

Business Integrity



BUSINESS INTEGRITY

<p>Purpose</p>	<p>SMEC’s Code of Conduct establishes a common understanding of the standards of behaviour expected of all SMEC Group Employees in the performance of their duties.</p> <p>Contraventions of laws or funding agency requirements relating to fraud, bribery or corruption could expose SMEC Group to severe financial penalties, blacklisting by some clients and funding agencies, adverse publicity and resulting in reputational harm and substantial loss of business and revenue.</p> <p>This Policy outlines a range of requirements which are designed to reinforce the standards of behaviour required by the Code of Conduct and to combat the risks that fraud, bribery and corruption and other illegal or unethical business practices could pose to SMEC’s business.</p>
<p>Applicable To</p>	<p>This policy is applicable to:</p> <ul style="list-style-type: none"> • All SMEC employees • All third party contractors, volunteers and consultants engaged by SMEC
<p>Definitions, Abbreviations and Acronyms</p>	<p>Area Manager – a manager with that designation in SMEC’s ANZ Division.</p> <p>Bribery – giving, offering, soliciting or receiving a Benefit that is not legitimately due to the recipient to influence the behaviour of any person to obtain advantage for SMEC.</p> <p>Benefit – means anything of value. It can be non-monetary or non- tangible. It does not need to be provided or offered directly to someone (that is, it can be provided or offered to another person). It can also be provided or offered by an agent or Third Party Representative. It includes cash payments, gifts, hospitality, travel, accommodation, favours, employment and business opportunities and any other form of advantage.</p> <p>Business Unit Director – a manager with that designation in SMEC’s ANZ Division.</p> <p>CEO – SMEC’s Chief Executive Officer</p> <p>CM – Country Manager</p> <p>COO – Chief Operating Officer</p> <p>Coercive Practices – impairing or harming, or threatening to impair or harm, directly or indirectly, any person or the property of the person to influence improperly the actions of a person.</p>

Collusive Practice – an arrangement between two parties designed to achieve an improper purpose, including to influence improperly the actions of another party.

Corruption – abuse of a position of employment or trust to gain an advantage. It includes Bribery, fraud, favouritism and nepotism, embezzlement, theft, extortion and undeclared conflicts of interest and otherwise acting in a way which could be to the disadvantage of the SMEC Group or gain a Benefit for any person other than SMEC Group.

Employee – all those who work for, act on behalf of or represent the SMEC Group including SMEC Group employees, directors and other officers, contractors and consultants (where they are under a relevant contractual obligation) and Third Party Representatives.

GCHC – SMEC’s General Counsel/Head of Compliance

Joint Venture Partner – a party who undertakes to provide professional services, together with a SMEC Group company, for a client under a contract between the client, the SMEC Group company and that other party (and any other Joint Venture Partner if applicable).

Public Official – it includes any of the following:

- any official or employee of, person acting in an official capacity for or on behalf of, or individual performing work under a contract for or who is otherwise in the service of, any:
 - Government or Government department, agency or instrumentality;
 - Government-owned or controlled corporation or enterprise; or
 - public international organisation including any donor or lender of development funding;
- any person holding or performing the duties of an appointment, office or position under any law;
- any individual who holds or performs the duties of an appointment, office or position created by custom or convention of a country or of part of a country;
- any candidate for a political party or for political office;
- any political party, official of a political party or funding organisation for a political party.

RD – Regional Director

RM – Regional Manager

SMEC – SMEC Holdings Pty Ltd.

SMEC Group – refers to SMEC and any of its controlled subsidiaries

Subconsultant – a party engaged by a SMEC Group company under a contract for professional services to undertake all or part of the work or services which a SMEC Group company has undertaken to perform for a client.

