



# WORKING WITH THIRD PARTIES POLICY



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## WORKING WITH THIRD PARTIES POLICY

POLICY ADOPTED MARCH 2015, REVISED FEBRUARY 2017, MARCH 2019 AND MAY 2020

### INTRODUCTION

This *Working with Third Parties 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 Policy provides guidance on establishing and monitoring relationships with business partners (also referred to as “**third parties**”) as well as on managing bribery and corruption risk related to business dealings with third parties.

This document is to be read together with the *Code of Conduct* (the “**Code**”) and its underlying policies. All of the terms in this Policy have the same meaning as those defined in the Code.

### WORKING WITH THIRD PARTIES

#### THE CORPORATION'S COMMITMENT

The Code sets out the Corporation's commitment to act with integrity in all business activities and to comply with both the letter and the spirit of applicable laws and regulations. The Code also makes clear that business partners are expected to abide by ethical principles that are fully compatible with our own.

The Corporation does not tolerate any direct or indirect illegal or unethical actions or behaviours.

This commitment is made on ethical grounds and because employees personally and the Corporation could suffer reputational damage and be held legally accountable if business partners are involved in unethical or illegal conduct when acting on the Corporation's behalf.

#### TYPES OF THIRD PARTIES

The Corporation requires that all third parties with whom it carries out business apply ethical principles that are consistent with its own. Business partners include joint venture or equity partners, acquisition targets, service providers, suppliers, vendors, consultants, subconsultants, contractors, subcontractors, or any other person acting on the Corporation's behalf (such as agents, representatives or sponsors) and their employees or other persons working on their behalf.

Specific considerations may arise depending on the type and location of a third party with whom the Corporation is conducting business. In addition, the Corporation's *High-Risk Countries Policy* sets out considerations surrounding the level of integrity review required on third parties where a project is linked to a country, territory or region with higher sanctions, corruption, or money laundering risk.



## **DUE DILIGENCE PROCEDURE**

The key principle when dealing with business partners is “trust but verify.”

Proper due diligence procedures enable the Corporation to follow through on its commitment to act with integrity by protecting against partnering with companies and individuals that do not operate pursuant to ethical principles. Such procedures also minimize reputational and legal risks arising from international sanctions, anti-corruption, anti-money laundering and modern slavery legislation, by investigating potential business partners’ past and current ethical standing.

Generally, managing risk involved with third party relationships and dealings can be achieved through (i) assessing third party risk, (ii) binding third parties to the Corporation’s business standards, and (iii) monitoring third party compliance with the Corporation’s business standards.

## **ASSESS THE THIRD PARTY**

### **GATHER AND DOCUMENT INFORMATION**

Proper documentation is essential and provides evidence of the Corporation’s due diligence procedures and the considerations that underlie its commercial decisions. As such, all investigations, risk assessments, due diligence questionnaires, background checks, integrity reviews, and continuous monitoring reports made in the context of the due diligence process must be appropriately documented.

### **CONDUCT A RISK ASSESSMENT**

If the potential partner is new to the Corporation, a risk assessment should be completed in order to determine the proper level of integrity review. The level of the integrity review can notably be based on an assessment of the following risk factors:

- Country risk: This includes the risks associated with the country where the project will take place, as well as the country in which the third party is headquartered or located. Important factors include the country’s political, economic and business environment.
- Transaction risk: This includes the level of commercial, financial and contractual risk, as well as the risk associated with the type of work delivered by the third party throughout the project.
- Relationship risk: This includes risks associated with the type of relationship between the Corporation and the third party, as well as the third party’s connections and reputation.

### **COMPLETE AN INTEGRITY REVIEW**

Based on the findings of the risk assessment, the portfolio of risks will be identified and will dictate the level of the integrity review.

Integrity reviews typically consist of one of the following reviews:

- Basic Review, which can include the checking of references, a desktop internet search and/or a review of any rumour or information known by employees.
- Specialized Review, which can include the vetting of available corporate information and/or a search through a risk or compliance database designed to notably verify whether the third party is designated on a sanctions or debarment list and retrieve adverse media.



- External Service Provider Review, which can consist of a verification of sanctions and debarment lists, a review of adverse media, a public records search, and a source inquiries search.

## **ACT ON THE FINDINGS**

Based on the findings of the risk assessment and integrity review, the Corporation may opt to pursue or not the proposed business relationship.

## **BIND THE THIRD PARTY**

After the review process is complete and the decision to engage a third party has been made, business partners should adhere to the principles and standards set out in the Corporation's Code and underlying policies. This is notably done by communicating the Corporation's *Third Party Code of Conduct*, which summarizes the Corporation's values as they apply to third parties and provides a set of governing principles for ethical behaviour when interacting with the Corporation or when acting on its behalf.

In addition, contractual protections can be included in the written agreements that formalize the business relationships between the Corporation and third parties.

## **MONITOR THIRD PARTY CONDUCT**

Periodically, the Corporation will re-evaluate and, if necessary, audit business partners' compliance with the Corporation's standards, as their status (in terms of integrity) might change with time.

A reassessment of ongoing business relationships should be carried out on a yearly basis for high-risk jurisdictions and at least once every three years for other jurisdictions. Furthermore, periodic certifications from third parties, particularly those mandated with the specific task of representing the Corporation, verifying compliance with anti-corruption laws, should be carried out.

## **WHERE TO TURN FOR HELP**

If in doubt about any aspect of this policy, Employees may contact [ethics@wsp.com](mailto:ethics@wsp.com) or communicate directly with their regional Ethics and Compliance 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.

## **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 Code and underlying policies. 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.