Workers

This policy covers all GGW associates, contractors, consultants, volunteers, interns, and job applicants. Additional provisions of GGW's Drug-Free Workplace program that apply only to associates who drive semi-tractors for GGW are contained in GGW's Transportation and Fleet Safety Manual.

Prohibited Behavior

It is a violation of GGW's drug-free workplace policy to bring, have possession of, have present in the body, be under the influence of, consume, distribute or attempt to distribute, manufacture, sell, trade, and/or offer to sell drugs illegal under federal law or intoxicants on company premises, property or job site. Prescription and over-the-counter drugs that do not violate federal law are not prohibited when taken according to a physician's direction. Any associate taking prescribed or over-the-counter medications will be responsible for consulting the prescribing physician and/or pharmacist to ascertain whether the medication may interfere with safe performance of his or her job. If the use of a medication would compromise the safety of the associate, fellow associates or the public, it is the associate's responsibility to use appropriate procedures (e.g., call in sick, use leave, request change of duty, notify supervisor) to avoid unsafe workplace practices. GGW reserves the right to require associates to provide information related to the safety of prescribed medications while the associate is working.

Notification of Drug-Related Convictions

Any associate who is convicted of a criminal drug statute must notify the Human Resources Department in writing within five (5) days of the conviction. Conviction means a guilty finding (including a plea of no contest) or imposition of sentences, or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug statutes.

If an associate works at a federal government contract site and is convicted of a criminal drug statute while working on the contract site, the GGW VP of Contracts will provide written notice of the conviction to the contracting officer for the site at which the associate works within 10 days after receiving notice of the conviction. The notice to the contracting officer shall include the position title of the associate.

Drug Screening

As a condition of employment, GGW requires that associates adhere to this policy. All new hires are required to pass a drug screening prior to employment. GGW may, at its discretion, require all associates to submit to drug and alcohol testing, by a person or agency designated by GGW at GGW's expense. Such examinations can include, but are not limited to, blood, urine, breath, or other tests for evidence of the presence of alcohol, drugs, perception-altering or other substances in the body. Substances that will be tested for include, but will not be limited to amphetamines, cannabinoids, cocaine, opiates, phencyclidine (PCP), marijuana, and alcohol for .08 or higher blood alcohol concentration. Associates who operate machinery or perform other safety sensitive work must not test above .04 or higher blood alcohol concentration, or .02 or higher for those who drive semi-tractors for GGW.

Any associate who tests positive for illegal drugs and/or alcohol will be disciplined immediately. Marijuana usage, even if prescribed medicinally, is a violation of GGW's drug free workplace policy. An associate will be subject to the same consequences of a positive test if he or she refuses the screening or the test, adulterates or dilutes the specimen, substitutes the specimen with that from another person, or sends someone else for testing. Refusal to sign the required forms or to cooperate in the testing process in such a way that prevents completion of the test will be treated as a positive test.

Post-Incident Drug Screening

Associates who are involved in a work related incident requiring medical attention may be subject to post-incident drug screening, in accordance with applicable law.

Random Drug Screening

Associates working in particular positions or programs may be subject to random drug and alcohol screening during their employment with GGW. At the time of publishing this handbook, those subject to random testing are Goodwill Excel Center associates and associates employed to drive semi-tractors in GGW's Transportation Department. Positions or programs included in the random drug-testing program are subject to change with notice from the Human Resources Department or the President & CEO.

Searches

If an associate is suspected of violating the drug-free workplace policy, he or she may be asked to submit to a search or inspection at any time. GGW may search company property and personal effects on the company's premises when there is reasonable suspicion that any aspect of this policy has been violated. Searches can be conducted of pockets and clothing, lockers, wallets, purses, briefcases, personal boxes and bags, desks, work stations and vehicles while on GGW property or place of business. A refusal to

submit to a reasonable search or alcohol or drug test, or the intentional interference with a search or test, may result in termination of employment.

Reasonable Suspicion

If GGW has reasonable cause to believe that an individual's judgment, coordination or other senses are impaired to the extent that he or she poses a threat to the safety or security of other individuals or property, GGW may refuse to allow the associate to continue to work pending further investigation. In such cases GGW reserves the right to request the associate to submit to drug/alcohol testing.

Consequences

Violation of the drug and alcohol free workplace policy may result in probation, suspension or immediate termination of employment. In the case of applicants, the offer of employment may be withdrawn. In the case of new hires any positive test within the first 90 days of employment will result in immediate termination. If an associate who has been with GGW more than 90 days tests positive for drugs or alcohol, the associate typically will be placed on 30 days unpaid leave. During this 30 day period, the associate must seek treatment and must provide written proof to the Human Resources Manager of active participation in a drug or alcohol treatment program to remain employed. Failure to seek treatment during the period of unpaid leave and/or failure to provide written proof of active drug treatment at the end of 30 days will result in termination. Please note that fewer than two (2) full weeks of treatment is insufficient to show proof of active participation. The associate will then be retested in 30 days. If the associate tests positive a second time, he/she will be terminated immediately. If the associate tests negative, he/she will be reinstated to active status and allowed to return to work immediately. Associates who self-report substance abuse while on the job are subject to the same consequences as mentioned above.