	<p>State Manager – a manager with that designation in SMEC’s ANZ Division</p> <p>Third Party Representative – this has the meaning given in the Procedure for Engagement and Use of Third Party Representatives (CLR PR110).</p>
<p>Content</p>	<p>Prohibition of Bribery and Corruption and Other Forms of Unethical Behaviour</p> <p>Threats to Solicit Bribes</p> <p>Gifts</p> <p>Hospitality, Entertainment, Travel, Accommodation</p> <p>Political Donations</p> <p>Charitable Donations and Sponsorships</p> <p>Fraudulent, Misleading or Deceptive Practices</p> <p>Recording of Transactions</p> <p>Partner Evaluation</p> <p>Conflicts of Interest – Employees</p> <p>Employment of Current Public Officials</p> <p>Employment of Former Public Officials</p> <p>Registers to be Kept</p> <p>Collusive Practices</p> <p>Coercive Practices</p> <p>Bribery and Corruption Risk Analyses</p> <p>SMEC Personnel and Management</p> <p>Integrity Compliance Program</p> <p>Training</p> <p>Annual Review of Policy and Related Integrity Compliance Program</p> <p>Raising a Concern in Relation to This Policy</p> <p>Monitoring and Reporting</p> <p>Reporting of Suspected Contraventions</p> <p>Investigations</p> <p>Protection Against Retaliation</p> <p>Breaches of the Policy</p> <p>Retention of Records</p> <p>Encouragement of Associated Companies to Adopt the Policy</p>

TOPIC	DETAILS
<p>Prohibition of Bribery and Corruption and Other Forms of Unethical Behaviour</p>	<p>SMEC prohibits Bribery and Corruption in all of the SMEC Group’s business dealings in every country. This prohibition also applies to consultants and third parties who deal with others on behalf of the SMEC Group. This prohibition includes the making of ‘facilitation payments’ (small value payments to secure routine government actions).</p> <p>Employees must not offer, promise, give or authorise the giving of a Benefit, directly or indirectly:</p> <ul style="list-style-type: none"> • to a Public Official in an effort to influence official action, or in circumstances in which it might be perceived to have that intention or effect; • to anyone else in order to induce that or another person to perform his or her job function improperly or to influence improperly the actions of that person or another person, or in circumstances in which it might be perceived to have that intention or effect; or • in any other case unless it is for a legitimate business purpose and it is of an appropriate value and nature, considering the position of the recipient and the circumstances, and does not contravene any law. <p>Giving of Benefits to a person ‘directly or indirectly’ includes giving Benefits to close family members of the person. This includes the person’s spouse; the person’s and the spouse’s grandparents, parents, siblings, children, nieces, nephews, aunts, uncles and cousins; the spouse of any of these people; and anyone who shares the same household with the person. Giving a Benefit to a close family member of any Public Official or other person whose functions are relevant to SMEC’s business or business opportunities contravenes this Policy and SMEC’s Code of Conduct¹ even if it is given at a later time (for example by employing the close family member some time after the official function has been discharged) if the giving of the Benefit relates to the performance of that function.</p> <p>Employees must not:</p> <ul style="list-style-type: none"> • receive nor request anything of value from any person other than SMEC Group in connection with the performance of their duties as Employees, including in particular from any current or proposed supplier, Joint Venture Partner, Subconsultant or other provider of services to SMEC Group; or • make use of their positions with SMEC Group to obtain an undue Benefit for • themselves or any other person.

<p>Threats to Solicit Bribes</p>	<p>The health and safety of SMEC Group Employees is paramount. If an Employee has good reason to believe that they cannot escape serious harm unless they meet a demand for immediate payment, it would be permissible to make such a payment. Employees must report such incidents to their supervisor or manager without delay. The incident must then be immediately reported to the relevant Regional Manager and Regional Director (or Business Unit Director and State Manager in SMEC’s ANZ Division) and SMEC’s General Counsel / Head of Compliance.</p>
<p>Gifts</p>	<p>Employees must not offer, promise, give or authorise the giving of any gift to any person (other than to a SMEC Group employee) in connection with SMEC Group business (including to a client or potential client of SMEC Group) or using SMEC Group funds, other than authorised SMEC-branded merchandise.</p> <p>Employees must not accept any gift from any person (other than from a SMEC Group employee) in connection with SMEC Group business (including from a supplier or Subconsultant or a potential supplier or Subconsultant of SMEC Group). An Employee who receives any such gifts should return it to the giver or, if that is not practicable, hand it to the People and Culture department. An Employee who receives or is offered or promised any such gift in excess of AUD100 in value must enter the prescribed details in SMEC’s Gifts and Entertainment Register.</p> <p>A gift of a ticket or tickets to a sporting, artistic or cultural event to attend in the company of the giver, or an employee of the giver, will be considered entertainment rather than a gift for the purposes of this policy.</p>
<p>Hospitality, Entertainment, Travel, Accommodation</p>	<p>Employees must not offer, promise, give or authorise the giving of any hospitality or entertainment to any person in connection with SMEC Group business unless it is of an appropriate value and nature, considering local custom and law, the position of the recipient and the circumstances. Hospitality or entertainment will not be of an appropriate nature if they could tend to cause embarrassment to SMEC Group or to the recipient.</p> <p>Hospitality or entertainment must not be offered to influence improperly the actions of the recipient or another person or in circumstances in which they might be perceived to have that intention or effect.</p> <p>Employees must not accept hospitality or entertainment unless it is occasional and of modest value and an appropriate nature.</p>

