



**Creating Transparency and Open Business Environments for SMES
Codes of Business Ethics in the Construction Sector:
The Hanoi Principles**

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Alan Boeckmann – Fluor Chairman and Former CEO

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“This is an issue we're absolutely passionate about. Corruption has a corrosive impact on market opportunities and the general business climate. It deters investment, curbs economic growth and sustainable development, distorts prices and undermines legal and judicial systems. Regrettably, this situation is endemic in many areas of the world. It is our responsibility and obligation to our stakeholders and the global community to do what we can to mitigate this challenge.”

Remarks by Alan Boeckmann
ECOIA 2007 Annual Business Ethics &
Compliance Conference
Los Angeles – September 26, 2007

Bribery of Public Officials By Sector 2008

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Industrial Sector	Score 2008	Standard Deviation	Confidence Interval 95%	
			Lower Bound	Upper Bound
Public works contracts & construction	5,2	3,29	4,9	5,5
Real estate & property development	5,7	3,08	5,4	6,0
Oil & gas	5,9	3,18	5,5	6,2
Heavy manufacturing	6,0	2,93	5,7	6,3
Mining	6,0	3,13	5,4	6,5
Pharmaceutical & medical care	6,2	3,16	5,9	6,5
Utilities	6,3	3,06	6,1	6,6
Civilian aerospace	6,4	3,13	5,8	7,0
Power generation & transmission	6,4	3,03	6,0	6,7
Forestry	6,5	3,19	5,8	7,1
Telecommunications & equipment	6,6	2,74	6,4	6,8
Transportation & storage	6,6	2,91	6,4	6,7
Arms & defence	6,7	3,31	6,0	7,3
Hotels, restaurant & leisure	6,7	2,85	6,4	7,0
Agriculture	6,9	2,91	6,6	7,2
Light manufacturing	6,9	2,69	6,7	7,1
Information technology (computers & software)	7,0	2,75	6,8	7,2
Banking & finance	7,1	2,77	7,0	7,3
Fisheries	7,1	3,07	6,4	7,7

Source: Transparency International Bribe Payers Survey 2008.

Possible scores range from 0 to 10, with 0 representing the view that 'bribes are almost always paid' and 10 that 'bribes are never paid' by a sector.

For number of observations see Appendix one.

Anti-Corruption Risk Areas for Engineering and Construction Companies

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⌘ Third parties

- Clients
 - State-owned enterprises
 - Governmental departments
- Agents
- Supplier and Contractors
- Teaming Arrangements
- Local Content Requirements

⌘ Geographic

⌘ E&C companies interface with government officials:

- Permits
- Security
- Visas
- Customs
- Taxes
- Offset projects
- Requests for donations
- Client satisfaction

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trust,
integrity,
honesty,
courage,
respect,
transparency,
accountability

FLUOR'S BUSINESS CONDUCT AND ETHICS EXPECTATIONS FOR SUPPLIERS AND CONTRACTORS

Fluor has always had an absolute determination to do the right thing. In all of its dealings, Fluor is committed to unyielding integrity and the highest standard of business conduct. This commitment is integral to Fluor's continued success, and we believe it positively impacts our diverse and worldwide suppliers, contractors, customers, employees, and investors, and the communities where we do business.

All of our suppliers and contractors are expected to do what is necessary to understand and comply with the expectations outlined and, in turn, require their suppliers and sub-contractors to conform as well. Our mutual success and continuing business relationships depend on it. Fluor reserves the right to verify that a supplier or contractor's business operations meet these expectations. Failure to act in a manner consistent with these expectations

may impede our ability to do business together in the future.

Fluor expects our suppliers and contractors to maintain and enforce policies requiring adherence to lawful business practices that encompass our expectations. These expectations may occasionally be updated or amended. The most current version is available at http://www.fluor.com/sustainability/ethics_compliance. For questions, comments, or training support about our expectations, please contact your Fluor representative or Fluor's Chief Procurement Officer at procurement@fluor.com. Also, suppliers and contractors can see how Fluor defines these expectations for our employees in our Code of Business Conduct and Ethics, available at http://www.fluor.com/sustainability/ethics_compliance.

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7 Core Principles

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- ⌘ Compete Fairly; Act Honestly; Execute with Integrity
- ⌘ Be transparent and accountable
- ⌘ Prohibit bribery and undue influence
- ⌘ Provide for the health and safety of workers
- ⌘ Be environmentally responsible
- ⌘ Treat workers with dignity, respect and fairness and respect diversity
- ⌘ Engage with the community to foster social and economic development

Implementation

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- ⌘ Commitment from the Top
- ⌘ Oversight
- ⌘ Policies and Procedures
- ⌘ Training and Communication
- ⌘ Monitoring
- ⌘ Reporting Mechanism
- ⌘ Business Relationships
- ⌘ Advocacy and Promotion