

# DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

## FINAL ASSESSMENT

### KBR, INC.

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	7/8
2. Internal Controls	6	8/12
3. Support to Employees	7	12/14
4. Conflict of Interest	4	6/8
5. Customer Engagement	7	6/14
6. Supply Chain Management	5	6/10
7. Agents, Intermediaries and Joint Ventures	10	14/20
8. Offsets	4	0/8
9. High Risk Markets	4	5/8
10. State-Owned Enterprises	0	N/A
<b>TOTAL</b>		<b>64/102</b>
<b>BAND</b>		<b>C</b>

\*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

## 1. Leadership and Organisational Culture

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
1
Comments
<p>There is evidence that the company has a publicly stated anti-bribery and corruption statement that is endorsed by its leadership. There is evidence that this statement is published in the company's Code of Business Conduct, which contains its anti-bribery and corruption policy.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence that its senior leadership directly addresses and supports the company's stance against corruption.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.iii] To All Employees of KBR, Inc. and its Subsidiaries:</p> <p>KBR has built a rich heritage on a cornerstone of integrity. As KBR President and CEO, I am committed to conducting our business safely within the law and with honesty and integrity – and that every KBR director, officer, employee, contractor and agent does the same. There are no substitutes.</p> <p>KBR's Code of Business Conduct (COBC) is for everyone at KBR – every director, officer, employee and agent. It establishes a common set of ethical standards and legal principles that we all are expected to exhibit when dealing with clients, communities and each other. The COBC was developed to help you apply legal and ethical practices to your everyday work-life and also to help you follow the law.</p> <p>Ethics is a vital part of who KBR is as a company. Our ethical principles demonstrate our commitment to ensure we carry out our mission with integrity. Our principles are contained in the COBC, which consists of the policies relating to the ethical and legal standards of conduct to be followed by all in the conduct of our business.</p> <p>While the Code is designed to address ethical and legal issues of various scopes, there may be instances where you have a question regarding a certain situation. If that occurs, you should contact the Ethics Hotline, the Director of Business Conduct or another attorney within KBR's Law Department.</p> <p>We will continue to deliver through compliance with the law, dealings evidencing fairness and integrity and with a commitment to safety, quality and execution. I expect your wholehearted continued support of these company values and principles as we move forward.</p> <p>Stuart Bradie  President and Chief Executive Officer  KBR, Inc.</p>

Question
<b>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</b> <b>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</b> <b>b) All board members, including non-executive directors.</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company publishes an anti-bribery and corruption policy, which makes specifically prohibits bribery, payments to public officials, commercial bribery, and facilitation payments. There is evidence that this policy clearly applies to all employees and board members as described in (a) and (b) above.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a></p> <p>[p.iii] KBR's Code of Business Conduct (COBC) is for everyone at KBR – every director, officer, employee and agent. It establishes a common set of ethical standards and legal principles that we all are expected to exhibit when dealing with clients, communities and each other.</p> <p>[p.1] KBR Code of Business Conduct</p> <p>The KBR Board of Directors has adopted this Code of Business Conduct (the "Code") to establish a common set of ethical standards and legal principles that the Company expects every Employee to exhibit when dealing with clients, communities and each other. The Company also expects third parties working on behalf of the Company to adhere to these same ethical standards.</p> <p>[...]</p> <p>This Code of Business Conduct applies to all KBR operations and group entities globally. The term "Employees" that is used throughout should be read to include all officers and employees, as well as agency personnel and members of the Board of Directors of KBR, Inc.</p> <p>[p.7] BRIBERY AND CORRUPTION</p> <p>Employees and third parties acting on KBR's behalf are prohibited from making, offering, authorizing or promising to make any Improper Payments. The term "Improper Payments" is used to describe a broad range of unlawful payments of money or anything of value that are usually in the nature of kickbacks, bribes or payoffs made in order to influence favorably some decision affecting a company's business or for the personal gain of an individual. These types of payments are illegal, unethical and prohibited by this Code of Business Conduct.</p> <p>The Company prohibits all Employees and third parties acting on KBR's behalf from paying, offering, promising or authorizing any bribe, kickback or other similar unlawful payment of money or anything of value to any public official, government employee, political party or party official, candidate for public office, or employee of a public international organization in any country.</p> <p>All transactions must be executed, and access to assets is permitted, only in accordance with management's authorization.</p> <p>Employees are also prohibited from receiving, directly or indirectly, from a third party any Improper Payments or anything of significant value in connection with a transaction entered into by the Company.</p> <p>The Company, its Employees and third parties acting on its behalf are prohibited from making any "facilitating" or expediting payments to any government official or employee, the purpose of which is to expedite or to secure the performance of non-discretionary routine governmental action by such official.</p> <p>In very rare circumstances, an Employee may deem it necessary to make a payment to a government official or employee to avoid an imminent threat to personal health, safety or freedom in a situation where the Employee is</p>

unable to obtain the necessary prior approval given the situation. If a payment is made under these circumstances, as soon as possible, the Employee who made the payment must contact the Vice President – Compliance or his or her delegate for further direction.

Because actions of third parties acting on behalf of KBR, like actions of Employees, can create liability for the company and damage its reputation, all third parties who may interact with non-U.S. government officials or employees on behalf of the Company and other designated high-risk third parties shall be:

- (i) Subject to appropriate risk-based due diligence prior to being engaged;
- (ii) Prohibited from making Improper Payments; and
- (iii) Subject to additional anti-corruption terms and conditions as appropriate.

Depending on the circumstances, donations to charitable organizations or community organizations could be considered to be Improper Payments.

KBR's Anti-Corruption Procedures provide further guidance on the processes required to engage third parties and make donations.

#### **[15] Overview of KBR's Code of Business Conduct Program (Document)**

Accessed 01/02/2021

<https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf>

[p.1] KBR is committed to conducting business ethically and with integrity. KBR's Code of Business Conduct (COBC) establishes a common set of ethical standards and legal principles that all KBR employees and business partners are expected to exhibit when dealing with clients, communities and each other. The COBC is essentially a road map for employees to follow to ensure personal accountability with the ethical and legal standards expected by KBR.