	<p>Employees must not accept or seek hospitality or entertainment in return for SMEC Group’s business or any business advantage, or where their acceptance might be perceived to cause a conflict with the duties of any SMEC Group company or the Employee’s professional duties (for example where the Employee is involved in evaluating a bid or tender from, or surveillance of construction work carried out by, the provider of the hospitality or entertainment (other than modest working lunches during meetings)).</p> <p>Each Employee must cause the prescribed details of all hospitality and entertainment given, offered or authorised by the Employee in connection with SMEC Group business that is in excess of AUD100 (whether accepted, declined or returned) to be recorded in SMEC’s Gifts and Entertainment Register.</p> <p>Employees must cause the prescribed details of all gifts, hospitality and entertainment given or offered to them (whether accepted, declined or returned) that is in excess of AUD50 to be recorded in SMEC’s Gifts and Entertainment Register.</p> <p>Employees must not pay, nor authorise the payment of, any travel or accommodation for any client or potential client of SMEC Group or any Public Official without the authorisation of SMEC’s CEO. This will not apply if the travel or accommodation is specifically required under a written agreement to be fully reimbursed by the recipient’s employer, or to car or taxi travel to business meetings or site visits accompanied by the Employee.</p> <p>The GCHC will monitor entries in SMEC’s Gifts and Entertainment Register including by conducting a formal review of all entries reported on a quarterly basis and report to SMEC’s CEO periodically on the entries.</p>
<p>Political Donations</p>	<p>SMEC prohibits the making of any cash or in-kind contribution on SMEC’s behalf or using SMEC Group funds to any political party, political party official, political campaign, elected official or any of their affiliated organisations. This includes sponsoring or hosting functions or events organised by or associated with any of them with the purpose of raising funds, making any SMEC Group premises or property available for that purpose or sponsoring travel or accommodation.</p> <p>Using SMEC Group funds to attend functions or events for the benefit of political parties or candidates or politicians are also prohibited.</p>

<p>Charitable Donations and Sponsorships</p>	<p>Payments that are otherwise prohibited under this Policy or under SMEC’s Code of Conduct¹ must not be made under the guise of charitable donations or sponsorships. In particular, charitable donations or sponsorships must not be made in order to:</p> <ul style="list-style-type: none"> • benefit, directly or indirectly, any political party, political party official, political campaign, elected official or any of their affiliated organisations or • induce another person to perform his or her job function improperly or to influence improperly the actions of any person. <p>Charitable donations or sponsorships using SMEC Group funds may only be made in accordance with SMEC’s Instrument of Delegation. Employees effecting the making of any charitable donations or sponsorships must promptly provide details to the GCHC. The GCHC will maintain a register of charitable donations and sponsorships made.</p>
<p>Fraudulent, Misleading or Deceptive Practices</p>	<p>Employees must not engage in conduct, by act or omission, that is misleading or deceptive or is likely to mislead or deceive any person in connection with SMEC Group’s business. This includes making statements to clients or potential clients, Public Officials, subconsultants or prospective subconsultants, joint venture partners or prospective joint venture partners that are intentionally misleading or for which there is no reasonable basis.</p>
<p>Recording of Transactions</p>	<p>SMEC requires that all transactions be recorded accurately, transparently and in reasonable detail in SMEC’s books and records and those of its subcontractors and Third Party Representatives.</p> <p>In particular, transactions must not be recorded in a way that conceals the true nature of the transaction.</p> <p>The establishment of off-the-books accounts or the making off-the-book transactions is strictly prohibited.</p>
<p>Partner Evaluation</p>	<p>SMEC Group requires that its business partners observe equivalent standards of integrity and ethical behaviour that it prescribes for itself.</p> <p>Furthermore, contraventions of laws relating to fraud, bribery or corruption by SMEC Group’s business partners potentially exposes SMEC to penalties for the same contraventions, adverse publicity, reputational harm and loss of business.</p> <p>Employees who are responsible for entering into relationships with potential Subconsultants, Joint Venture Partners and Third Party Representatives must, prior to committing to the relationship:</p>