Assistance

GGW recognizes that drug and alcohol abuse are treatable illnesses. Associates are encouraged to voluntarily seek professional help with alcohol and drug problems through their health care provider. Treatment for these disorders may be covered by GGW's group health insurance. Associates should review their plan option to determine the level of assistance, if any, that is provided. A list of treatment programs is available through the Employee Assistance Program (EAP).

Confidentiality

All information received by the organization through the drug-free workplace program is confidential. Access to this information is limited to those who have a legitimate need to know, subject to applicable laws and GGW policies.

Shared Responsibility

A safe and productive drug and alcohol free workplace is achieved through cooperation and shared responsibility. Both associates and management have important roles to play. Associates are encouraged to be concerned about working in a safe environment, support fellow workers in seeking help and report dangerous behavior to their supervisors. It is the supervisor’s responsibility to observe associate performance, investigate reports of dangerous practices, document negative changes and problem performance and counsel associates as to expected performance improvement.

Storing Prescribed Medication at the Workplace

It is GGW’s policy not to have prescribed medication or over the counter drugs stored or kept in any common area at the worksite. Common areas include, but are not limited to refrigerators, cabinets, drawers or in break rooms. Associates with chronic medical conditions requiring the use of prescribed medication during work hours must keep the prescribed medication in a secure location such as in the associate’s locker, on one’s person, or in accordance with any rules specific to the associates work site. Prescribed medication that must be refrigerated should be stored in an insulated freezer pack or similar container inside the associate’s locker. It is the associate’s responsibility to take reasonable care for the health and safety of others and to cooperate with GGW and its efforts to provide a safe workplace. Prescribed medication that violates federal law is prohibited on GGW worksites.

Exceptions

Moderate and responsible consumption of alcoholic beverages is permitted in the following situations: at company functions or at functions off the premises while representing the company where alcoholic beverages are being served; in a place of public accommodation while engaged in business entertaining; or private off-duty time after the close of business when traveling for the company. Except for the previously stated exceptions, any violation of this policy may result in termination of employment.

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7.3 Harassment-Free Workplace

Introduction

GGW recognizes the importance of maintaining an environment free of any form of workplace harassment. It is against GGW policy for any associate, contractor, client, or vendor to harass any GGW associate or non-associate on the basis race, age, color, religion, gender or expression of identity, national origin, political affiliation, disability, matriculation, personal appearance, sexual orientation, family responsibilities, familial status, veteran status, marital status, pregnancy, childbirth, genetic background, or any other legally protected characteristic.

Types and Definitions of Harassment

Harassment is behavior that has the purpose or effect of creating an intimidating, hostile, or offensive working environment; has the purpose or effect of unreasonably interfering with an individual's work performance; or otherwise adversely affects an individual's employment opportunities.

Harassment may take many forms including, but not limited to:

1. **Verbal Harassment:** innuendoes, suggestive comments, jokes of a sexual, ethnic, genetic, race-based or religious nature; sexual

propositions, advances or threats; subtle or overt pressure for sexual favors; inappropriate comments about an individual's body or appearance; unwelcome comments; or personal inquiries into a person's private life.

2. **Non-Verbal Harassment:** displays of offensive objects or pictures, e-mails, websites, gestures, lingering, or suggestive bodily movements or stares; and
3. **Physical Harassment:** unwanted contact including touching, pinching, brushing against the body, pushing, hitting or throwing objects, or any other unwanted physical contact.

Reporting Procedures

Any associate who believes he or she is being harassed should advise the person they believe is harassing them promptly that his or her behavior is unwelcome and request that it be discontinued immediately. GGW recognizes that it is not necessary for an associate to talk directly to a person who they believe is harassing them. However, in all instances, the individual should report such offending behavior immediately to his or her supervisor or the Chief Operating Officer or the Corporate Compliance Officer. The associate may bypass his or her supervisor if the associate is uncomfortable reporting the harassment to the supervisor. Any associate who believes he or she has witnessed harassment should immediately report the matter to his or her supervisor and to the Human Resources Department.

Management Responsibility

Misconduct involving harassing behavior will be dealt with appropriately and promptly. Any manager who receives a complaint of harassment or inappropriate behavior on the part of or from any associate, vendor or contractor involving a GGW associate, or who has reason to suspect harassment may be occurring, is obligated to immediately notify the HR Department. GGW will promptly and thoroughly investigate the facts and circumstances of all harassment claims.