Question
<b>1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?</b>
Score
<b>2</b>
Comments
<p>There is evidence that a board committee is ultimately responsible for the oversight of the company's anti-bribery and corruption programme. This includes reviewing reports from management on the programme's performance, along with the results of internal and external audits, and has the authority to ensure that required changes are made.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.1] The KBR Board of Directors has adopted this Code of Business Conduct (the "Code") to establish a common set of ethical standards and legal principles that the Company expects every Employee to exhibit when dealing with clients, communities and each other. The Company also expects third parties working on behalf of the Company to adhere to these same ethical standards.</p> <p><b>[2] Corporate Governance (Webpage)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/en/about-us/our-company/corporate-governance">https://www.kbr.com/en/about-us/our-company/corporate-governance</a>  The Board of Directors (the "Board") of KBR, Inc. (the "Corporation") believes that the primary responsibility of the Directors of the Corporation is to provide effective governance over the Corporation's affairs for the benefit of its stockholders.</p> <p>That responsibility includes:</p> <p>[...]</p> <ul style="list-style-type: none"> <li>• Adopting policies of corporate conduct, including compliance with applicable laws and regulations and maintenance of accounting, financial, disclosure and other controls, and reviewing the adequacy of compliance systems and controls;</li> <li>• Evaluating annually the overall effectiveness of the Board;</li> <li>• Evaluating the Corporation's overall risk profile and ensuring that a robust process of oversight of such risks is maintained by the Board and its committees, and by executive management; and</li> <li>• Reviewing matters of corporate governance.</li> </ul> <p>[...]</p> <p><b>Board Committees</b>  <b>Audit Committee</b>  The Audit Committee (the "Committee") of KBR, Inc. (the "Corporation") is appointed by the Board of Directors of the Corporation (the "Board") to assist the Board in overseeing (1) the integrity of the financial statements of the Corporation, (2) the compliance by the Corporation with legal and regulatory requirements, (3) the independence, qualifications and performance of the Corporation's independent auditors and (4) the performance of the Corporation's internal audit function.</p> <p>[...]</p> <p><b>Contact the Board</b>  Please choose one of the below listed options to report complaints about KBR's accounting, internal accounting controls or auditing matters to the Audit Committee, or other concerns to the Board of Directors.</p>

Complaints relating to KBR's accounting, internal accounting controls or auditing matters will be referred to members of the Audit Committee. All complaints and concerns will be received and processed by the KBR Director of Business Conduct.

**[3] Audit Committee Charter of KBR (Document)**

Accessed 13/08/2019

<https://www.kbr.com/sites/default/files/2019-05/Audit-Committee-Charter.pdf>

**[p.6] Code of Business Conduct and Compliance**

- Obtain reports from management, the Corporation's senior internal auditing executive and the independent auditors that the Corporation's subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Corporation's Code of Business Conduct and Corporate Governance Guidelines.
- Advise the Board with respect to the Corporation's policies and procedures regarding compliance with applicable laws and regulations and with the Corporation's Code of Business Conduct and Corporate Governance Guidelines.

**[13] Overview of KBR's ABC Program (Document)**

Accessed 22/06/2020

<https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf>

[p.1] Under the supervision of KBR's Board of Directors, KBR's leadership has developed a strong anti-corruption compliance program. KBR is committed to ensuring the Company operates ethically and with integrity and its leadership has designed KBR's Anti-Corruption Compliance Program to ensure compliance with the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act and other applicable anti-corruption laws. KBR's AntiCorruption Compliance Program consists of three primary components: (1) preventing corruption; (2) detecting corruption; and (3) responding to allegations of corruption.

The Audit Committee of the Board of Directors oversees the Company's compliance system and controls, including its Anti-Corruption Compliance program. The Chief Compliance Officer, who reports to the General Counsel, has responsibility for implementing and managing the Company's anti-corruption program. The Chief Compliance Officer reports at least quarterly to the Audit Committee on any significant Code of Business Conduct and corruption-related compliance matters.

KBR's Anti-Corruption Compliance Program is subject to regular audit (either by KBR's internal audit services or by external advisors), the results of which are reported to the Audit Committee of the Board and the program is revised to address the audit's findings and comments.

Question
<b>1.4. Is responsibility for implementing and managing the company's anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company's programme?</b>
Score
<b>2</b>
Comments
<p>There is clear evidence that a designated senior executive has ultimate responsibility for implementing and managing the company's anti-bribery and corruption programme. It is clear that this person has a direct reporting line to the board or board committee that provides oversight of the anti-bribery and corruption programme. There is evidence of reporting and feedback activities between this person and the board as part of the company's reporting structure.</p>
Evidence
<p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a></p> <p>[p.1] Under the supervision of KBR's Board of Directors, KBR's leadership has developed a strong anti-corruption compliance program. KBR is committed to ensuring the Company operates ethically and with integrity and its leadership has designed KBR's Anti-Corruption Compliance Program to ensure compliance with the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act and other applicable anti-corruption laws. KBR's AntiCorruption Compliance Program consists of three primary components: (1) preventing corruption; (2) detecting corruption; and (3) responding to allegations of corruption.</p> <p>The Audit Committee of the Board of Directors oversees the Company's compliance system and controls, including its Anti-Corruption Compliance program. The Chief Compliance Officer, who reports to the General Counsel, has responsibility for implementing and managing the Company's anti-corruption program. The Chief Compliance Officer reports at least quarterly to the Audit Committee on any significant Code of Business Conduct and corruption-related compliance matters.</p> <p>KBR's Anti-Corruption Compliance Program is subject to regular audit (either by KBR's internal audit services or by external advisors), the results of which are reported to the Audit Committee of the Board and the program is revised to address the audit's findings and comments.</p>

## 2. Internal Controls

Question
<b>2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?</b>
Score
2
Comments
<p>There is evidence that the company has a formal bribery and corruption risk assessment procedure in place. The company indicates that such risk assessments are undertaken periodically and that the results inform the design of its anti-corruption and bribery programme. In addition, there is some evidence that the company's board-level Audit Committee is responsible for reviewing the compliance programme, including significant updates from risk assessments, on a quarterly basis with input from the Chief Compliance Officer and General Counsel.</p>
Evidence
<p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.11] Sustainability at KBR</p> <p>[...]</p> <p>Our Corporate Secretary monitors corporate sustainability governance trends, emerging issues and best practices—especially those of relevance to KBR's industry and operations. The Corporate Secretary informs the Board's HSSE&amp;SR Committee on trends and changes in sustainability governance best practices and regulator expectations and ensures executive and key employees understand the emerging trends and responsibilities in corporate sustainability governance.</p> <p>[p.37] The continued success of our business depends on how we manage the risk that comes with operating globally, including corruption and fraud risk, which can harm our reputation of being a service provider of integrity.</p> <p>[...]</p> <p>Our enhanced control environment and transparency will ultimately lead to decreased instances of misconduct and lower reputation risk.</p> <p>[...]</p> <p>High-risk projects and offices are required to complete anti-corruption self-assessment questionnaires annually.</p> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.1] The Audit Committee of the Board of Directors oversees the Company's compliance system and controls, including its Anti-Corruption Compliance program. The Chief Compliance Officer, who reports to the General Counsel, has responsibility for implementing and managing the Company's anti-corruption program. The Chief Compliance Officer reports at least quarterly to the Audit Committee on any significant Code of Business Conduct and corruption-related compliance matters.</p> <p>KBR's Anti-Corruption Compliance Program is subject to regular audit (either by KBR's internal audit services or by external advisors), the results of which are reported to the Audit Committee of the Board and the program is revised to address the audit's findings and comments</p> <p>[p.3] Risk Assessment KBR's Anti-Corruption Program is risk-based and tailored to the Company based on an assessment of the corruption and bribery risks it faces. The company periodically conducts a risk assessment to measure the effectiveness of the program and ensure the program is attuned to its current risk. The risk</p>

assessments consist of annual self-assessment questionnaires and periodically the Company engages external advisors to assist with a more comprehensive risk assessment.

