

SMEC

# Business Integrity Policy

Prepared for: SMEC  
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## Purpose

SMEC requires its Employees to act ethically, responsibly, honestly, fairly and with integrity and to uphold the spirit as well as the letter of the law in all SMEC Group's business dealings and relationships wherever the Group operates.

SMEC has a zero-tolerance approach to fraud, Bribery, Corruption and illegal and unethical business practices.

This Policy outlines a range of requirements which are designed to reinforce the standards of behaviour required by SMEC and to combat the risks that fraud, bribery and corruption and other illegal, dishonest, unfair or unethical business practices could pose to SMEC's business.

## Applicable to

This policy is applicable to:

- All SMEC employees
- All third-party contractors, volunteers and consultants engaged by SMEC

## Definitions, Abbreviations and Acronyms

**Bribery** – giving, offering, soliciting or receiving a Benefit in order to influence the behaviour of the recipient or any other person to obtain or retain business or an advantage. It includes “facilitation payments” (small value payments to secure routine government actions).

**Benefit** – means anything of value, including an advantage. It can be non-monetary or non-tangible.

**CE** – Chief Executive

**CM** – Country Manager

**COO** – Chief Operating Officer

**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.

**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 for oneself or another person. It includes Bribery, fraud, favoritism 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. Conduct may be Corrupt even if it is not illegal.

**Deal** – includes receive, possess, conceal, transmit, dispose of, import or export, directly or indirectly.

**Employee** – Any person who works for, acts on behalf of, or represents SJ Group, including SJ Group employees, directors, and other officers.

**Family Member** – A family member of an individual which includes:

- a spouse, civil partner, or domestic partner of the individual;
- a grandparent, parent, sibling, child, niece, nephew, aunt, uncle, and cousin, or a spouse, civil partner or domestic partner of any of the aforesaid family members; or
- any individual sharing the same household.

**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

## Definitions, Abbreviations and Acronyms

- public international organization 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 organization 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.

**Third Party Representative** – this has the meaning given in the Procedure for Engagement and Use of Third-Party Representatives

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Topic	Details
<b>Prohibition of Bribery and Corruption and Other Forms of Unethical Behaviour</b>	<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.</p> <p>Employees must not offer, promise, give or authorise the giving of a Benefit, directly or indirectly, to any person:</p> <ul style="list-style-type: none"> <li>• in order to influence the behaviour of the recipient or any other person to obtain or retain business or an advantage; or</li> <li>• to induce the recipient or any other person to perform his or her job function improperly.</li> </ul> <p>This includes Benefits given at a later time (for example after the business or advantage has been obtained or retained or the function has been performed).</p> <p>Employees must not offer, promise, give or authorise the giving of a Benefit, directly or indirectly, to any person 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> <p>A reference in this section to a person includes Public Officials and any other person.</p>
<b>Misuse of Position</b>	<p>Employees must not:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• make use of their positions with SMEC Group to obtain an undue Benefit for themselves or any other person.</li> </ul>
<b>Threats to Solicit Bribes</b>	<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 and Group Compliance</p>
<b>Gifts, Hospitality, Entertainment, Travel, Accommodation</b>	<p>Employees must comply with the requirements of the Gifts, Entertainment, Travel and Accommodation Procedure when giving or receiving gifts, entertainment, travel and accommodation.</p>
<b>Personal Conflicts of Interest</b>	<p>Employees must comply with the requirements of the Personal Conflicts of Interest Procedure, including when employing a former or current Public Official.</p>
<b>Political Donations</b>	<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, without the prior approval of the SMEC Board of Directors. 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 without the prior approval of the SMEC Board of Directors are also prohibited.</p>

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	Any such contributions or uses of funds will be published each year on the smec.com website.
<b>Charitable Donations and Sponsorships</b>	Employees must comply with the requirements of the Charitable Donation and Sponsorship Procedure <sup>1</sup> when making a charitable donation or a sponsorship.
<b>Fraudulent, Misleading or Deceptive Practices</b>	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.
<b>Collusive Practices</b>	<p>Collusive Practices contravene antitrust laws and funding agency regulations. Employees must not engage in Collusive Practices. In particular, Employees must not:</p> <ul style="list-style-type: none"> <li>• 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"> <li>– 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;</li> <li>– rigging a bid;</li> <li>– agreeing not to offer services or allocating markets, customers, suppliers or territories; or</li> </ul> </li> <li>• 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.</li> </ul> <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 Group Compliance in writing.</p>
<b>Coercive Practices</b>	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.
<b>Proceeds of Crime</b>	<p>Employees must not Deal with money or property (tangible or intangible) believing, or if there are reasonable grounds to suspect, that it is wholly or partly derived or realised, directly or indirectly, from the commission of an offence under the law of any jurisdiction.</p> <p>Employees must not authorise or permit a SMEC Group company or Employee to do so.</p>
<b>Instrument of Crime</b>	<p>Employees must not Deal with money or property (tangible or intangible):</p> <ul style="list-style-type: none"> <li>• intending that; or</li> <li>• if there is a risk that,</li> </ul> <p>the money or property will be used in the commission of an offence under the law of any jurisdiction.</p> <p>Employees must not authorise or permit a SMEC Group company or an Employee to do so.</p>
<b>Recording of Transactions</b>	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.

