

TITLE	APPROVING BODY
Policy – Fraud and Corruption Prevention and Detection	Board of Directors
ISSUING BUSINESS UNIT	DATE
Legal Affairs, <u>Compliance</u> and Secretariat, <u>Finance and Operations</u>	2024-12-05

RELATED LEGISLATION, POLICIES AND DIRECTIVES

- *Integrity in Public Contracts Act;*
- *Corruption of Foreign Public Officials Act, Criminal Code of Canada, Foreign Corrupt Practices Act of 1977; UK Bribery Act 2010*
- Code of ethics and Code of ethics of members of the Board of Directors (together, the “**Code**”)
- Policy – Internal Controls
- Policy – Integrated Risk Management
- Directive – Governance and Management of Majority Investment Structures
- Directive – Fraud and Corruption Prevention and Detection

OBJECTIVES

- Develop a fraud and corruption prevention and detection strategy.
- Adopt, state and implement a zero-tolerance approach to fraud and corruption.
- Commit to the highest standards of professional ethics and conduct.

1. Background

This policy (the “**Policy**”) sets out Caisse de dépôt et placement du Québec’s (“**CDPQ**”) commitment to implementing a zero-tolerance approach to fraud (digital or not) and corruption. Implementation of the Policy is detailed in the *Directive – Prevention and Detection of Fraud and Corruption* (the “**Directive**”).

2. Scope and application

The Policy applies to staff and board members of CDPQ, its international offices and its management subsidiaries (collectively referred to as “**Personnel and Directors**”). It also applies to all third-party agents acting on behalf of CDPQ in the course of its activities (the “**Agents**”). Expectations regarding majority investment structures are set out in the *Directive – Governance and Management of Majority Investment Structures*.

CDPQ Infra has its own fraud and corruption policy. It must annually certify to CDPQ that its implementation complies with the guiding principles set out in point 3 of the Policy.

3. Guiding principles

CDPQ is committed to conducting business in compliance with applicable laws, rules and regulations with honesty, integrity and the highest ethical standards.

CDPQ expects Personnel, Directors, and Agents to conduct themselves properly and lawfully when engaging in commercial transactions. Any type of fraud or corruption (bribes, secret commissions, facilitation payments, etc.) is prohibited. CDPQ ensures it takes appropriate measures to mitigate the risk of fraud or corruption arising from its interactions with third parties.

All transactions must be conducted in such a way that CDPQ's reputation for integrity and best practices is protected. Any appearance of irregularity must be avoided. CDPQ will not authorize, participate in or tolerate any practice that contravenes the intent of this Policy.

4. Prohibition of fraud and corruption

Although fraud and corruption are subject to specific laws in different jurisdictions, CDPQ aims to meet the highest ethical and compliance standards.

Fraud includes any dishonest, illegal or irregular act committed with the objective of improperly concealing facts or information, presenting misleading information or appropriate or misappropriate CDPQ assets, whether or not any gain is monetary, personal or for a third party, current or future.

Corruption refers to the act of offering, giving, promising, receiving, accepting, or soliciting anything of value, either directly or indirectly, to or from any person in order to improperly obtain in return an advantage or benefit of any kind. Facilitation payments, which are payments made to public officials to ensure or accelerate routine acts under the public official's authority and not requiring the exercise of discretionary power, are also forms of corruption.

Fraud and corruption are described in greater detail in the *Directive - Prevention and Detection of Fraud and Corruption*. Personnel and Directors who have questions about the nature of a particular act or payment that may constitute fraud or corruption must consult the Vice-President, Chief Ethics and Compliance Officer.

5. Measures against fraud and corruption

CDPQ has implemented a fraud and corruption detection and prevention program (the "**Program**") consisting of a governance framework, a risk identification process, prevention and detection activities and investigation mechanisms.

CDPQ maintains books and records that accurately reflect its operations, the use of its assets and other similar information as well as an adequate internal control system.

In addition to the guidelines set out in the Code, including those relating to gifts, invitations, hospitality and other benefits, CDPQ has established a mechanism for annual declaration of adherence to the Code and a mandatory declaration of interests for Personnel and Directors. CDPQ conducts ongoing awareness-raising activities, such as mandatory annual training for Personnel, on issues relating to fraud and corruption.

Mechanisms, including a phone line and a web portal, are accessible at all times to confidentially report any breach of ethics or laws. Personnel and Directors are obligated to report any actual or suspected breach. They are protected from any retaliation for whistle-blowing in good faith.

CDPQ has an investigation process to ensure that any whistle-blowing is handled independently and fairly.

6. Governance

The Board of Directors approves the Policy on the recommendation of the Governance and Ethics Committee. The Operational Risk Committee, which includes senior management representatives, recommends the Policy to the Governance and Ethics Committee.

Financial governance, within the Finance and Operations EVP group, and Ethics and Compliance, within the Legal Affairs, Compliance and Secretariat EVP group, establish and maintain the Policy's management framework. They report annually on its application to the Governance and Ethics Committee.

7. Review

This Policy must be reviewed at least every three years.