	<ul style="list-style-type: none"> • undertake an appropriate level of due diligence enquiries (depending on the nature of the relationship) to assess the capability and financial capacity of the counterparty to perform the services, the reputation of the party and the risk that it could engage in conduct that contravenes the law or otherwise exposes SMEC to reputational harm; and • ensure the counterparty is currently registered on SMEC’s Supplier / Partner Register¹ for the relevant capacity, country and (in the case of a Subconsultant) engagement size. <p>Engagement of Third Party Representatives must be undertaken strictly in accordance with SMEC’s Procedure for Engagement and Use of Third Party Representatives.</p> <p>Project Managers must monitor the performance of Joint Venture Partners, Third Party Representatives and Subconsultants through the term of the relevant engagement and must report any instances of suspected illegal activity or contraventions of this Policy promptly in accordance with this Policy.</p>
<p>Conflicts of Interest – Employees</p>	<p>Employees must seek to avoid business dealings and personal relationships that conflict or could potentially conflict with their ability to perform their duties to SMEC Group faithfully and impartially.</p> <p>Employees must refrain from any involvement in any transaction or procurement or recruitment process in which the Employee has or may have a material personal interest, including through a business or personal relationship with another party likely to be involved.</p> <p>Employees must report any such conflict or potential conflict promptly to their supervisors and to the GCHC, providing reasonable detail.</p>
<p>Employment of Current Public Officials</p>	<p>Employees must not cause SMEC to employ or enter into any other remunerative arrangement with a current Public Official, or with entities or persons associated with or related to them, that relates directly to the functions the person holds, supervises or is able to exercise material influence over in their capacity as a Public Official.</p> <p>Employees effecting any employment or other remunerative arrangement with a current Public Official, or with entities or persons associated with or related to them, must promptly provide the GCHC with details of the engagement, any relevant relationships and the role held by the Public Official.</p>

<p>Employment of Former Public Officials</p>	<p>Employees must not cause SMEC to employ or enter into any other remunerative arrangement with a former Public Official, or with entities or persons associated with or related to them, if the employment or arrangement is related directly to the functions the person:</p> <ul style="list-style-type: none"> • held or supervised; or • was able to exercise material influence over, during their tenure as a Public Official, within two years after the person ceased to hold the relevant role, without approval of the relevant Division’s Chief Operating Officer (if applicable) or the CEO. <p>Approval should not be given unless adequate measures are implemented to ensure that the employment or arrangement does not conflict with the relevant duties that were owed by the person as a Public Official.</p> <p>The Employee effecting the employment or arrangement must notify the GCHC when seeking COO or CEO approval, including details of the relevant former role and functions, their relationship with the proposed employment or other arrangement, and the measures proposed to be adopted.</p>
<p>Registers to be Kept</p>	<p>The GCHC must maintain registers of:</p> <ul style="list-style-type: none"> • conflicts of interest including details of all actual or potential conflicts of interest, and • arrangements with current or former Public Officials; • political donations and other in-kind contributions; and • charitable donations and sponsorships, reported pursuant to this policy, and must report periodically to the Board Audit and Risk Committee on those matters.
<p>Collusive Practices</p>	<p>Collusive Practices contravene anti-trust laws and funding agency regulations. Employees must not engage in Collusive Practices. In particular, Employees must not:</p> <ul style="list-style-type: none"> • seek to enter into any agreement, arrangement or understanding (whether or not in writing) with a competitor of the SMEC Group or their agent or representative involving: <ul style="list-style-type: none"> ○ fixing prices or contract terms (other than for the purposes of a joint venture between a SMEC Group company and the competitor) that either of them will offer a third party; ○ rigging a bid; ○ agreeing not to offer services or allocating markets, customers, suppliers or territories; or • otherwise collude with any competitor of the SMEC Group in order to deprive any potential client of the SMEC Group of the benefits of free and open competition.