Confidentiality

GGW will maintain the confidentiality of such complaints to the maximum extent practicable. Investigation of such complaints may require disclosure to the accused party and other witnesses for gathering pertinent facts.

Consequences

When the organization completes the investigation and a determination is made regarding the alleged harassment, the parties involved will be timely informed of the results. All associates, regardless of position or title, will be subject to discipline up to and including discharge if the organization determines that an associate has engaged in harassment in violation of this policy.

Non-Retaliation

No retaliatory measures will be taken against an associate who complains of or reports harassment or participates in an investigation. Any individual found to have engaged in retaliatory behavior may be disciplined up to and including termination.

7.4 Grievance Policy

Introduction

GW provides all associates a method to handle and resolve complaints and grievances quickly and internally. The grievance process is an internal management tool created to assist the associate in resolving conflicts with the organization. All conferences with the associates are conducted in private and in confidence.

Eligibility

Associates who have completed ninety (90) calendar days of employment and have successfully completed their initial employment period may use the grievance procedure.

Grievable Concerns

Associates may register complaints or problems concerning working conditions, the interpretation or application of policies and procedures, a disciplinary action, or other matters related to their employment.

Non-Grievable Concerns

The following are not subject to this grievance policy and procedure unless there is evidence of an unlawful act: an action caused by a reduction in workforce or the termination of an associate; a non-selection for promotion when the sole basis for the grievance is an allegation by the associate that he or she is better qualified than the person selected; rate of pay; performance appraisals; initial employment period review; probationary period review; associate benefits; and position classifications.

Procedures

The associate should begin by discussing the problem with his or her supervisor. If the grievance is unresolved after three (3) working days, the associate should contact the next level supervisor. If the grievance remains unresolved three (3) working days, the associate should contact the VP, HR or HR Manager, who will then hear the grievance and take the necessary measures to resolve it. This may involve the review and evaluation of the grievance through discussion with the associate (complainant) and may involve obtaining statements from witnesses or other persons. After a full review, the VP, HR or HR Manager will issue a written recommendation to the COO, Corporate Compliance Officer, President and CEO, to the associate(s) involved, and to the supervisor(s). Failure by the associate

(complainant) to comply with the procedures set forth herein may result in dismissal of the complaint.

No associate will be retaliated against for filing a grievance or participating in the grievance process. Nothing in this policy shall alter an associate's employment-at-will status with GW.

■ [Redacted]

[Redacted]

[Redacted]

■ [Redacted]

[Redacted]

[Redacted]

9.5 Open Door Policy

The Human Resources Department is always open to all associates. If an associate has a problem or concern and is not satisfied with the answer or solution offered by his or her immediate supervisor, the associate should speak with the Human Resources Department.

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9.7 Whistleblower Policy

Ethical Responsibility

GGW is committed to an organizational culture characterized by openness, integrity, responsibility, and accountability. This commitment means that all GGW directors, officers, and associates must meet the highest ethical standards and comply at all times with both the letter and spirit of all laws and regulations applicable to GGW (collectively "Law"); GGW's Code of Conduct and related Policies (collectively "Code"); GGW's Conflict of Interest Policy; and GGW's Associate Handbook, as each may be amended from time to time. Collectively, the above are referred to in this Policy as the "Governing Rules."

Prohibited Acts

In order to meet this commitment, you must immediately report if you observe, experience or learn of a possible Prohibited Act, which for purposes of this Policy is any improper act, omission or conduct that constitutes (1) any violation of the Governing Rules; or (2) any matter involving impropriety in accounting, internal accounting controls, or auditing matters including fraud, deliberate error or misrepresentation (oral or written) in the preparation, maintenance, evaluation, review or audit of any financial statement or financial record; deficiencies in or non-compliance with GGW's internal accounting controls, policies or procedures; or misrepresentations or false statements by a GGW associate to a GGW officer, Board member or auditor regarding GGW's finances or any aspect of GGW business that they are examining.

You must immediately report a possible Prohibited Act - even if it may appear that such act, omission or conduct is helping to achieve a GGW goal or objective. All GGW goals and objectives are premised on their being achieved only in a manner consistent with the highest level of ethical conduct and in compliance with the Governing Rules. Your failure to report a possible Prohibited Act could allow the act, omission, or conduct to continue unaddressed; undermine our ability to achieve GGW's vision and/or mission; create a loss of confidence in GGW for you, your fellow associates, our partners and stakeholders, and the public at large; and result in the assessment of fines, damages, and other financial penalties against GGW and potential civil and criminal liability for our associates. Therefore, the failure to report a possible Prohibited Act violates this Policy and may result in remedial and/or disciplinary measures up to and including termination of employment.

