



FUNDAÇÃO SÃO PAULO

Anti-Corruption Policy

September 2019

Integrity Department

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FUNDAÇÃO SÃO PAULO



Introduction

Fundação São Paulo is committed to conducting its activities in strict compliance with applicable laws, including anti-corruption laws, in particular Law n° 12,846/2013, which provides for the administrative and civil liability of legal entities for the conduct of acts against national or foreign Public Administration ("Anti-Corruption Law" or "Clean Company Act"), and Decree n° 8,420/2015, which regulates the Brazilian Anti-Corruption Law, as well as other rules governing the relationship with the Public Administration.

Fundação São Paulo in all its areas of activity does not tolerate practices of fraud, corruption, or harmful acts of any nature. In this sense, it has been treating the theme related to the Integrity Program with seriousness and commitment, promoting and monitoring compliance with the norms in the development of activities, focusing on ethical and moral conduct, and on integrity, honesty, and responsibility principles.

Fundação São Paulo's Anti-Corruption Policy establishes guidelines that should conduct the activities of the Institution and all its collaborators in the fight against all forms of corruption, bringing a clear and objective view that any act of corruption is intolerable to the Institution.

In addition to the observance and applicability of this Policy, the rules established by Fundação São Paulo's Integrity Program and Code of Ethics and Conduct must be read together for effective understanding.

Any and all breaches of this Policy guidelines shall be reported to the Integrity Department, which shall also clarify doubts about the provisions in the documents that make up the Integrity Program.

Purpose and Applicability

This Policy has the purpose of establishing guidelines, premises, and commitments to guide the relationship of Fundação São Paulo and its beneficiaries or supplementary units with representatives, in any sphere, of public and/or private, national and/or foreign entities, being targeted and applied to all administrative technicians, teachers, health professionals, third parties, consultants, temporary, suppliers, service providers, and intermediaries agents, henceforth together called "Collaborators", including the Senior Management, as well as to all those who maintain ties with Fundação São Paulo.

“ ... Fundação São Paulo commits to demand the inclusion of anti-corruption and money laundering clauses in all its contracts... ”

In this sense, Fundação São Paulo commits to demand the inclusion of anti-corruption and money laundering clauses in all its contracts with any public and/or private, national and/or foreign entities, with specific liability clauses for acts of corruption or other similar unlawful acts that may be committed by the counterparty and/or by Fundação São Paulo within the scope of their commercial and/or institutional interrelationships. In its impossibility, the formalization of the contract will consist of tacit acceptance of the anti-corruption clause of Fundação São Paulo.

This Policy corroborates the guidelines of Fundação São Paulo's Integrity Program and Code of Ethics and Conduct, composing a set of regulations that must be observed by all Collaborators, of any hierarchical level, intermediaries agents, and other business partners in order to prevent, mitigate and remedy the risks of corruption.



Definitions

For the purposes of this Policy, the following definitions are applied:

I. Public Administration: is the set of agents, services, and bodies instituted by the State to manage sectors of society and act in favor of the public interest. The Public Administration can be direct, being, in this case, played by the Powers of the Union, the States, Federal District, and Municipalities. Indirect Public Administration is constituted by autarchies, public foundations, public companies, mixed economy companies, and others.

II. Public Officials: persons who perform a function in the State, even temporarily and/or without remuneration, by election, appointment, designation, hiring, or any other form of investiture or bond, mandate, position, employment, or function.

III. Senior Management: represents the head executives of Fundação São Paulo, according to its Statute, including its Boards, Executive Secretaries, and Prosecutors.

IV. Harmful Acts: as listed in article 5 of the Anti-Corruption Law, but not exhaustively, these are acts that undermine national or foreign public property, principles of Public Administration, or international commitments assumed by Brazil. In this Policy, the injurious acts are reproduced in the item that addresses the relationship with Grantor Public Authorities and Public Officials.

V. Slush Fund: Financial resources not accounted for and not reported to the competent supervisory bodies.

VI. Fictitious Contracts: contracts made under a "Proforma" regime, ideologically false, without the actual provision of the contracted services or the delivery of the corresponding goods.

VII. Corruption: consists in the act or effect of corrupting or letting oneself be corrupted, through the practice of dishonest, fraudulent, or illegal behavior that implies obtaining an advantage or benefit of any nature (money, values, services, or goods) for their own benefit or that of third parties, including bribery. The acts of corruption are identified as a promise or reward in exchange for behavior that favors the interests of the corrupter.

VIII. Exchequer or Public Patrimony: the set of assets, financial resources, and public rights belonging to all citizens, and managed by the State.

IX. Relationship Facilitation: payments, usually of small value, with the aim of ensuring or accelerating the performance of routine government actions ("urgency rate").

X. Fraud: an intentional act, unlawful or in bad faith, which seeks to gain undue advantage, for itself or others, through omission, manipulation, untruths, abuse of power, breach of trust.

XI. Money Laundering: economic and financial practices that intend to conceal or hide the illicit origin of certain financial assets or capital goods so that such assets appear to be of lawful origin, or that at least the illicit origin is difficult to demonstrate or prove.