	<p>Any Employee receiving an approach from another party involving or proposing or canvassing any of these practices should immediately end the discussion and report the matter to the Regional Manager and the GCHC in writing.</p>
<p>Coercive Practices</p>	<p>Coercive Practices contravene funding agency regulations and local laws. Employees must not engage in Coercive Practices, nor make any threat to impair or harm, directly or indirectly, any person or the property of the person for any purpose or reason.</p>
<p>Bribery and Corruption Risk Analyses</p>	<p>Each COO must, at least once in each financial year, undertake a formal evaluation of the risks of Bribery, Corruption, Fraudulent, Misleading or Deceptive Practices or fraud and Collusive or Coercive Practices in each country and Region in the COO’s Division in which SMEC has operations or is pursuing or proposing to pursue business, by relevant market sector and client type. The evaluation should involve consideration of a reasonable range of available sources of information. Where the risk of bribery and corruption is considered significant, the COO should formulate risk management measures to manage the perceived risk to an acceptable level. Where the COO considers that the perceived risk cannot otherwise be managed to an acceptable level without undue cost, effort or impact on SMEC’s business, the risk should be avoided altogether.</p> <p>Each COO should record the evaluation of risks in a risk register(s) and provide it to the GCHC. COOs should monitor the risks during the course of the year and record any findings in the risk register as appropriate.</p> <p>The GCHC in consultation with the CEO shall prepare, maintain and annually review and update a risk register showing the risks of Bribery, Corruption, Fraudulent, Misleading or Deceptive Practices or fraud and Collusive or Coercive Practices in SMEC Group operations and the risk treatment actions adopted or proposed for adoption.</p> <p>The GCHC will report periodically to the Board Audit and Risk Committee on the risk register and status of the risk treatment actions.</p>
<p>SMEC Personnel and Management</p>	<p>Promoting and ensuring compliance with this Policy is the responsibility of all Employees within the area of their influence, including by their conduct and behaviour. Supervisors and managers must take reasonable steps to ensure that those under their direct or indirect supervision do not nor omit to do anything that contravenes this Policy.</p>

	<p>The CEO, and COOs, Regional Directors, and Regional Managers within their respective Divisions and Regions, and ANZ Division Business Unit Directors, State Managers and Area Managers within their respective Business Units, States and Areas, must actively promote compliance with, and visibly demonstrate their commitment to, the requirements of this Policy and related instruments, including in communications and management meetings.</p> <p>COOs, RDs, RMs and CMs must enforce and monitor compliance with this Policy within their Divisions, Regions or Countries. ANZ Division Business Unit Directors, State Managers and Area Managers must enforce and monitor compliance with this Policy within their respective Business Units, States and Areas.</p>
<p>Integrity Compliance Program</p>	<p>The GCHC, supported by the CEO, SMEC Board of Directors and Board Audit and Risk Committee (BARC), must ensure that a robust integrity compliance program, designed to ensure and monitor compliance with this Policy, is implemented, maintained and continuously improved.</p>
<p>Training</p>	<p>The GCHC together with SMEC’s Learning & Organisational Development Manager and Coordinator will formulate training to be given to SMEC Group personnel at reasonable intervals in order to ensure that Employees understand the requirements of SMEC’s business integrity policies and procedures, related registers and guidelines and the processes for reporting concerns and instances of suspected non-compliance. The training material will be reviewed annually for effectiveness and relevance having regard to completion data and feedback received.</p> <p>Employees are required to undertake this training when requested. SMEC’s Learning & Organisational Coordinator will maintain records of training attendance and completion.</p> <p>The GCHC will identify further training needs for various levels of management and regional and functional roles within SMEC Group, having regard to risks of contravention of this policy and the requirements of SMEC’s business integrity compliance program, and will facilitate the delivery of that training at reasonable intervals.</p>

