



# GIFTS, ENTERTAINMENT AND HOSPITALITY POLICY

POLICY ADOPTED MARCH 2015, REVISED FEBRUARY 2017



# TABLE OF CONTENTS

<b>GIFTS, ENTERTAINMENT AND HOSPITALITY POLICY .....</b>	<b>3</b>
<b>Introduction .....</b>	<b>3</b>
<b>Gifts, entertainment and hospitality .....</b>	<b>3</b>
<b>Assessing acceptability .....</b>	<b>4</b>
<b>Registration and approval process.....</b>	<b>6</b>
<b>Common dilemmas .....</b>	<b>6</b>
<b>Where to turn for help .....</b>	<b>7</b>
<b>Reporting suspected violations .....</b>	<b>7</b>



## GIFTS, ENTERTAINMENT AND HOSPITALITY POLICY

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### INTRODUCTION

This *Gifts, Entertainment and Hospitality 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 *Anti-Corruption Policy* further clarifies issues related to bribery and ethics; 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.

### GIFTS, ENTERTAINMENT AND HOSPITALITY

#### THE CORPORATION’S POLICY

The Code adopts the principle that its Employees may not solicit, give or receive, either directly or indirectly, gifts, gratuities, special allowances, a favour or an unreasonable benefit in relation to an individual or company with which it does business, if the benefit could unduly influence the judgment of the recipient by creating a disproportionate obligation to return the favour or by creating an appearance of impropriety.

However, the Corporation also recognizes and accepts that the occasional offer/acceptance of a modest gift, entertainment or hospitality can make a valuable contribution to the development and maintenance of good business relationships. Employees are expected to exercise good judgment and, if in doubt, may seek advice from senior managers or the regional Compliance and Ethics representative.

#### TYPES OF GIFTS, ENTERTAINMENT AND HOSPITALITY

Anti-corruption laws cover donations or gifts of goods and services as well as cash. This Policy covers the following types of business courtesies exchanged with external parties:

- *Gifts* – all gifts, including personal gifts, to and from officials or people who have, who may have, or who may facilitate the creation of a business relationship with the Corporation.
- *Entertainment* – attendance at social, cultural or sporting events with officials or people who have, who may have, or who may facilitate the creation of a business relationship with the Corporation.

- *Hospitality* – meals, drinks, as well as lodging and travel expenses given to or received from officials or people who have, who may have, or who may facilitate the creation of a business relationship with the Corporation.

## GENERAL PRINCIPLES

The key principle is that Employees may not offer or accept gifts, rewards, benefits or other incentives that create or appear to create an obligation, affect either party's impartiality or constitute an undue influence on a business decision.

Employees need to be careful and assess what is expected in return when a gift or other favour is offered. If the gift places either party under an obligation, or appears to do so, then there is a problem. A gift that is designed to influence a business decision in the Corporation's favour is not a free gift: it is a bribe.

Value is not the only consideration. Employees must also take into account the need to avoid anything that could be seen as an undue influence even if the gift is of low value. In addition, Employees need to take into account the frequency and cumulative value of exchanges with the same recipient. It is not acceptable to keep offering gifts or entertainment to the same recipient or receive repeated gifts from the same donor, even if each individual gift is of low value.

## REGIONAL CONSIDERATIONS

The specific monetary value of acceptable modest gifts, entertainment or hospitality applicable in each region in which the Corporation operates is available through regional guidelines, which can be requested from any local senior manager or the regional Compliance and Ethics representative. Employees may not accept or offer gifts, entertainment or hospitality that exceed these limits without written authorization from a senior manager.



## SPECIAL CONSIDERATIONS FOR GOVERNMENT AND PUBLIC OFFICIALS

The Corporation's integrity principles apply equally to business courtesies exchanged with both government and private sector counterparts. Special care must additionally be taken when dealing with government officials, since in some countries (for example, Canada, UK and US) anti-bribery laws are particularly strict in this area. Moreover, government officials may themselves be subject to especially tight guidelines that must be respected. For instance, in some countries, government officials are not permitted to accept even a cup of coffee or a light meal from a business counterpart.

Employees should always make sure that they know which rules apply in the country where they work. These rules are notably included in regional gift, entertainment and hospitality guidelines, which can be requested from any local senior manager or the regional Compliance and Ethics representative.

For more information on bribery and anti-corruption, Employees can consult the Corporation's *Anti-Corruption Policy*.