The annual self-assessment questionnaires are used in part to determine the effectiveness of the Company's anticorruption communications and training program. They are also used to assess the need for compliance program and internal control enhancements, identify target areas for training, and select projects or offices for future audits.

In addition, corruption risk is assessed for each new project, permanent joint venture or office as part of an overall process of reviewing all risks associated with such projects, joint ventures or offices.

Question
<b>2.2. Is the company's anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company's anti-bribery and corruption programme is subject to a regular audit process to ensure the programme is consistent with best practice and the business risks facing the company. This process includes provisions for continuous improvement, supplemented by regular internal or external audit. There is also evidence that high-level audit findings are presented to the board, with clear ownership assigned to units and/or individuals for planned updates and improvements to the anti-bribery and corruption programme.</p> <p>However, the company receives a score of '1' because it is not clear from publicly available information that the compliance and anti-corruption programme is subject to audit at least every two years.</p>
Evidence
<p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.37] Our Approach</p> <ul style="list-style-type: none"> <li>• COBC allegations of corruption and fraud, as well as allegations involving employees with a role in internal controls over financial reporting, are reported to the Audit Committee.</li> </ul> <p>[...]</p> <ul style="list-style-type: none"> <li>• Our internal audit services team regularly conducts anti-corruption audits of our projects and office locations on a risk-based approach and periodically conducts anticorruption audits of selected third parties.</li> </ul> <p>[...]</p> <ul style="list-style-type: none"> <li>• We periodically review all general ledger accounts for facilitating payments, compliance-sensitive payments, and improper fees.</li> </ul> <p>[...]</p> <ul style="list-style-type: none"> <li>• COBC allegations of corruption and fraud, as well as allegations involving employees with a role in internal controls over financial reporting, are reported to the Audit Committee.</li> </ul> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.1] Under the supervision of KBR's Board of Directors, KBR's leadership has developed a strong anti-corruption compliance program. KBR is committed to ensuring the Company operates ethically and with integrity and its leadership has designed KBR's Anti-Corruption Compliance Program to ensure compliance with the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act and other applicable anti-corruption laws. KBR's AntiCorruption Compliance Program consists of three primary components: (1) preventing corruption; (2) detecting corruption; and (3) responding to allegations of corruption.</p> <p>The Audit Committee of the Board of Directors oversees the Company's compliance system and controls, including its Anti-Corruption Compliance program. The Chief Compliance Officer, who reports to the General Counsel, has responsibility for implementing and managing the Company's anti-corruption program. The Chief Compliance Officer reports at least quarterly to the Audit Committee on any significant Code of Business Conduct and corruption-related compliance matters.</p> <p>KBR's Anti-Corruption Compliance Program is subject to regular audit (either by KBR's internal audit services or by external advisors), the results of which are reported to the Audit Committee of the Board and the program is revised to address the audit's findings and comments.</p>

Question
<b>2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?</b>
Score
<b>2</b>
Comments
<p>Based on publicly available information, there is evidence that the company commits to investigating incidents promptly and objectively. There is evidence that the company reports investigative findings to the Audit Committee through the General Counsel and Director of Business Conduct. The company provides publicly available details on its investigation process from receipt to outcome, for both reports received through whistleblowing and internal channels.</p> <p>In addition, there is evidence that the company ensures the independence of its internal investigations by involving individuals from different departments or external counsel. There is evidence that the General Counsel reviews all significant investigations and findings on a monthly basis and that the board-level Audit Committee reviews summary information on all cases on a quarterly basis.</p>
Evidence
<p><b>[15] Overview of KBR's Code of Business Conduct Program (Document)</b>  Accessed 01/02/2021  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a></p> <p>[p.1] All reports of possible violations of the COBC that are received from these internal reports are forwarded to the Director of Business Conduct or the Chief Compliance Officer. All bribery and corruption allegations as well as other allegations of violations of KBR's Code of Business Conduct, however they are received including those received through both whistleblowing and internal channels, are forwarded to the Director of Business Conduct for evaluation. These allegations are entered into KBR's case management system (currently NAVEX's EthicsPoint program) and are assigned a COBC Case number.</p> <p>Employees may raise complaints about the handling of internal investigations through all available reporting methods (internal reporting and whistleblower channels). If a complaint is raised through the NAVEX EthicsPoint system that names a member of the COBC team, it will be directed to other members and/or superiors not named in the complaint. Employees may also raise complaints about the handling of internal investigations, including internal investigations relating to bribery and corruption, to the Chief Compliance Officer, General Counsel and to the Board via several options provided on our external website at <a href="https://www.kbr.com/en/about-us/our-company/corporategovernance">https://www.kbr.com/en/about-us/our-company/corporategovernance</a>.</p> <p>Investigating</p> <p>The Director of Business Conduct documents and evaluates allegations that are received and assigns the allegations to be investigated. COBC investigations are considered privileged and confidential and safeguards are in place to promote the integrity of the investigation as well as to protect the parties to the investigations. Employees are instructed not to disclose the existence or details of COBC investigations without authorization.</p> <p>The investigations are typically assigned to COBC investigators that have extensive experience and training in conducting sensitive investigations based on their tenure with Federal investigative agencies and corporations. The COBC investigators have completed investigative training at several premier training centers (FBI, DEA, Federal Law Enforcement Training Center, Inspector General Academy, and the US Postal Inspector Academy).</p> <p>[p.2] COBC investigators also have training and experience in conducting workplace investigations. From time to time, the Director of Business Conduct may assign an investigation to KBR personnel outside of the COBC Team, including in-house attorneys or KBR personnel with expertise in specialized areas (for example, Anti-Corruption Compliance, Internal Audit, HR, Quality Assurance, Procurement). In such cases, the Director of Business Conduct ensures the investigation is conducted independently and by qualified personnel. All matters that are designated as Anti-Corruption matters are referred by the Director of Business Conduct to the Chief Compliance Officer and the Chief Counsel for Anti-Corruption Compliance. In consultation with the Chief Compliance Officer and General Counsel, the Director of Business Conduct and/or the Chief Counsel for Anti-Corruption Compliance may engage external counsel to assist with or conduct internal investigations.</p>

**[1] Code of Business Conduct (Document)**

Accessed 13/08/2019

[https://www.kbr.com/sites/default/files/2019-05/COBC\\_english2019.pdf](https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf)

[p.1] Employees have the responsibility to read, understand, and comply with the Code of Business Conduct and to participate in any Company-mandated training relating to the Code of Business Conduct.