<p>Annual Review of Policy and Related Integrity Compliance Program</p>	<p>SMEC’s Director Corporate Affairs, GCHC and Manager Governance will meet annually to review this Policy and related policies, procedures, registers and guidelines and the integrity compliance program having regard to any feedback received and will report to the Executive Committee and Board Audit and Risk Committee on any changes that they recommend with the purpose of ensuring compliance with this Policy and related policies, procedures, registers and guidelines and effective operation and continuous improvement of the integrity compliance program.</p>
<p>Raising a Concern in Relation to This Policy</p>	<p>If you are unsure about the meaning of any part of this Policy or the Policy to which it relates or have concerns about how it is being applied, you should contact the GCHC.</p>
<p>Monitoring and Reporting</p>	<p>The GCHC will establish processes for monitoring of compliance with this Policy, including through developing key performance indicators and benchmarking processes.</p> <p>The GCHC will establish a reporting framework for reporting:</p> <ul style="list-style-type: none"> • by COOs and their subordinate managers; and • by the GCHC to the Executive Committee, SMEC Board of Directors and Board Audit and Risk Committee, on compliance with this Policy and related instruments and on measures undertaken to promote and monitor compliance.
<p>Reporting of Suspected Contraventions</p>	<p>If an Employee becomes aware of any breach or suspected breach of this Policy, the Employee must immediately report the breach or suspected breach through the Business Integrity Reporting Portal.</p> <p>Reports may be made anonymously through the Business Integrity Reporting Portal; however, those doing so are encouraged to provide contact information such as an e-mail address. Sufficient details and supporting material should be provided to allow an assessment of the report to be made. Reports must be kept confidential except to the extent reasonably necessary to investigate the matters reported or for the purposes of enforcing this Policy.</p> <p>Employees must not make a report suggesting a contravention of this Policy or other misconduct knowing the report to be false or misleading or without any reasonable basis.</p>

<p>Investigations</p>	<p>The GCHC will review the information provided and decide what investigative steps to take. The investigation will be led by and conducted on the instructions of the GCHC.</p> <p>All Employees are required to cooperate fully with investigations, including preserving and facilitating access to documents, records and other materials which could reasonably be considered to be of relevance to an investigation. Employees must not interfere with investigations, directly or indirectly.</p> <p>The GCHC will report the existence, progress and outcome of investigations to the SMEC Holdings Board of Directors (whether through the Executive Committee, Board Audit and Risk Committee or otherwise).</p> <p>The GCHC will maintain a register containing details of reports and investigations.</p>
<p>Protection Against Retaliation</p>	<p>Retaliation is any direct or indirect detrimental action recommended, threatened or taken against an individual for officially reporting suspected misconduct in good faith or otherwise cooperating with duly authorised audits or investigations.</p> <p>SMEC prohibits any such Retaliation by its Employees. Retaliation is grounds for disciplinary action, which may include dismissal.</p>
<p>Breaches of the Policy</p>	<p>Failing to comply with the requirements of this Policy is viewed as a serious matter that must be addressed by management and may lead to disciplinary action, up to and including termination of employment. Where, following an investigation, management is satisfied that a breach has occurred, the nature of any disciplinary or other action will be determined. The nature of any action will depend on the seriousness of the breach and other relevant circumstances. Action may include a verbal or written warning, counselling, transfer to a position with a lower level of responsibility, suspension or dismissal.</p> <p>If the contravention involves a violation of law, the matter may also be referred to the appropriate law enforcement authorities for consideration.</p> <p>The following misconduct may also result in disciplinary action:</p> <ul style="list-style-type: none"> • Requesting others to breach this Policy and/or the Code of Conduct; • Failing to raise promptly, known or suspected breaches of this Policy and/or the Code of Conduct; • Failing to co-operate in investigations of possible breaches; and <p>Failing to demonstrate leadership and diligence to ensure compliance with this Policy, the Code of Conduct and the law.</p>

Retention of Records	<p>Records that are created pursuant to or for the purposes of implementing this Policy and related Procedures, including records of reports of suspected instances of non-compliance and related investigations, periodic reporting and related source material, training records and records of any decisions taken or approvals given relevant to compliance with this Policy and related procedures must be preserved and retained indefinitely.</p>
Encouragement of Associated Companies to Adopt the Policy	<p>This Policy applies to all of SMEC Group including controlled subsidiaries.</p> <p>Associated Companies, such as joint ventures, not under SMEC Group control are strongly encouraged to adopt this Policy and the Code of Conduct.</p>