## ASSESSING ACCEPTABILITY

### CHECKING THE "TRAFFIC LIGHT"

When assessing what is and is not acceptable, Employees may find it helpful to think of a three-part "traffic light":

## **UNACCEPTABLE**

The following examples are never acceptable:

- Anything illegal;
- Anything offered to someone who is about to make a business decision concerning the Company, for example the award of a contract;
- Anything that would cause the Company embarrassment if publicly reported, either locally or internationally;
- Anything that contravenes the recipient's own rules, including government officials who in many countries are themselves subject to particularly stringent regulation (see above on government and public officials);
- Any gift or benefit that has to be kept secret from other colleagues, their immediate manager or any other relevant parties;
- Cash or cash equivalents (gift vouchers or anything redeemable for cash), such as shares, regardless of the amount involved;
- Sexual favours.

## **NEEDS SPECIAL CONSIDERATION**

The following examples may be acceptable, but require special consideration, and must be authorized.

- Travel expenses of third parties involving flights and overnight stays;
- The inclusion of partners at corporate hospitality events;
- Invitations to particularly expensive cultural or sporting events, such as World Cup finals;
- Gifts on special occasions, such as births and weddings.

In cases where the business courtesy places either party under an obligation, or where the exchange is (or appears to be) an attempt to influence a business decision, it should not be offered or accepted.

## **NORMALLY ACCEPTABLE**

The following are normally acceptable when given to private third parties:

- Token seasonal gifts, where such gifts are a common cultural feature and the value of the modest gift is within the Company's financial limits;
- Modest, occasional meals with a business partner that fall within the Company's financial limits;
- Small corporate, promotional gifts, for example pens marked with the company logo and similar items;
- Occasional attendance at ordinary sporting or cultural events such as theatre performances or concerts (if approved by the local line manager).

## **THINKING AHEAD**

Employees should think ahead about the patterns of cultural and business behaviour that apply in countries where they work.



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

## LOOKING FOR RED FLAGS

Warning signs include the following:

- Where an employee comes under pressure to offer or accept a gift because this is how things are done in the country where they are working. Local practice may not be acceptable internationally. For example, in some countries, it is common for contractors to offer “thank you gifts” to office staff who commission their services. **The Corporation does not accept these practices.**
- An official or a business partner drops a hint that a particular favour might make him look on the Corporation more favourably.

Employees should not wait for problems to occur. If in doubt, advice may be sought from senior managers or the regional Compliance and Ethics representative.

## REGISTRATION AND APPROVAL PROCESS

### REGISTRATION REQUIREMENTS

All gifts, entertainment and hospitality of a value exceeding the threshold established by local senior management must be recorded in the Corporation's gift, entertainment and hospitality registry. The registry is subject to periodic review by the Corporation's Compliance and Ethics team and by the Internal Audit team.

The gift, entertainment and hospitality registry is accessible through the Corporation's intranet site.

### APPROVAL REQUIREMENTS

Managers who approve business courtesy exchanges or review expense claims must have more seniority than the Employee submitting the request or claim.

## COMMON DILEMMAS

### “But it would be impolite to refuse...”

Employees may encounter situations where they feel social pressure to accept a gift that goes beyond the Corporation's financial threshold, and do not wish to offend the donor. In such case, Employees have to make a decision on the spur of the moment and must use their judgment. In practice, a polite refusal, by referring to the Corporation's *Gifts, Entertainment and Hospitality Policy*, may well be understood.

If an Employee feels obliged to accept, they should, in any case, report the gift or benefit to their local line manager as soon as possible, and no later than the next working day. Potential options include accepting the gift, returning it with a polite note or offering it to charity.

### “Surely there is no problem with a seasonal gift...”

Similar dilemmas can apply to seasonal gift-giving, for example at Christmas or, in some cultures, during the New Year period.



The Corporation's policies apply all year round. As such, Employees need to ensure that they do not offer or accept anything inappropriate during such seasonal periods, and work out strategies accordingly.

In cases where a third party wishes to offer seasonal gifts, one approach might be to offer them to charity or to share them at a company party. The most important considerations are that nothing should be seen as an attempt to influence a particular individual, and that everything is transparent.

**"But he's a personal friend of mine!"**

In some cases, it may turn out that a business partner is a personal friend, or they may become a friend as a result of a long professional relationship. Even so, the same principles apply. Employees may not offer or accept a gift that would be unacceptable to or from a complete stranger. In the event that a personal relationship entails frequent exchanges of gifts of a personal nature, said relationship should be registered in the Corporation's conflict of interest registry as a potential conflict of interest. The conflict of interest registry is accessible through the Corporation's intranet site.

**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 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.

**WHISTLEBLOWING SERVICE**

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