Any Employee who compromises or violates the provisions of the Code of Business Conduct may be subject to disciplinary action including termination and, if applicable, to criminal or civil proceedings.

Examples of conduct that may result in disciplinary action include violating Code of Business Conduct policy, requesting others to violate Code of Business Conduct policy, or failing to promptly report a known or suspected violation of the Code of Business Conduct policy.

When in doubt about the propriety of a particular course of action, Employees are encouraged to contact the Ethics Hotline or any member of the Law Department.

[p.2] Your Responsibilities as an Employee:

- Act honestly and ethically in all business dealings
- Comply with the law and the Code, as well as KBR's policies and business procedures
- Promptly report any suspected or actual violations of the Code to your manager, the Code of Business Conduct Department, or [www.kbr.ethicspoint.com](http://www.kbr.ethicspoint.com)

[p.16] Reporting suspected violations of the Code of Business Conduct

Employees must promptly report any suspected violation of the Code of Business Conduct to an appropriate reporting outlet

[...]

In addition, Employees may exercise their legal right or duty to report possible violations of law to the appropriate governmental authorities at any time, without reporting the matter to, or seeking prior authorization from, the Company.

The Company prohibits retaliation in any form for reporting, in good faith, suspected violations of the Code of Business Conduct. Disciplinary action will be taken against anyone who retaliates directly or indirectly against any Employee who reports actual or suspected violations. Discouraging other Employees from making a report is prohibited and could result in disciplinary action. Employees are expected to fully cooperate with any investigation conducted pursuant to a suspected violation of the Code of Business Conduct.

**[10] KBR 2018 Sustainability Report (Document)**

Accessed 19/03/2020

<https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf>

[p.37] Our Approach

[...]

- All allegations are evaluated and investigated.
- COBC allegations of corruption and fraud, as well as allegations involving employees with a role in internal controls over financial reporting, are reported to the Audit Committee.

**[6] KBR Ethics Point (Webpage)**

Accessed 13/08/2019

<https://secure.ethicspoint.com/domain/media/en/gui/31830/index.html>

To help us comply with the principles reflected in the Code, KBR has selected EthicsPoint, an independent company that specializes in the handling of confidential and anonymous reporting of workplace and ethical issues and concerns. KBR values and encourages your input and, as indicated in the Code of Business Conduct, if you are aware of a violation, you must report it. Please note, KBR prohibits retaliation in any form for reporting, in good faith, suspected violations of the Code of Business Conduct.

EthicsPoint will report all information it receives to the KBR COBC Team on a confidential basis. You have the option to submit claims anonymously if you wish. KBR will review every submission received, and investigate all complaints; however, please be aware that credible witnesses who are willing to be identified and interviewed concerning personal knowledge of a situation often make the difference in whether an allegation can be substantiated and corrective action implemented.

**[3] Audit Committee Charter of KBR**

Accessed 22/06/2020

<https://www.kbr.com/sites/default/files/2019-05/Audit-Committee-Charter.pdf>

[p.6] Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters,

[p.7] and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Question
<b>2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company takes steps to assure itself of the quality of its internal investigations, including those reported through whistleblowing channels. The company provides clear information to indicate that staff tasked with conducting investigations are properly qualified and trained to perform the function, and indicates that in cases where specific expertise is required staff may engage external assistance. There is evidence that the company has a system in place to handle complaints about the investigation process and that this process is ultimately overseen by the Chief Compliance Officer, General Counsel and board of directors.</p> <p>However, the company receives a score of '1' because it is not clear from publicly available information that its investigations procedure is subject to review at least every three years, or in response to any relevant changes in the regulatory environment.</p>
Evidence
<p><b>[15] Overview of KBR's Code of Business Conduct Program (Document)</b>  Accessed 01/02/2021  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a></p> <p>[p.1] Employees may raise complaints about the handling of internal investigations through all available reporting methods (internal reporting and whistleblower channels). If a complaint is raised through the NAVEX EthicsPoint system that names a member of the COBC team, it will be directed to other members and/or superiors not named in the complaint. Employees may also raise complaints about the handling of internal investigations, including internal investigations relating to bribery and corruption, to the Chief Compliance Officer, General Counsel and to the Board via several options provided on our external website at <a href="https://www.kbr.com/en/about-us/our-company/corporategovernance">https://www.kbr.com/en/about-us/our-company/corporategovernance</a>.</p> <p>Investigating</p> <p>The Director of Business Conduct documents and evaluates allegations that are received and assigns the allegations to be investigated. COBC investigations are considered privileged and confidential and safeguards are in place to promote the integrity of the investigation as well as to protect the parties to the investigations. Employees are instructed not to disclose the existence or details of COBC investigations without authorization.</p> <p>The investigations are typically assigned to COBC investigators that have extensive experience and training in conducting sensitive investigations based on their tenure with Federal investigative agencies and corporations. The COBC investigators have completed investigative training at several premier training centers (FBI, DEA, Federal Law Enforcement Training Center, Inspector General Academy, and the US Postal Inspector Academy).</p> <p>[p.2] COBC investigators also have training and experience in conducting workplace investigations. From time to time, the Director of Business Conduct may assign an investigation to KBR personnel outside of the COBC Team, including in-house attorneys or KBR personnel with expertise in specialized areas (for example, Anti-Corruption Compliance, Internal Audit, HR, Quality Assurance, Procurement). In such cases, the Director of Business Conduct ensures the investigation is conducted independently and by qualified personnel. All matters that are designated as Anti-Corruption matters are referred by the Director of Business Conduct to the Chief Compliance Officer and the Chief Counsel for Anti-Corruption Compliance. In consultation with the Chief Compliance Officer and General Counsel, the Director of Business Conduct and/or the Chief Counsel for Anti-Corruption Compliance may engage external counsel to assist with or conduct internal investigations.</p> <p><b>[2] Corporate Governance (Webpage)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/en/about-us/our-company/corporate-governance">https://www.kbr.com/en/about-us/our-company/corporate-governance</a></p> <p>Contact the Board</p> <p>Please choose one of the below listed options to report complaints about KBR's accounting, internal accounting controls or auditing matters to the Audit Committee, or other concerns to the Board of Directors.</p>

Complaints relating to KBR's accounting, internal accounting controls or auditing matters will be referred to members of the Audit Committee. All complaints and concerns will be received and processed by the KBR Director of Business Conduct.