XII. Anti-Corruption Law: is the name given to Law n° 12,846/2013, also known as Clean Company Act, regulated by Decree n° 8,420/2015, edited by the Executive Branch, which provides for the objective administrative and civil liability of companies for the practice of harmful acts against national or foreign Public Administration.

XIII. Bidding: a formal administrative procedure that is established in advance to contracts of services, purchases of products, among others,



by the Public Administration, in order to select the company with the fairest and most advantageous proposal to the treasury, which has its rules laid down in Law n° 8,666/1993.

XIV. Integrity Program: a set of internal mechanisms and procedures of integrity, auditing, and encouragement on reporting irregularities for the effective implementation of the Code of Ethics and Conduct, policies, and guidelines, to detect and remedy deviations, frauds, irregularities, and unlawful acts committed against national or foreign public administration.

XV. Anti-Corruption Policy: the policy established within Fundação São Paulo which contains premises, guidelines, and norms of ethical and moral conduct - integrity, honesty, and responsibility - in the relationship of the Institution, its beneficiaries, and supplementary units, with representatives, in any sphere, of public and/or private, national and/or foreign entities.

XVI. Influence Trafficking: the use of a third person with the intention of influencing the decision or action of a public official (national or foreign) in the performance of their duties.

Guidelines

This Policy establishes the guidelines for the exercise of functions and/or activities of institutional and/or commercial relationships of Fundação São Paulo's Collaborators acting on behalf of the Foundation, its beneficiaries, and/or supplementary units, and having as counterparty third parties or Public Officials, which shall be conducted in accordance with the following:

Gifts: gifts are prohibited, regardless of their commercial value, except for the distribution of institutional materials made or offered by

Fundação São Paulo as part of its promotion or marketing initiatives. They are defined as souvenirs distributed as a courtesy, advertising, promotion of events, or commemorative dates of historical or cultural character.

Hospitality and Entertainment: it is prohibited to pay or reimburse/refund expenses on hospitality (expenses related to accommodation, tickets, and transport) and entertainment (activities with the purpose of leisure, including expenses related to food). Exempted from this prohibition are events promoted and funded by Fundação São Paulo itself as part of its actions of representation, marketing, and promotion, always with institutional function.

Advantages and Benefits: it is expressly forbidden to grant advantages and benefits that constitute undue counterpart or materially represent undue pecuniary effects. Exempted from this prohibition are the benefits that are part of the statutory, institutional, or regulatory activity of Fundação São Paulo and for which there are specific regulations (for example, the granting of scholarships).

Relationship Facilitation: these payments are considered bribes for purposes of this Policy and within the scope of Fundação São Paulo's activities. The facilitation of relationship or differentiated treatment for obtaining or indicating advantages with the purpose of obtaining favor, whether in the commercial transactions of purchases and sales of Fundação São Paulo, whether in its participation in public bidding processes of any nature or even for personal favoring through the use of the name of Fundação São Paulo, stands forbidden.

Privileged Information: the use, distribution, disclosure, assignment, or obtaining of confidential or restricted information is prohibited, with the purpose of obtaining an advantage, at



the expense or in harm of the department or public interest.

Influence Trafficking: corruption can manifest itself through the exchange of favors. The Influence Trafficking is forbidden for personal, third parties, or even for Fundação São Paulo's favoring.

Political Parties and Political Campaigns: any contribution, donation, grant, sponsorship, and support to political parties, campaigns, or political candidates, regardless of the sphere of government or power and its programmatic conception or ideology, are prohibited. Collaborators are free to exercise political options and contributions of any character once there is no correlation or link of any nature with Fundação São Paulo. Fundação São Paulo does not engage in political party activities; therefore the Collaborators should not carry out any political activity on behalf of Fundação São Paulo or make use of its facilities or assets.

Relationship with Grantor Public Authorities and Public Officials

The Anti-Corruption Law provides on the practice of harmful acts to the national or foreign Public Administration, which may in any way cause damage to the exchequer or public property. The "harmful acts" under the Anti-Corruption Act are the following:

I. Promise, offer, or give, directly or indirectly, the undue advantage to a public official or a third person related to them;

II. Demonstrably finance, fund, sponsor, or in any way subsidize the practice of the unlawful acts provided for in the said law;

III. Demonstrably use a legal or natural person to conceal or disguise their real interests or the identity of the beneficiaries of the acts committed;

IV. Of bids and contracts:

a) frustrate or defraud, by adjustment, combination, or any other opportune, the competitive character of the public bidding procedure;

b) prevent, disrupt, or defraud the performance of any public bidding procedure;

c) rule out or seek to rule out bidders by means of fraud or offering an advantage of any kind;

d) defraud public bidding or contract arising from the bidding;

e) create, fraudulently or illegally, a legal person to participate in public bidding or to conclude an administrative contract;

f) fraudulently obtain undue advantage or benefit of modifications or extensions of contracts concluded with the Public Administration, without authorization in law, in the public tender notice or the respective contractual instruments, or

g) manipulate or defraud the economic and financial balance of the contracts concluded with the Public Administration;

V. Hinder the investigation or supervision of public bodies, entities, or agents, or intervene in their activities, including in the scope of the regulatory agencies and the supervisory bodies of the national financial system.

