



# ANTI-CORRUPTION POLICY



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## ANTI-CORRUPTION POLICY

POLICY ADOPTED MARCH 2015, REVISED FEBRUARY 2017 AND MARCH 2019

### INTRODUCTION

This *Anti-Corruption Policy* (the “**Policy**”) concerns WSP Global Inc. and its subsidiaries (collectively, the “**Corporation**”) and applies to all employees of the Corporation, without exception. This includes the President and Chief Executive Officer, officers, vice presidents, directors and other managers, all staff employed with the Corporation and affiliated companies and members of the board of directors (collectively, the “**Employees**”).

This document is to be read together with the *Code of Conduct* (the “**Code**”) and its underlying policies. The Business Integrity section of the Code sets out the Corporation’s policies in relation to anti-corruption; the *Gifts, Entertainment and Hospitality Policy* provides guidance on exchanging business courtesies and the *Working with Third Parties Policy* provides additional guidance on how the Corporation manages risks associated with its business relationships with third parties.

All of the terms in this Policy have the same meaning as those defined in the Code.

### THE CORPORATION’S COMMITMENT

The Corporation takes corruption issues very seriously and management of the Corporation (“**Management**”) is committed to maintaining the highest standards of professional and ethical conduct. This commitment is reflected in the Corporation’s culture and policies, which includes its zero-tolerance approach on all forms of corruption committed by Employees or third parties acting on the Corporation’s behalf.

The Corporation makes this commitment on ethical grounds and because employees personally and the Corporation could be held legally accountable for violating anti-corruption laws with extremely severe penalties.

As the Corporation continues to increase its international reach, Employees are involved in a range of transactions and projects in complex jurisdictions. This includes competitive bids for government and commercial contracts in countries where bribes, kickbacks and facilitation payments may be viewed as a part of regular business practices. Employees must avoid any behaviour that is expressly prohibited by anti-corruption legislation in all circumstances and must use their judgment to avoid behaviours that even risk the appearance of corruption.

This Policy sets out the wider international context surrounding corruption challenges and the legal and ethical reasons that explain the Corporation’s zero-tolerance approach. It is designed to help Employees recognize, avoid and deal with situations where corruption and bribery are likely to surface.

## **SPECIAL CONSIDERATIONS WHEN WORKING WITH THIRD PARTIES**

Corruption can occur directly or indirectly. Bribery occurs directly if one of the Corporation's Employees engages in a bribe. For example, a bribery payment by an Employee to a public official during a competitive tender is direct bribery.

Bribery and kickbacks occur indirectly if they occur through a third party, such as business partners, joint venture and equity partners, acquisition targets, persons acting on the Corporation's behalf (such as agents, representatives, sponsors, consultants and contractors), service providers, suppliers and vendors, or other intermediaries. Another form of indirect bribery is where a donation is made to a personal project of a government official, with the intent of influencing the award of an upcoming public contract. Although bribery often occurs with the full knowledge of all of relevant parties, it can also occur where one or more of the participants remain(s) entirely unaware, especially when it involves a third party. Indirect transactions are by far the most common way bribery and kickbacks occur.

Employees should ensure that business partners understand and are aware of the Corporation's policies and have been provided a copy of the Code and other relevant documentation, as set out in the Corporation's *Working with Third Parties Policy*.



## **SPECIAL CONSIDERATIONS FOR GOVERNMENT AND PUBLIC OFFICIALS**

The Corporation's zero-tolerance approach to all forms of corruption means that corruption is never permissible. Special care must additionally be taken when dealing with government or public officials, since in some countries, anti-corruption laws are particularly strict in this area.

Similar caution must be taken when engaging the immediate family and close associates of government and public officials, as well as with former government officials (collectively known as "politically exposed persons" or PEPs). Although there may be occasions where such engagements are entirely appropriate and justified, engaging PEPs may, in general, lead to circumstances that place the Corporation and its Employees at risk. Pitfalls can be avoided by exercising good judgment and closely following the Corporation's *Gifts, Entertainment and Hospitality Policy* and *Working with Third Parties Policy*.

## **UNDERSTANDING CORRUPTION**

Corruption characterizes a wide range of dishonest behaviours, ranging from petty payments to facilitate routine transactions to payments to fraudulently secure large public concessions. It may also involve any combination of bribery, kickbacks, extortion, fraud, deception, collusion and money laundering, among other dishonest behaviours.