Reporting Prohibited Acts

We encourage directors, officers, and associates to raise concerns about possible Prohibited Acts first within their own supervisory chain. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with someone in the Human Resources Department or with any other officer whom you are comfortable approaching.

You may also report a possible Prohibited Act to our Corporate Compliance Officer. If desired, any such report may be made anonymously either in writing to:

General Counsel/Corporate Compliance Officer
Goodwill of Greater Washington
2200 South Dakota Avenue, NE
Washington, DC 20018

Or, by phone: 202-719-1235

The Goodwill "tip line" can be used to leave a confidential message (that is anonymous or not) reporting a prohibited act. The "tip line" is monitored by the Corporate Compliance Officer.

The "tip line" number is: 202-715-2655.

If your report of possible Prohibited Acts has been brought to the attention of the President & CEO and you are not satisfied with the response of the President & CEO, you may report the matter to the Chair, Governance Committee of Goodwill's Board of Directors. The name and contact information for the Chair, Governance Committee can be obtained from the President & CEO or the General Counsel/Corporate Compliance Officer. The

name and information to enable you to contact the Chair, Governance Committee can also be found on Goodwill's website (www.dgoodwill.org).

Any manager, officer, or director who receives any information about a possible Prohibited Act must report it promptly to the Corporate Compliance Officer. Within five business days of his receipt of such report, the Corporate Compliance Officer or his designee will begin an investigation and confirm to the person who initiated the matter that he has received the report. All attempts will be made to conclude the investigation with 30 days of the matter being reported.

The Corporate Compliance Officer, with the assistance of persons he may designate, shall be responsible for investigating and resolving all reported complaints and allegations concerning violations of the Governing Rules and, at his discretion, shall advise the President & CEO, the Chairman of the Board, and/or the Board of Directors. An investigation of all reports will begin within five business days and appropriate corrective action will be taken if warranted by the investigation. The Corporate Compliance Officer shall report to the President & CEO at least annually on compliance activity. All reports will be treated confidentially, consistent with Goodwill's need to conduct an adequate investigation, implement any remedial measures, and fulfill legal or regulatory obligations.

Anyone who raises a concern about a possible Prohibited Act must act in good faith and have reasonable grounds for believing that the information disclosed indicates such an Act. The raising of any allegation that is (i) not substantiated and (ii) made maliciously, with knowledge that it is not true, or with reckless disregard for its truth, will be viewed as a serious disciplinary offense.

Open Working Environment

As an organization established and committed to promote the public interest, Goodwill strives to maintain a culture of "doing the right thing" at all times, consistent with the highest ethical standards. To that end, we require each of our managers to create and maintain an open working environment that invites and entertains discussion on a wide range of issues relevant to Goodwill's operations and compliance with the Governing Rules. Managers are expected to achieve such an environment by leading by example, including:

- by cooperating in and affirmatively supporting conduct consistent with the Governing Rules and with our compliance efforts;
- by articulating and demonstrating to Staff by their own actions that achieving Goodwill's business objectives is subordinate to compliance with the Governing Rules;
- by identifying areas of risk and establishing appropriate policies and systems to monitor compliance in their own department or division;

- by encouraging employees to demonstrate high levels of integrity by raising potential compliance concerns;
- by treating employees who raise potential compliance issues with dignity and respect, thus avoiding even the appearance of retaliation;
- by making themselves available to address issues of concern, and by making sure that each such issue is appropriately explored and resolved within a reasonable period;
- by considering compliance in the context of annual and ongoing employee performance evaluation;
- by taking prompt action to achieve and maintain compliance, including through employee disciplinary actions for non-compliance; and
- by consulting with their supervisors to ensure that activities in their department comply with the Governing Rules. GGW strives to maintain a culture of "doing the right thing" at all times, consistent with the highest ethical standards. To that end, we require each of our managers to create and maintain an open working environment that invites and entertains discussion on a wide range of issues relevant to GGW's operations and compliance with the Governing Rules. Managers are expected to achieve such an environment by leading by example.

Non-Retaliation

Goodwill strictly prohibits retaliation against any individual who in good faith (1) reports or raises issues or concerns related to a possible Prohibited Act or (2) files an internal or external complaint or charge related to a possible Prohibited Act. We likewise prohibit retaliation against any individual for participating or cooperating in good faith in an internal or external investigation, hearing, or proceeding involving any such complaint or charge.

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within Goodwill prior to seeking resolution outside Goodwill.

Any Goodwill employee who retaliates against another individual who in good faith reports or raises issues or concerns related to a possible Prohibited Act may be subject to appropriate remedial and/or disciplinary measures up to and including termination of employment and possibly civil and/or criminal liability. This non-retaliation policy is designed to assure all directors, officers, and employees that Goodwill encourages and relies on their open and frank communication of genuinely held concerns about possible Prohibited Acts, regardless of how these are reported or raised.