

ERM Global Policy

Anti-Bribery / Corruption (“ABC”)



1.0 PURPOSE

ERM supports governmental efforts to combat bribery and corruption. The purpose of this Anti-Bribery/Corruption (“ABC”) Policy is to help employees recognize and avoid misconduct and the appearance of impropriety while conducting ERM business. Even the appearance of a breach of anti-bribery and anti-corruption laws could do substantial damage to ERM’s reputation. This ABC policy addresses the UK Bribery Act, UK Criminal Finances Act 2017, United Nations (UN) Global Compact obligations, US Foreign Corrupt Practices Act (“FCPA”), Organization for Economic Co-operation and Development (“OECD”) obligations and commercial bribery risk.

2.0 SCOPE

The term “Employee” or “Employees” is specifically defined, for purposes of this policy, as: any personnel hired directly by ERM (regardless of status classification of full-time, part-time, temporary, contract, etc.); interns (even if an intern does not receive payment by ERM); employees of other companies seconded into ERM, and any ERM employee seconded to a non-ERM company. The term “Agent” or “Agents” is specifically defined as any member of any ERM entity board, any officer of any ERM entity, hired personnel, consultants, intermediaries, lobbyists, agents, representatives, independent contractors, subcontractors, and any others who act on ERM’s behalf.

This policy applies worldwide to all ERM entities, all Employees and all ERM Agents.

3.0 POLICY

ERM forbids making, offering, or promising to make a payment or transfer anything of value, including a provision of any service, gift, favour, or entertainment to government personnel or other officials for the purpose of improperly obtaining or retaining business, or for any other improper purpose or business advantage. Further, ERM forbids commercial bribery and requires that business entertainment conform to the ERM Code of Business Conduct and Ethics (“Code of Conduct”) as well as the applicable Code of any client. In rare circumstances, ERM will participate in government approved business entertainment that includes government officials. For events or business entertainment involving government organizations, rather than individuals, see the [Policy on Interacting and Contracting with Government Entities](#) and the supporting Procedures for [Approval for Gifts and Entertainment of Government Officials](#) (GMS accounting entries). For all other business entertainment not involving government officials, see the [Policy on Gifts and Entertainment](#).

3.1 No Intermediaries. This policy forbids using an agent or making a payment to any person or entity related to a local or foreign official. ERM policy does not permit payment to any intermediaries, including but not limited to friends, business associates or relatives of government officials, in order to circumvent this policy. In particular, be aware that payment or favours made to any close friend or close relative of a government official involved in any ERM business, whether from ERM funds or your own personal funds, will be deemed an automatic violation of this policy and may be grounds for immediate termination from ERM. For the purposes of this policy, a “close relative” means a spouse, partner, parent, step-parent, child, step-child, sibling, step-sibling, nephew, niece, immediate cousin, aunt, uncle, grandparent, grandchild, in-law, or a parent of an in-law.

3.2 Specifically forbidden behaviours. In support of this policy, the following are forbidden:

- 3.2.1 *To ignore or fail to report any indication of improper payments (“shrug off” issue).*
- 3.2.2 *To induce or facilitate someone else to violate this policy (either aiding a violation of this policy or attempting to create “plausible deniability” for yourself).*
- 3.2.3 *To permit an Agent or representative of ERM or an ERM client to take questionable actions (“look the other way”).*
- 3.2.4 *To falsify, create, omit information, mischaracterize or alter any accounting or business record for the purpose of either violating this policy or hiding or obfuscating a violation of this policy.*

3.3 No Facilitation Payments. ERM adheres to the higher international standard of no facilitation payments under our OECD obligations, rather than the lower standard of allowing certain facilitation or “grease” payments under the FCPA. Examples of facilitation payments are undocumented and unreceipted payments made to speed up routine government actions, such as issuing permits or releasing goods held in customs. Contact the ERM General Counsel if you have concerns relating to your business activities.

3.4 Policy exception for immediate physical harm that is correctly reported. ERM places the health and safety of its Employees as its highest priority. ERM seeks to prevent physical harm to our Employees and to those persons in the communities in which we do business. In the event that persons are threatened with immediate physical bodily harm or detention, even if the threat issues from a government agent,

ERM will not consider the event a violation of Section 3.3 so long as each and every of the following conditions are met:

- 3.4.1 **Threat of Physical Bodily Harm.** *The event involves the threat of physical bodily harm or detainment (threat to property does not count);*
- 3.4.2 **Threat is Temporal in Nature.** *The event is temporal in nature, in that it involves an immediate physical threat. Future threats are considered protection extortion and do not constitute an exception; and*
- 3.4.3 **Threat is Reported and Documented.** *The event is reported and documented with the Chief Compliance Officer within three business days of access to a cell phone, computer, or facsimile machine.*

Please note that policy exception 3.4 only applies to immediate bodily physical harm or detainment and does not apply to events or situations involving only theft or destruction of property with no threat of physical harm or detainment.

