

Policy of Combating Bribery and Corruption

First: Definitions:

- For the implementation of the provisions of this policy, words and phrases are explained by the meaning next to each one of them:
- **Authority:** Suez Canal Authority.
- **Bribery:** it is offering anything “with a value”, promising of it, giving or obtaining it, directly or indirectly, to or from any private, public entity, or personnel, including any governmental or non-governmental official, to obtain a job or privilege inconvenient for the Authority.
- **Corruption:** it compromises the direct and indirect offering, promising, accepting, or luring in managing the works of the authority for any valuable object or a privilege as an enticement to take an illegal action or breach of trust.
- **Assistance with bribery and corruption:** this means being involved in bribery, directly or indirectly, by offering bribery or receiving it. Paying or offering a privilege, facilitating receiving a bribe or privilege without a legit cause.
- **Valuable objects:** a valuable object is not confined to any amount of money or minimum limit. It comprises presents, entertainment, accommodation, travel expenses, job offers, and any other privileges with or without a tangible value.
- **Commercial privilege or any other privilege:** it comprises works or other privileges such as obtaining new works or another privilege with regards to the authority’s activities or preferential treatment like fees reduction, not complying with regularities in action, etc...
- **Facilitating payments:** they are small payments to accelerate or guarantee the fulfillment of a non-discretionary governmental routine work.
- **Supplier:** it refers to any company, entity, or individual fulfilling commodities and services for the authority. It comprises sub-contractors, services providers, agents, and advisors.

Second: The purpose:

The purpose of the policy is to assist the staff of the authority with all their career levels from all the departments, as well as all our business partners on deciding on the cases related to combating bribery and corruption, as well as comprehending the criteria of combating bribery and corruption in action and to comply with these criteria through:

1. Adhering to the best practices of work:
 - The authority adheres to performing the works with impartiality based on the best ethic principles and values.
2. Intolerance:

The authority shall show zero tolerance to bribery and corruption and it commits to abiding by the law. The authority's rejection for bribery and corruption stems from that it is seeking to keep a good reputation and mutual trust with its clients and dealers.

3. Public and private sectors:

The bribery and corrupt conduct restrictions apply to any of the authority's activities or dealings that include public or private companies, entities, or individuals.

4. Legal obligations:

The authority deals with multiple multi-national companies and entities and shall take into consideration the regulation of combating bribery and corruption, this encompasses international agreements in action.

Third: Applicability:

The provisions of this policy apply to all the levels of management throughout the authority, and the authority shall commit whomever works on behalf of it including, advisors, contractors, and suppliers, etc...

Fourth: Guidelines:

The following principles stand as a base for this policy, and the conduct of all the authority's staff shall be directed to comply with the following:

- ✓ No tolerance for offering, promising, paying, or accepting any form of illegal payments, privilege, or incitement for any individual either from the staff or the dealers.
- ✓ The authority keeps accurate records and ledgers as per the internal financial disciplines and related policies and procedures. It is not permissible to create or keep any undisclosed or unrecorded funds or assets for any purpose.
- ✓ The authority shall exert a reasonable due diligence to combat corruption related to private or joint venture projects operations, and shall be dealt on basis of transparency and integrity as well as handling any concerns or cases related to corruption completely at satisfactory level.
- ✓ The authority shall encourage reporting on any suspected or well-known corrupt with no fear or threat.
- ✓ The authority shall investigate all reports related to a well-known or suspected corrupt carried out by one of its own staff or any other individual in work relation with the authority.

Five: Taboos:

All the authority's staff are forbidden to:

- **Pay funds for facilitation**, as these payments are considered as one of the corruption forms and prohibited in accordance with international law and regulations of the United Nations for combating corruption.
- **Being involved in any corruptive activities or suspicious activities related to corruption**, it is a must to avoid all the situations that shall lead to an inconvenient presence which includes any relation to gifts, conflict of interest, recruitment, and donations.
- **Being involved in Bribery**, as all the employees of the authority from all cadres are forbidden to be involved in bribery or corruption, directly or indirectly, as well as all of the authority's dealers either service providers, agents, advisors, or mediators.
- **The authority forbid dealing with other parties involved in bribery or corruption.**
- **Take any retaliatory measures against the personnel** who report such suspicious violations which violate ethics or this policy. However, there shall be zero tolerance to malicious claims.