You can report your concerns anonymously or confidentially. Your confidentiality shall be maintained unless disclosure is:

- Required or advisable in connection with any governmental investigation or report;
- In the interests of the KBR, consistent with the goals of the KBR's Code of Business Conduct;
- Required or advisable in the KBR's legal defense of the matter.

Question
<b>2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company clearly commits to report material findings of bribery and corruption from investigations to the board. There is evidence that an appropriate senior individual – the General Counsel, along with the Audit Committee – is ultimately responsible for ensuring that the disclosure of criminal offences to relevant authorities is evaluated and acted upon if found necessary.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.1] Any Employee who compromises or violates the provisions of the Code of Business Conduct may be subject to disciplinary action including termination and, if applicable, to criminal or civil proceedings.</p> <p>Examples of conduct that may result in disciplinary action include violating Code of Business Conduct policy, requesting others to violate Code of Business Conduct policy, or failing to promptly report a known or suspected violation of the Code of Business Conduct policy.</p> <p><b>[15] Overview of KBR's Code of Business Conduct Program (Document)</b>  Accessed 01/02/2021  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a>  [p.2] The status of significant COBC investigations, including all matters relating to allegations of a violation of anticorruption laws or fraud, are reported to the General Counsel on a monthly basis and to the Audit Committee on a quarterly basis through scheduled reporting. Time-sensitive information is also reported to the General Counsel and Audit Committee outside of the scheduled meetings. KBR's COBC Investigative Procedures require findings of substantiated misconduct (including findings related to fraud and corruption) to be reported to the appropriate management, KBR's General Counsel and the Audit Committee of the Board of Directors and to be appropriately remediated. KBR's Chief Compliance Officer and General Counsel are responsible for evaluating reports of fraud, corruption, and criminal misconduct and recommending appropriate action, including evaluating whether disclosure of such information to relevant authorities is appropriate or warranted. The Audit Committee, to the extent necessary, reviews with General Counsel legal matters that may have a material impact on the Corporation's financial statements, the Corporation's compliance policies and any material reports or inquiries received from regulators or governmental agencies.</p> <p><b>[3] Audit Committee Charter of KBR</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2019-05/Audit-Committee-Charter.pdf">https://www.kbr.com/sites/default/files/2019-05/Audit-Committee-Charter.pdf</a>  [p.7] Review with the Corporation's General Counsel legal matters that may have a material impact on the Corporation's financial statements, the Corporation's compliance policies and any material reports or inquiries received from regulators or governmental agencies.</p> <p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.37] ■ COBC allegations of corruption and fraud, as well as allegations involving employees with a role in internal controls over financial reporting, are reported to the Audit Committee.</p>

Question
<b>2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?</b>
Score
<b>0</b>
Comments
The company does not publish any data on ethical or bribery and corruption investigations or disciplinary actions involving its employees.
Evidence
No evidence found.

### 3. Support to Employees

Question
<b>3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company provides training on its Code of Business Conduct, which includes the anti-bribery and corruption programme. The company states that this training is provided in all relevant languages and locations. There is evidence that all employees are required to undertake this training on an annual basis.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.1] Employees have the responsibility to read, understand, and comply with the Code of Business Conduct and to participate in any Company-mandated training relating to the Code of Business Conduct.</p> <p>[p.2] KBR implements sustainable strategies to guide the stewardship and management of our people; our business and social relationships; structures and communities where we live and work; our infrastructure and material; and our economic prosperity. These strategies include sustainable design, procurement, construction, technologies, supplier and employee diversity, local content, human rights, anti-corruption, training, pollution prevention, health and safety, charitable giving, and volunteerism.</p> <p>[p.15] Each business unit with contracts with the United States or other government is responsible for ensuring that Employee training regarding these policies is conducted and that such training is properly documented.</p> <p><b>[15] Overview of KBR's Code of Business Conduct Program (Document)</b>  Accessed 01/02/2021  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a>  [p.1] Ethics Training  The annual Ethics training is an example of how KBR communicates employee expectations and promotes an ethical culture. All KBR employees worldwide and Board members are required to complete the annual Ethics training, which includes a module regarding applicable anti-corruption laws and compliance.</p> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.3] Anti-Corruption Training  All KBR employees and members of the Board of Directors must take the annual ethics training, which includes an anti-corruption compliance module. KBR also requires that the Board of Directors, appropriate employees of the Company, high-risk intermediaries and partners receive periodic training regarding the FCPA, other applicable anticorruption laws and Company policies and procedures designed to ensure compliance with such laws.</p> <p><b>[11] 2019 Annual Report</b>  Accessed 20/03/2020  <a href="https://investors.kbr.com/financials/annual-reports/default.aspx">https://investors.kbr.com/financials/annual-reports/default.aspx</a>  [p.11] We regularly train our employees regarding our Code and other specific areas including anti-bribery compliance and international trade compliance.</p> <p>[p.20] Risks Related to Governmental Regulations and Law</p> <p>[...]</p>

We train our staff concerning Anti-bribery Laws and we also inform our partners, subcontractors, agents and other third parties who work for us or on our behalf that they must comply with the requirements of these Anti-Bribery Laws.

**[10] KBR 2018 Sustainability Report (Document)**

Accessed 19/03/2020

<https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf>

[p.37] Our Approach

- All KBR employees are required to complete the annual Ethics training, which reinforces KBR's expectations that employees will conduct business ethically and in accordance with the COBC. In 2018, the Ethics training was offered in 16 different languages and was also provided in classroom settings at remote locations that do not have access to the online training. We provide additional anti-corruption training to targeted employee groups.