3.5 No political contributions of any kind. ERM does not make political contributions. It is a violation of this policy for any ERM funds to be used directly for or in reimbursement of any political contribution. For all managers at ERM, a violation of Section 3.0 of this policy will have occurred by you if one of your reports seeks reimbursement from ERM for a political contribution. Further, Section 3.0 prohibits providing “anything of value,” so providing free ERM consulting services or labour as a political contribution, depending on the facts and circumstances, may also be a violation of this policy. In addition, be aware that any personal funds expended by you that relate to ERM business can create an appearance of impropriety and lead enforcement agencies to infer a violation of applicable ABC international law. Further, even if your personal expenditure is not found to be a violation of this policy, the expenditure could create an appearance of impropriety and therefore be a violation under our Code of Conduct. If you have questions, contact the ERM General Counsel. See also Section 3.6 on Charitable contributions and ABC policy concerns.

3.6 Charitable contributions. ERM requires due consideration of charitable contributions.

3.6.1 **Monetary contributions.** *ERM monetary charitable contributions can only be made with prior written approval by ERM’s ultimate parent company Board of Directors except that:*

3.6.1.1 *The Global Chief Executive Officer (“CEO”) may authorize up to USD \$10,000 for any one charitable contribution, not to exceed an aggregated total of USD \$40,000 for any financial year; and*

3.6.1.2 *Regional CEO, Group Finance Director or Global Commercial Director may authorize up to USD \$2,500 for*

any one charitable donation, not to exceed an aggregated total of \$5,000 for any financial year.

3.6.2 **Time contributions.** *For ERM sponsored charitable donations of ERM personnel time (specifically does not include ERM funds, goods, or supplies), either the Global CEO, Regional CEO, or the Global Commercial Director may authorize time charitable contributions regardless of estimated value so long as the charitable time contribution is reported to the Board of ERM’s ultimate parent company.*

3.6.3 **ERM Foundation.** *It is a violation of Sections 3.1 and 3.2 of this policy to use the ERM Foundation or any additional intermediaries to make a payment to any individual, government official, or business entity with whom ERM or an ERM client has a business interest.*

3.6.4 **Personal charitable contributions.** *Personal charitable contributions are the individual discretion and responsibility of each Employee. Personal funds expended by you that relate to ERM business can create an appearance of impropriety and lead enforcement agencies to infer a violation of applicable ABC international law. Further, even if your personal expenditure is not found to be a violation of this policy, the expenditure could create an appearance of impropriety and therefore be a violation under the Code of Conduct. If you have questions, contact the ERM General Counsel.*

3.7 Internships. ERM hiring summer interns or entering into temporary employment or “independent contractor” arrangements with a close relative of a government official or client may be a violation of this policy. To seek clearance or permission, you must contact all of the following in writing pursuant to the Code of Conduct in order to seek permission: Regional CEO, Regional HR Director, and the ERM General Counsel. [See also ERM Approval Levels Policy].

3.8 Subcontractor and agent due diligence. A failure to perform sufficient subcontractor or agent due diligence prior to contracting or payment will not be an exception to this policy or a defence to a violation of this policy. Further, only ERM Law Department forms are allowed for engagement of subcontractors and agents. Exceptions to the use of approved ERM Law Department forms posted on Minerva and erm.com can only be granted by the ERM CEO, the ERM General Counsel or the applicable ERM Regional Counsel.

4.0 PROCEDURE

The following procedure(s) support this policy: [GMS policies and guidance](#); [Approval for Gifts and Entertainment of Government Officials](#). Additionally, questions or concerns can be addressed with the Chief Compliance Officer or sent via the businessconduct@erm.com email notification system or by contacting the [ERM Helpline](#).

ERM Global Policy Manual Administration

Policy Title: Anti-Bribery/Corruption (“ABC”)

Policy Number: 3

Revision Number: 2

Effective Date of this Version: 14 March 2023

Original Approver and Original Effective Date: Group General Counsel/09 September 2010

Policy Description: Policy to address both commercial and governmental anti-bribery obligations and anti-corruption compliance, including the UK Bribery Act, UK Criminal Finances Act 2017, United Nations (UN) Global Compact obligations, US Foreign Corrupt Practices Act (“FCPA”), and the Organization for Economic Co-operation and Development (“OECD”).

Authority to Amend this Policy: Group General Counsel or Chief Compliance Officer

Authority to Waive this Policy: None

Policy Review Cycle: 3 years from effective date of this version

Docket Responsibility for Review Cycle: Chief Compliance Officer