While corrupt officials and illegal behaviour can be found throughout the world, some jurisdictions with weak institutions and limited rule of law present particularly challenging environments. Likewise, increased interaction and exposure to government or public officials during competitive public bidding processes mean certain industries in which the Corporation operates, such as oil and gas, mining, engineering and infrastructure, are also more prone to the influence of bribery and kickbacks.



## LEGISLATIVE LANDSCAPE

The Corporation is subject to the *Canadian Corruption of Foreign Public Officials Act* (CFPOA), the United States' *Foreign Corrupt Practices Act* (FCPA) and the *UK Bribery Act*, among other anti-corruption laws. This means that the Corporation must adhere to the strictest anti-corruption laws in the world. These laws can apply to Employees and subsidiaries anywhere in the world, regardless of nationality or location, as well as to third parties acting on the Corporation's behalf.

In general, these anti-corruption laws prohibit bribery, kickbacks and facilitation payments. International organizations such as the Organisation for Economic Co-Operation and Development ("OECD") have also promulgated strict policy provisions against bribery and corruption in international transactions amongst its members and the international community.

Employees who have any questions, concerns or require additional information about anti-corruption legislation can consult the regional Compliance and Ethics representative.

## COMMON FORMS OF CORRUPTION

While the Corporation does not tolerate any form of corruption, this document focuses on expressly prohibited practices under international anti-corruption legislation: bribery, kickbacks and facilitation payments.

### **BRIBERY**

Bribery involves the exchange of something of value to secure an undue or unwarranted business advantage. Bribery can involve many different parties to a transaction, but it always involves at least two primary parties: the person who pays the bribe (the supply side) and the person who receives it (the demand side). Both raise serious ethical and legal issues and involve a breach of trust and duty by both parties.

Bribes may take the form of any financial inducement, a gift in kind or some other favour such as an offer of employment to a relative of the person being bribed. Even a promise to offer something in the future in return for a business advantage constitutes bribery.

Generally, Employees should never offer anything to a government official, public official or business partner in the private sector that could cause them to breach a duty entrusted to them by a public or private organisation. This is especially true during a competitive bid, where even modest gifts can be misinterpreted as a bribe in certain contexts.

If in doubt about whether something could be considered as a bribe, consult the Corporation's *Gifts, Entertainment and Hospitality Policy* and seek advice from senior managers or the regional Compliance and Ethics representative.

### **KICKBACKS**

Kickbacks are a scheme that arises when suppliers or service providers pay part of their fees to the individuals who give them the contract or some other business advantage.

Paying kickbacks to win a bid may be one of the most common forms of bribery. The classic kickback scheme typically involves a competitive public bid and an agent with ties to a government official overseeing the bidding process. The agent, who may also provide otherwise legitimate consulting or advocacy services, offers to represent one of the competitors for the project for a fixed or variable fee. However, the agent has either



prearranged to pay the government official a portion of such fees on the side in return for awarding of the contract or has negotiated this during the bidding process. The winning bidder may or may not know of this arrangement.

As a mechanism to engage in bribery, kickbacks are expressly prohibited by anti-corruption legislation. Similarly, kickbacks are also subject to anti-fraud and other related legislation, as payments and invoicing invariably involve financial misstatements and misrepresentations.

## **FACILITATION PAYMENTS**

Facilitation payments are small payments to officials with a view to speeding up routine governmental transactions to which the payer is already entitled. Unlike bribery, facilitation payments do not result in the receipt of an undue or unwarranted benefit; rather, they simply speed up or facilitate the transaction, which is why they are sometimes known as “speed money” or “grease payments.” Examples include payments to speed up customs clearances and extra fees to officials to secure electricity connections.

Unfortunately, demands for facilitation payments are relatively common in some of the jurisdictions in which the Corporation operates.

The Corporation prohibits facilitation payments. They are illegal in most countries. They also undermine good governance, and a willingness to make them often leads to demands for larger, more significant payments.

## **CONSEQUENCES OF CORRUPTION**

### **HIGH LEGAL AND REGULATORY PENALTIES**

Corruption is illegal and penalties can be severe. Sanctions under the CFPOA, FCPA, and *UK Bribery Act* for individuals and businesses who engage in bribery and kickbacks, even beyond their jurisdictional borders (Canada, US and UK, respectively) include:

- *Criminal liability* – individual employees convicted of bribery (including kickbacks) may be imprisoned for several years and subject to heavy fines. The Corporation may also be held criminally liable. While jurisdictions vary in terms of the recommended sentencing for bribery, almost all include some form of prison sentence.
- *Civil liability* – the Corporation and/or its affiliates may be required to pay economic damages and heavy fines. Similarly, bribery (including kickbacks) typically involve fraud and other forms of financial non-disclosure, subjecting the Corporation to economic fines and damages under securities laws and other financial regulation.