In their institutional relationship with representatives of the Granting Public Authorities, the Collaborators must be guided by the fairness of procedure, the



administrative morality, and the integrity of their conduct, faithfully complying with the guidelines of this Policy, and abstaining from the practice of harmful acts.

The Collaborator who demonstrably commits any harmful act will be subject to appropriate disciplinary measures, without prejudice to the application of other legally provided sanctions.

Fundação São Paulo will immediately adopt appropriate measures to contain, resolve, and/or rectify the harmful acts it becomes aware of.

Operational Transactions and Accounting Records

Fundação São Paulo does not use slush fund schemes, does not move untraceable funds or that constitute money laundering, does not conclude fictitious contracts, with overbilling or underbilling, does not engage in any type of fraud in its operating transactions and accounting records, nor does it use intermediaries (straw men) to cover up the interests or identity of the beneficiary of the corrupt act.

Fundação São Paulo keeps complete bookkeeping of its operational activities, its assets and liabilities, and its revenues and expenses, in books covered by formalities that ensure their accuracy.

Fundação São Paulo preserves, within the prescribed regulatory periods, all documents proving its operational acts, as well as the performance of any other actions or operations that may modify the status of its assets.

Fundação São Paulo submits its financial statements at the end of each social exercise to independent audit scrutiny, making the results of these examinations publicly available. It also

submits them annually to the Public Ministry of the State of São Paulo - Curatorship of Foundations.

Training

The Integrity Department, together with the Human Resources Division, will promote training to enable collaborators and internally disseminate training content, aiming to stimulate awareness and better posture and procedure in the fight against corruption.

Red Flags and Reporting Channels

All Collaborators must be attentive to the guidelines of this Policy and to situations that may suggest or call into question the existence of any illicit, illegal, or illegitimate issue that may be occurring or that has occurred within its scope of action or knowledge. To this end, the departments of Fundação São Paulo, its beneficiaries, and supplementary units must continuously carry out, in their respective areas, the mapping of situations or risk factors and possible or potential acts and facts of corruption and/or fraud, aiming at increasing control and decreasing the chances of occurrence in the scope of the Institution's activities.

The following red flags stand out:

- I.** Refusal to accept this Policy or the anti-corruption clause in contracts;
- II.** Refusal to send documents to perform due diligence of contracting;
- III.** Overbilling or underbilling regarding market values;



IV.Unclear or nonspecific description that hinders the identification of the origin and destination of the values involved, or regarding the purpose and structure;

V.Payments in cash;

VI.Mischaracterisation of the object;

VII.Hinder or in any way preclude the enforcement of this Policy or internal investigations, as well as any applicable legislation by Fundação São Paulo, entities, or Public Officials;

VIII.Relations with countries or companies of countries that are tax havens or do not objectively condemn acts of Corruption.

Any Collaborator must inform Fundação São Paulo of a suspicious case or fact.

Failure to manifest internally in matters involving possible corruption practices in the Institution, the object of this Policy, will be analyzed considering the fact and, if evidenced the functional infringement, it will be subject to the disciplinary sanctions provided by law, which may constitute serious misconduct.

Considering the characterization of the practice of any harmful act, the disciplinary sanction will be proportional to the severity of the transgression and may even constitute termination of the contract with the Institution "for cause" and without prejudice to personal responsibility in administrative, civil, and criminal levels.

The reporting or complaint of any suspected case a priori does not constitute irrefutable fact, pending assessment and investigation by the appropriate structure of the Institution, being

granted to the complainant the choice to carry out their manifestation without identification, that is, anonymously.

Fundação São Paulo reserves itself the right to communicate to the competent authorities any findings of internal investigations, for due inquiry and determination in judicial proceedings.

Fundação São Paulo provides the following communication channels for clarifying doubts, guidance, and support about this Policy or for the reporting of any complaints:

• **Integrity Department**

Email: integridade@fundasp.org.br

Phone number: +55 (11) 3670-3361

• **Ombudsman's Office of Fundação São Paulo**

Website: <http://www.fundasp.org.br/ouvidoria>
(possibility for anonymous complaints)

Email: ouvidoriafundasp@fundasp.org.br

Phone number: +55 (11) 3670-3355

The Institution will understand the report or the complaint as good faith communication, preserving its secrecy, not admitting or condoning reprisal or retaliation to the communicant.



Final Provisions

This Policy is part of Fundação São Paulo's Integrity Program, and its monitoring, updating, and continuous improvement will be the responsibility of the Integrity Department, an agency linked to the Senior Management.

This Policy was submitted and approved by Fundação São Paulo's Executive Secretariat¹.

São Paulo, September 27, 2019

Fundação São Paulo's Executive Secretariat

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