Question
<b>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</b> a) Employees in high risk positions, b) Middle management, c) Board members.
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company provides specific anti-bribery and corruption training to certain employees based on their roles and exposure to corruption risk. The company indicates that board members must complete annual ethics training and states that employees in critical or high risk or with significant authority must certify their ethics and compliance understanding on an annual basis. As part of its definition of high risk roles, there is evidence that the company identifies employees in government relations, accounting, finance and internal audit, business development, sales and those dealing with high-risk intermediaries.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.1] Employees have the responsibility to read, understand, and comply with the Code of Business Conduct and to participate in any Company-mandated training relating to the Code of Business Conduct.</p> <p>[p.15] All Employees involved in the performance of work under governmental contracts are to be adequately informed and sufficiently trained in the policies and practices contained in this Code of Business Conduct and other Company policies specifically relating to government contracting. Each business unit with contracts with the United States or other government is responsible for ensuring that Employee training regarding these policies is conducted and that such training is properly documented.</p> <p><b>[15] Overview of KBR's Code of Business Conduct Program (Document)</b>  Accessed 01/02/2021  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a>  [p.1] Ethics Training  The annual Ethics training is an example of how KBR communicates employee expectations and promotes an ethical culture. All KBR employees worldwide and Board members are required to complete the annual Ethics training, which includes a module regarding applicable anti-corruption laws and compliance.</p> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.3] Anti-Corruption Training  All KBR employees and members of the Board of Directors must take the annual ethics training, which includes an anti-corruption compliance module. KBR also requires that the Board of Directors, appropriate employees of the Company, high-risk intermediaries and partners receive periodic training regarding the FCPA, other applicable anticorruption laws and Company policies and procedures designed to ensure compliance with such laws. In addition, employees in client- and government-facing positions, accounting, finance and internal audit, business development and sales, as well as other employees dealing with high-risk third-party intermediaries are periodically required to take enhanced anti-corruption compliance training in a classroom setting, by teleconference or online.</p> <p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.37] Our Approach</p> <p>[...]</p> <ul style="list-style-type: none"> <li>We provide additional anti-corruption training to targeted employee groups.</li> </ul>

- Employees occupying certain positions of substantial authority or critical job functions also complete annual compliance certifications to ensure that the COBC and anticorruption laws are being adhered to throughout the organization.

[p.38] Actions we took in 2018 to make our ethics and compliance governance process more robust:

- We delivered targeted anti-corruption training to a risk-based selection of locations around the globe.

**[11] 2019 Annual Report**

Accessed 20/03/2020

<https://investors.kbr.com/financials/annual-reports/default.aspx>

[p.11] We regularly train our employees regarding our Code and other specific areas including anti-bribery compliance and international trade compliance.

[p.20] Risks Related to Governmental Regulations and Law

[...]

We train our staff concerning Anti-bribery Laws and we also inform our partners, subcontractors, agents and other third parties who work for us or on our behalf that they must comply with the requirements of these Anti-Bribery Laws.

Question
<b>3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?</b>
Score
<b>2</b>
Comments
<p>There is some evidence that the company measures and reviews the effectiveness of its anti-bribery and corruption communications and training programme. There is evidence that the Director of Business Conduct is responsible for this process, which includes reviewing survey questions and responses. The company indicates that the results of such reviews are used to update specific parts of its anti-bribery and corruption programme. There is evidence that such reviews are conducted on an continuous basis with a full assessment questionnaire on an annual basis.</p>
Evidence
<p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.37] High-risk projects and offices are required to complete anti-corruption self-assessment questionnaires annually.</p> <p>[p.38] Actions we took in 2018 to make our ethics and compliance governance more robust:</p> <ul style="list-style-type: none"> <li>We continued our efforts to increase awareness of the various established reporting channels for reporting COBC violations and misconduct. This process included placing Ethics Hotline posters at all KBR sites and offices globally.</li> </ul> <p>[...]</p> <ul style="list-style-type: none"> <li>We began the process of upgrading our online platform for delivering our annual ethics and compliance training to provide enhanced training to our employees and improve our ability to track completions.</li> </ul> <p><b>[15] Overview of KBR's Code of Business Conduct Program (Document)</b>  Accessed 01/02/2021  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a>  [p.1] Ethics Training  The annual Ethics training is an example of how KBR communicates employee expectations and promotes an ethical culture. All KBR employees worldwide and Board members are required to complete the annual Ethics training, which includes a module regarding applicable anti-corruption laws and compliance. The Director of Business Conduct evaluates the effectiveness of the Ethics training by reviewing the Knowledge Check questions, survey responses, and other metrics and uses the data to target specific groups to fill any knowledge gaps in COBC areas.</p> <p>[p.3] KBR is committed to continuously improving its COBC program to promote an ethical culture and to identify and remediate any noncompliance.</p> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.1] Under the supervision of KBR's Board of Directors, KBR's leadership has developed a strong anti-corruption compliance program. KBR is committed to ensuring the Company operates ethically and with integrity and its leadership has designed KBR's Anti-Corruption Compliance Program to ensure compliance with the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act and other applicable anti-corruption laws. KBR's AntiCorruption Compliance Program consists of three primary components: (1) preventing corruption; (2) detecting corruption; and (3) responding to allegations of corruption.</p> <p>The Audit Committee of the Board of Directors oversees the Company's compliance system and controls, including its Anti-Corruption Compliance program. The Chief Compliance Officer, who reports to the General Counsel, has responsibility for implementing and managing the Company's anti-corruption program. The Chief Compliance</p>

Officer reports at least quarterly to the Audit Committee on any significant Code of Business Conduct and corruption-related compliance matters.

KBR's Anti-Corruption Compliance Program is subject to regular audit (either by KBR's internal audit services or by external advisors), the results of which are reported to the Audit Committee of the Board and the program is revised to address the audit's findings and comments.

[p.3] Risk Assessment KBR's Anti-Corruption Program is risk-based and tailored to the Company based on an assessment of the corruption and bribery risks it faces. The company periodically conducts a risk assessment to measure the effectiveness of the program and ensure the program is attuned to its current risk. The risk assessments consist of annual self-assessment questionnaires and periodically the Company engages external advisors to assist with a more comprehensive risk assessment. The annual self-assessment questionnaires are used in part to determine the effectiveness of the Company's anticorruption communications and training program. They are also used to assess the need for compliance program and internal control enhancements, identify target areas for training, and select projects or offices for future audits. In addition, corruption risk is assessed for each new project, permanent joint venture or office as part of an overall process of reviewing all risks associated with such projects, joint ventures or offices.