Local laws in the jurisdictions in which the Corporation operates may also result in criminal and civil penalties, possibly with even stiffer penalties than the CFPOA, FCPA and *UK Bribery Act*.

The Corporation and its Employees may be liable even if unaware that the corrupt activity was occurring. Turning a blind eye is no defence to corruption.

### **NEGATIVE IMPACTS ON BUSINESS AND OPERATIONS**

The Corporation's direct or indirect involvement in corruption may also significantly disrupt operations. Accusations and convictions for corruption may result in any one of the following:

- *Irreparable reputational damage* – recent years have seen perceptions of corruption by the international business community and local governments change from indifference to outrage and activism. Businesses with a reputation for corruption are increasingly isolated from important capital markets and international transactions. Similarly, individuals with a reputation for corruption and related offenses are unofficially barred from employment with leading global businesses.
- *Debarment from operating in certain jurisdictions* – development banks and multilateral organizations have adopted “blacklists” of businesses that have been involved in corruption. Similarly, businesses involved in corruption may be debarred from public sector projects in certain jurisdictions, even where the corrupt act was committed in another country. For example, businesses that have been convicted of corruption are mandatorily excluded from public sector contracts in the European Union.
- *Exclusion from certain private tenders and projects* – private businesses frequently refuse to engage in transactions with other businesses with prior accusations and convictions for corruption, which can be uncovered by simple due diligence investigations.
- *Termination of existing contracts* – contracts obtained through corruption are often declared void and legally rescindable because of fraud.
- *Damage to employee morale* – corrupt behavior within an organization damages employee morale by undermining employee confidence in Management and colleagues.

## **NEGATIVE IMPACTS ON SOCIETY**

Corruption in all forms is simply bad business and can negatively impact the regions in which it occurs. This is because corruption...

- Places honest and fair businesses at a significant competitive disadvantage;
- Frequently begets further corruption: paying bribes subjects businesses to corrupt officials who may continue to make ever-increasing demands;
- Harms the countries in which the Corporation does business by weakening public accountability and democratic values, undermining the rule of law and channelling public resources away from education, health and infrastructure; and
- Frequently results in sub-par, defective or dangerous work products, which can even cause injury or death in some cases.

## HOW TO AVOID CORRUPTION

### ADOPTING A ZERO-TOLERANCE APPROACH

In general, corruption can be avoided by following the Corporation's Code and underlying policies. Each Employee must adopt their own zero-tolerance policy toward all forms of corruption, including bribery, kickbacks and facilitation payments. Employees can do this by carrying out the following actions:

- Never offering, paying, requesting or receiving bribes or kickbacks, even if requested to do so by a senior manager or anyone else.
- Never getting involved in any fraudulent or dishonest activity.
- Never authorizing any corrupt activities or behaviours, nor turning a blind eye to potentially corrupt behaviour by subordinates or third parties acting on the Corporation's behalf.
- Never engaging in activities that could facilitate corruption, including drafting illegal agreements, drafting fraudulent claims, falsifying evidence, and giving false evidence in legal proceedings.
- Never concealing any corrupt or potentially corrupt activity.

### IDENTIFYING RED FLAGS

Recognizing scenarios where corruption is likely to occur can help Employees avoid and prevent precarious situations in the first place. In general, suspicious or odd activity or behaviour during a competitive bid or commercial transaction should always be treated seriously, especially if it involves government or public officials.

### TRANSACTIONS WITH HIGH RISKS OF CORRUPTION

Bribery, kickbacks and facilitation payments may take place in an endless variety of transactions and scenarios. Common transactions include:

- *Government tenders and concessions* – government procurement of routine services to public concessions of large infrastructure or extractive projects are prone to the influence of bribery. Bribes are typically paid to compromise the formal selection criteria and processes to the benefit of a particular bidder.
- *Private tenders* – like government tenders, bribery and kickbacks in a private tender typically seek to unduly modify formal selection criteria and processes. Although not all anti-corruption legislation prohibits bribery during private tenders, many laws applicable to the Corporation – including the *UK Bribery Act* – prohibit this form of bribery.
- *Regulatory approvals and audits* – interactions with licensing, tax, customs and other regulatory authorities are frequently subject to the influence of bribery and kickbacks. Bribes may be paid to regulators to receive approvals that otherwise would not have been granted or to disregard violations. For example, tax authorities in some countries will request bribes to disregard or lower corporate or individual tax liabilities.
- *Commercial agreements* – even ordinary agreements for the purchase and sale of services or goods can be subject to bribery. A bribe or kickback may be offered to the purchaser to breach purchasing standards or criteria set by any organization. Again, many international and local laws applicable to the Corporation prohibit this form of bribery.