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	<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><b>Partner Evaluation</b></p>	<p>SMEC Group requires that its business partners observe equivalent standards of integrity and ethical behaviour that it prescribes for itself. 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"> <li>• 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</li> <li>• ensure the counterparty is currently registered on SMEC’s Supplier / Partner Register<sup>1</sup> for the relevant capacity, country and (in the case of a Subconsultant) engagement size.</li> </ul> <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><b>Registers to be Kept</b></p>	<p>Group Compliance must maintain registers of:</p> <ul style="list-style-type: none"> <li>• political donations and other in-kind contributions; and</li> <li>• charitable donations and sponsorships, reported pursuant to this policy, and must report periodically to the Board Audit and Risk Committee on those matters.</li> </ul>
<p><b>Bribery and Corruption Risk Analyses</b></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 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 Group Compliance. COOs should monitor the risks during the course of the year and record any findings in the risk register as appropriate.</p> <p>Group Compliance in consultation with the COO 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>Group Compliance will report periodically to the Board Audit and Risk Committee on the risk register and status of the risk treatment actions.</p>

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<b>SMEC Personnel and Management</b>	<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 CE, and COOs, Regional Directors, Regional Managers and Country Managers within their respective regions, and within their respective business lines, business function, sector 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>CE, COOs, Regional Directors, Regional Managers and Country Managers must enforce and monitor compliance with this Policy within their business line, business function, regions or countries.</p>
<b>Integrity Compliance Program</b>	<p>Group Compliance, supported by the CE and COO, 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>
<b>Training</b>	<p>Group Compliance 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.</p> <p>Group Compliance 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>
<b>Annual Review of Policy and Related Integrity Compliance Program</b>	<p>Group Compliance will facilitate an annual review of this Policy and related policies, procedures, registers and guidelines and the integrity compliance program in consultation with senior corporate management and will report to the 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>
<b>Raising a Question in Relation to This Policy</b>	<p>If you are unsure about the meaning of any part of this Policy or the Policy to which it relates or have questions about how it is being applied, you should contact Group Compliance.</p>
<b>Monitoring and Reporting</b>	<p>Group Compliance will establish processes for monitoring compliance with this Policy, including developing key performance indicators and benchmarking processes.</p> <p>Group Compliance will establish a reporting framework for reporting:</p> <ul style="list-style-type: none"> <li>• by COOs and their subordinate managers; and</li> <li>• by Group Compliance to the SMEC Board of Directors and Board Audit and Risk Committee,</li> </ul> <p>on compliance with this Policy and related instruments and on measures undertaken to promote and monitor compliance.</p>

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<b>Reporting of Suspected Contraventions</b>	<p>If an Employee becomes aware of any breach or suspected breach of this Policy or related Procedures, the Employee must immediately report the breach or suspected breach through Report to SMEC. Employees must observe the provisions of the SJ Group Whistleblowing Policy.</p>
<b>Breaches of the Policy</b>	<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.</p> <p>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"> <li>• requesting others to breach this Policy;</li> <li>• failing to raise promptly, known or suspected breaches of this Policy;</li> <li>• failing to co-operate in investigations of possible breaches; and</li> <li>• failing to demonstrate leadership and diligence to ensure compliance with this Policy and the law.</li> </ul>
<b>Retention of Records</b>	<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>
<b>Encouragement of Associated Companies to Adopt the Policy</b>	<p>This Policy applies to all of SMEC Group, including controlled subsidiaries. Associated Companies, such as Joint Ventures, not under SMEC Group control, are strongly encouraged to adopt this Policy.</p>



## engineering positive change

SMEC simplifies the complex. We unlock the potential of our people to look at infrastructure differently, creating better outcomes for the future.

[www.smec.com](http://www.smec.com)