Sixth: Awareness and drilling:

- **Awareness:**
The authority shall encourage the staff to be fully aware of such policy and its importance to the authority, as well as their right to enquire about this policy and the other related cases.
- **Drilling:**
The authority takes part in different means of drilling to get the staff acquainted with this policy as a part of the general ethics drilling, while affording a periodic drilling for all the staff with regards to ethics and combating bribery and corruption.

Seventh: Gifts:

- The authority's policy concludes that it is forbidden to hand out any gifts, hospitality, or any other personal privilege for any inconvenient purposes or as a mean for inciting any individual to conduct against the authority's interest.

Eighth: Due diligence

- The authority undertakes a comprehensive due diligence on all the related parties who act on its behalf including service providers, advisors, representatives, sub-contractors, suppliers and potential partners in the mutual projects.

Ninth: Reporting rules

1- Reporting illegal or unethical behavior

- The authority encourages all the workers on talking and raising their fears to be able to identify the misbehavior and dealing with it and protecting itself from the negative consequences. It is the responsibility of every staff member to report any potential violations of this policy.

2- Examining the reported incidents and conducting the necessary investigations

- To avoid the potential dire consequences of bribery and corruption, the authority carries out scrutiny and examination of all credible allegations on this misbehavior subject to principle of good faith. If the existence of illegal activity is confirmed, immediate investigations will be done in a fairly, consistently and discreetly form with the whistle-blowers. All the directors, officials and staff members of the authority must cooperate in such investigations.

3- Commitment to impunity

- No staff member submitting a report with a good faith on potential misbehavior based on his personal knowledge or cooperating with an internal or external investigation in such potential misbehavior will be exposed to any negative consequences related to the work, provided that this employee did not misuse the legally guaranteed right of complaint.

Tenth: The red marks (Possible irregularities)

- There are facts or circumstances of concern about any specific treatment or relation or link implies bribery and corruption risks, the red mark is not a conclusive evidence for corruption, but it requires investigation to understand if it was based on one of the following:
 - I. There are legitimate and credible explanation.
 - II. There is not a clear legal explanation.
 - III. The risk of corruption has been confirmed and proven.

➤ Examples for actions and procedures raising suspicion around it:

- There are cases that refer to potential violations of this policy or represent common areas of corruption-related compliance risks. If you knew or doubted about any red marks (possible

irregularities) including the following circumstances, you should immediately to present the problem before the competent authorities.

a) Gifts and expensive hospitality.

- Cash gifts that includes vouchers and gift cards.
- Gifts and hospitality during contract or tender negotiations.
- Gifts and hospitality for family members and friends.
- Hospitality in case of absence of the host.
- Offering gifts and hospitality and accepting it frequently with the same operating party.

b) Potential conflict of interest:

- Direct or indirect business relation with the Authority.
- Using the Authority's assets for improving special interests.
- Holding a position in a competing entity to the Authority, which has a commercial interest with the Authority; or seeking work for one of the family members or a close friend.

c) Accounting and payments:

- Cash payments or daily accommodation allowances and compensation for expenses for travelling and accommodation.
- Payments or insufficiently documented expenditure.
- Extraordinary payment channels requests with expensive fees.
- Registration inputs in extraordinary or inaccurate registers, or accounting procedures that would disguise the true nature of the expenditure (for example, hospitality registered as training expenses) or using documents and forged invoices.

➤ **Reporting red marks (possible irregularities):**

- It is the responsibility of the worker that monitor or suspect the existence of red marks (possible irregularities) to report that matter to his direct supervisor, in addition to, the competent authority.

➤ **Eleventh: Non-compliance with the policy**

- Non-compliance with this policy leads to significant legal penalties against the authority and the individuals involved. This is a reason enough for taking disciplinary procedures against those individuals including possible termination of service.

➤ **Twelfth: Periodical review of policy**

- The Authority's Standing Committee for Transparency, Integrity and Anti-Corruption evaluates the effectiveness of this policy periodically and reports on results periodically to the competent authority.