All of the above forms of corruption are strictly prohibited by the Corporation's business standards, as set out in the Code.



## OTHER COMMON RED FLAGS

Employees should be aware of the following red flags (warning signs):

- Officials or business partners with a general reputation for questionable behaviour;
- Competitive bids that require the use of designated intermediaries;
- Officials or business partners who request charitable or political donations during a competitive bid;
- Officials or business partners who request isolated meetings, especially after a request to include additional parties has been made;
- Odd requests relating to communications (private meetings, conversations, etc.) or payment mechanisms (off-shore payments, cash, etc.);
- Suspicious last-minute changes to selection criteria for competitive bids, which tilt the bid overtly in the Corporation's favour (for example, by excluding all other competitors);
- Officials or business partners who suggest they can provide favours or help on unrelated matters;
- Business partners who request unusually high commissions or fees.

This list is not exhaustive, nor does the existence of one or more of these factors mean that Employees must refrain from engaging in the transaction. Rather, if suspicious behaviour is identified, Employees should document their concern and consult a senior manager or the regional Compliance and Ethics representative, who will help determine if further investigation and precautionary measures are necessary.

## TAKING ACTION WHEN CONFRONTED WITH CORRUPTION

Management takes every precaution to avoid situations that expose the Corporation (and its Employees) to corruption. Employees acting in good faith and with the intent to abide by the Corporation's business standards will always be supported. However, despite taking every precaution, Employees may still be confronted with challenging situations.

If a request to pay a bribe or facilitation payment or engage in a kickback scheme is made, Employees should consider taking the following actions:

- Politely refuse to carry out the request. In these circumstances, it is important to treat the person requesting the bribe (usually officials) with courtesy as they will be more likely to reciprocate.
- If the person requesting a bribe continues, inform them of the Corporation's zero-tolerance policy and the international and local laws on anti-corruption to which the Corporation is subject.
- Request that any bribery demands be made in writing.
- Make a detailed record of the event and include witnesses if possible.
- Immediately report the incident to a senior manager and the regional Compliance and Ethics representative.

If an Employee suspects that a colleague or one of the Corporation's business partners is involved in potentially corrupt behaviour, Employees should take the following actions:

- Make a record of the circumstances.
- Immediately report the incident to a senior manager and the regional Compliance and Ethics representative.

Employees who feel that reporting a bribe, kickback or facilitation payment by a colleague, superior or any other party requires anonymous reporting, may report the questionable activity through the Corporation's Business Conduct Hotline. The reporting party need not identify him/herself and, as such, may remain anonymous, where permitted by law.



## EXCEPTION: RISK TO LIFE OR LIBERTY

The Corporation recognizes that corruption-related demands in any form – whether bribes, kickbacks, facilitation payments or otherwise – are often backed by a form of extortion, in some cases including the threat of violence or personal harm. An extreme example would be a demand for payment to secure an emergency admission into hospital, leaving no time to consult a local line manager.

In such circumstances, the Corporation accepts that Employees will need to use their best judgment to abide by the Corporation's business standards while ensuring that any risk to life or liberty is minimized. Whatever happens, Employees must report any incident where they feel forced to bribe or make a facilitation payment as soon as possible, and any payments made must be properly recorded. A post-event assessment will be conducted and a mitigation plan will be implemented to ensure, when possible, that certain events do not reoccur. **The Corporation will support well-founded and rational decisions by Employees facing such situations.**

## WHERE TO TURN FOR HELP

If in doubt about any aspect of this Policy, please contact the regional Compliance and Ethics representative. Their contact information is available on the Corporation's intranet site.

## REPORTING SUSPECTED VIOLATIONS

Employees have a duty to report behaviour or any activities where they suspect the Corporation, its employees or business partners may be involved in corruption.

Employees with information on potential non-compliant conduct of the Corporation, its employees, or any third party with whom the Corporation conducts or anticipates conducting business must report the situation in accordance with the instructions provided in the Code.

## BUSINESS CONDUCT HOTLINE

Employees can use the Corporation's confidential reporting service provided by an independent service provider to report any suspected violation of the present Policy. Information on the Corporation's Business Conduct Hotline, including free phone numbers, is available in the Code as well as on dedicated pages on the Corporation's web and intranet sites.