Question
<b>3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company's incentive schemes for employees incorporate ethical or anti-bribery and corruption principles. The company publishes a statement to indicate that it considers ethical conduct and compliance with the Code of Business Conduct as factors in annual performance reviews, which determine employee incentive compensation.</p> <p>However, the company receives a score of '1' because it does not provide further publicly available information on the way in which it structures its incentives, for example by indicating that financial rewards must be proportionate to the employee's salary for those in high risk departments or roles.</p>
Evidence
<p><b>[15] Overview of KBR's Code of Business Conduct Program (Document)</b>  Accessed 01/02/2021  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a>  [p.1] Employees are expected to treat others with dignity and respect. Ethical behavior and compliance with KBR's Code of Business Conduct are a factor in each employee's annual performance reviews, which are used to determine incentive compensation.</p> <p><b>[5] Compensation Committee Charter of KBR (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/Compensation-Committee-Charter.pdf">https://www.kbr.com/sites/default/files/2019-05/Compensation-Committee-Charter.pdf</a>  [p.3] Article V. Responsibilities and Duties  The Committee shall have the following responsibilities and duties:</p> <ol style="list-style-type: none"> <li>1. To periodically review the compensation paid to non-employee directors (including Board and committee chairpersons) in the form of annual retainers and meeting fees, if any, and to make recommendations to the Board regarding any adjustments;</li> <li>2. To evaluate and advise the Board regarding the compensation policies applicable to the executive officers of the Corporation, which shall include guidance regarding the specific relationship of corporate performance to executive compensation;</li> <li>3. To review and recommend to the Board: <ul style="list-style-type: none"> <li>• the corporate goals and objectives relevant to compensation for the Chief Executive Officer of the Corporation (the "CEO");</li> <li>• the CEO's performance in light of these established goals and objectives;</li> <li>• the CEO's compensation, including salary, bonus, incentive and equity compensation based on this evaluation;</li> <li>• the long-term incentive compensation component of the CEO's compensation after considering the Corporation's performance and relative stockholder return, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the CEO in past years, and any other factors it deems relevant;</li> </ul> </li> <li>4. To review the CEO's recommendations with respect to, and approve, the compensation to be paid to the Corporation's other executive officers in accordance with the general compensation policies established by the Board;</li> <li>5. To review and make recommendations to the Board with respect to the Corporation's incentive compensation and other stock-based plans;</li> <li>6. To assist the full Board with respect to the administration of the Corporation's incentive compensation and other stock-based plans;</li> </ol>

Question
<b>3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?</b>
Score
<b>1</b>
Comments
<p>Based on publicly available information, there is evidence that the company commits to support and protect employees who refuse to act unethically, even where such actions may result in a loss of business or other disadvantage.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence that the company assures itself of its employees' confidence in this commitment through anonymised surveys or other clearly stated means on a regular basis.</p>
Evidence
<p><b>[15] Overview of KBR's Code of Business Conduct Program (Document)</b>  Accessed 01/02/2021  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a></p> <p>[p.1] KBR is committed to conducting business ethically and with integrity. KBR's Code of Business Conduct (COBC) establishes a common set of ethical standards and legal principles that all KBR employees and business partners are expected to exhibit when dealing with clients, communities and each other. The COBC is essentially a road map for employees to follow to ensure personal accountability with the ethical and legal standards expected by KBR.</p> <p>All employees are responsible for promoting a culture and work environment based on ethics, integrity, and accountability. Employees are expected to treat others with dignity and respect.</p> <p>[p.2] Retaliation  KBR supports employees who make ethical decisions to benefit the company. Whether it is stopping unsafe work practices, reporting misconduct, or prohibiting retaliation against employees who report wrongdoing. KBR supports these employees that are working in the best interests of KBR to encourage the reporting of suspected COBC violations.</p> <p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a></p> <p>[p.2] Your Responsibilities as a Supervisor: As a supervisor or manager of Employees, your responsibilities with respect to the Code are:</p> <ul style="list-style-type: none"> <li>• Model ethical behavior</li> <li>• Encourage open communication with Employees and provide guidance and feedback in response to their questions and concerns</li> </ul>

Question
<b>3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company promotes a clear policy of non-retaliation against both whistleblowers and employees who report bribery and corruption incidents. The company indicates that its policy applies to all employees across the organisation, including those employed by the group as third parties. In addition, there is evidence that the Director of Business Conduct conducts periodic reviews of the company's systems to ensure employees understand and have confidence in its non-retaliation commitment.</p>
Evidence
<p><b>[15] Overview of KBR's Code of Business Conduct Program (Document)</b>  Accessed 01/02/2021  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a></p> <p>[p.1] KBR is committed to conducting business ethically and with integrity. KBR's Code of Business Conduct (COBC) establishes a common set of ethical standards and legal principles that all KBR employees and business partners are expected to exhibit when dealing with clients, communities and each other. The COBC is essentially a road map for employees to follow to ensure personal accountability with the ethical and legal standards expected by KBR.</p> <p>All employees are responsible for promoting a culture and work environment based on ethics, integrity, and accountability. Employees are expected to treat others with dignity and respect.</p> <p>[p.2] Retaliation  KBR supports employees who make ethical decisions to benefit the company. Whether it is stopping unsafe work practices, reporting misconduct, or prohibiting retaliation against employees who report wrongdoing. KBR supports these employees that are working in the best interests of KBR to encourage the reporting of suspected COBC violations.</p> <p>KBR does not tolerate retaliation against employees that report suspected COBC violations in good faith. Retaliation allegations involving previously disclosed COBC violations are also thoroughly investigated by COBC investigators. All allegations of non-compliance with the anti-retaliation policy are investigated thoroughly and enforced rigorously. Substantiated cases of retaliation can result in employee termination. The Director of Business Conduct also conducts periodic reviews concerning whistleblower allegations to identify trends and implements any corrective measures to ensure employees are confident in the reporting system without fear of retaliation.</p> <p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a></p> <p>[p.1] The KBR Board of Directors has adopted this Code of Business Conduct (the "Code") to establish a common set of ethical standards and legal principles that the Company expects every Employee to exhibit when dealing with clients, communities and each other. The Company also expects third parties working on behalf of the Company to adhere to these same ethical standards.</p> <p>[p.2] Your Responsibilities as a Supervisor: As a supervisor or manager of Employees, your responsibilities with respect to the Code are:</p> <ul style="list-style-type: none"> <li>• Model ethical behavior</li> <li>• Encourage open communication with Employees and provide guidance and feedback in response to their questions and concerns</li> <li>• Know when to report violations, escalate issues or seek help from company experts</li> <li>• Ensure that no Employee is retaliated against for reporting suspected or potential violations of the Code of Business Conduct or applicable law</li> </ul> <p>[p.16] The Company prohibits retaliation in any form for reporting, in good faith, suspected violations of the Code of Business Conduct. Disciplinary action will be taken against anyone who retaliates directly or indirectly against any</p>

Employee who reports actual or suspected violations. Discouraging other Employees from making a report is prohibited and could result in disciplinary action. Employees are expected to fully cooperate with any investigation conducted pursuant to a suspected violation of the Code of Business Conduct.

**[6] KBR Ethics Point (Webpage)**

Accessed 13/08/2019

<https://secure.ethicspoint.com/domain/media/en/gui/31830/index.html>

To help us comply with the principles reflected in the Code, KBR has selected EthicsPoint, an independent company that specializes in the handling of confidential and anonymous reporting of workplace and ethical issues and concerns. KBR values and encourages your input and, as indicated in the Code of Business Conduct, if you are aware of a violation, you must report it. Please note, KBR prohibits retaliation in any form for reporting, in good faith, suspected violations of the Code of Business Conduct.

**[10] KBR 2018 Sustainability Report (Document)**

Accessed 19/03/2020

<https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf>

[p.37] Ethics and Compliance

Our Approach

[...]

- KBR prohibits retaliation in any form for reporting suspected violations of the COBC. All allegations are evaluated and investigated.

Question
<b>3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company provides multiple channels for its employees to report instances of suspected corrupt activity and seek advice on the company's anti-bribery and corruption programme. The company indicates that these channels are sufficiently varied to allow employees to raise concerns across the management chain and externally through a reporting channel operated by an independent third party. The company states that the channels allow for confidential and, wherever possible, anonymous reporting.</p> <p>In addition, there is evidence that these channels are accessible to all employees in all jurisdictions where the company operates and are available in multiple languages. Since it is possible for anyone to make a report via the Ethics Point website, it is understood that the channels are available to third parties, suppliers and joint venture partners.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.1] The KBR Board of Directors has adopted this Code of Business Conduct (the "Code") to establish a common set of ethical standards and legal principles that the Company expects every Employee to exhibit when dealing with clients, communities and each other. The Company also expects third parties working on behalf of the Company to adhere to these same ethical standards.</p> <p>[p.16] Reporting suspected violations of the Code of Business Conduct  Employees must promptly report any suspected violation of the Code of Business Conduct to an appropriate reporting outlet, which may include but is not limited to:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.kbr.ethicspoint.com">www.kbr.ethicspoint.com</a></li> <li>• The Ethics Hotline <ul style="list-style-type: none"> <li>– U.S. or Canada (855) 219-7328</li> <li>– For all other countries, the toll-free telephone number can be found at <a href="http://www.kbr.ethicspoint.com">www.kbr.ethicspoint.com</a></li> </ul> </li> <li>• Code of Business Conduct post office box <ul style="list-style-type: none"> <li>– P.O. Box 2464, Houston, TX 77252-2464, USA</li> </ul> </li> <li>• The Director of the Code of Business Conduct at <a href="mailto:hokubrancode@kbr.com">hokubrancode@kbr.com</a></li> <li>• Appropriate representative of the KBR Law Department; Audit Services; Human Resources, Health, Safety, Security &amp; Environment; or other compliance-related department</li> <li>• The Employee's supervisor or manager</li> <li>• Member of the executive senior management</li> </ul> <p>In addition, Employees may exercise their legal right or duty to report possible violations of law to the appropriate governmental authorities at any time, without reporting the matter to, or seeking prior authorization from, the Company.</p> <p>The Company prohibits retaliation in any form for reporting, in good faith, suspected violations of the Code of Business Conduct. Disciplinary action will be taken against anyone who retaliates directly or indirectly against any Employee who reports actual or suspected violations. Discouraging other Employees from making a report is prohibited and could result in disciplinary action. Employees are expected to fully cooperate with any investigation conducted pursuant to a suspected violation of the Code of Business Conduct.</p> <p><b>[15] Overview of KBR's Code of Business Conduct Program (Document)</b>  Accessed 01/02/2021  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a>  [p.1] Reporting Allegations  Employees and others can report allegations of suspected violations of the COBC through a variety of reporting</p>

channels. Allegations can be reported through KBR's third-party vendor that operates the phone and web-based EthicsPoint Hotline. Allegations, concerns, or questions can also be submitted to the Director of Business Conduct at [fhoubkbrcode@kbr.com](mailto:fhoubkbrcode@kbr.com). Allegations can be reported anonymously.

#### [6] KBR Ethics Point (Webpage)

Accessed 13/08/2019

<https://secure.ethicspoint.com/domain/media/en/gui/31830/index.html>

To help us comply with the principles reflected in the Code, KBR has selected EthicsPoint, an independent company that specializes in the handling of confidential and anonymous reporting of workplace and ethical issues and concerns. KBR values and encourages your input and, as indicated in the Code of Business Conduct, if you are aware of a violation, you must report it. Please note, KBR prohibits retaliation in any form for reporting, in good faith, suspected violations of the Code of Business Conduct.

EthicsPoint will report all information it receives to the KBR COBC Team on a confidential basis. You have the option to submit claims anonymously if you wish. KBR will review every submission received, and investigate all complaints; however, please be aware that credible witnesses who are willing to be identified and interviewed concerning personal knowledge of a situation often make the difference in whether an allegation can be substantiated and corrective action implemented.

You may submit a report 4 ways: 1) online; 2) over the phone; 3) via email; or 4) through the Director of Business Conduct PO Box.

- To submit a report through this website, start by selecting "File a Report" above and then follow the simple instructions.
- To submit a report by telephone from either within the United States or Canada or internationally, follow the simple instructions on the right side of this page.
- To submit a report via email, address your concerns to [fhoubkbrcode@kbr.com](mailto:fhoubkbrcode@kbr.com)
- Or write to:

Director of Business Conduct  
KBR, Inc.  
P.O. Box 2464  
Houston, TX 77252-2464  
U.S.A

#### [10] KBR 2018 Sustainability Report (Document)

Accessed 19/03/2020

<https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf>

[p.37] Ethics and Compliance

Our Approach

- KBR promotes confidential reporting of any violations of the COBC through several established channels to include KBR's Ethics Hotline, which is managed by a third party and allows for anonymous reporting. KBR prohibits retaliation in any form for reporting suspected violations of the COBC. All allegations are evaluated and investigated.

[p.38] Actions we took in 2018 to make our ethics and compliance governance process more robust:

- We continued our efforts to increase awareness of the various established reporting channels for reporting COBC violations and misconduct. This process included placing Ethics Hotline posters at all KBR sites and offices globally.

21

**translations**  
of our COBC are  
available to all employees  
and contractors

49

**countries**  
in which our Ethics Hotline  
is accessible

## 4. Conflict of Interest

Question
<b>4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company formally addresses conflict of interest as a corruption risk, and has a clear policy to define actual, potential and perceived conflicts. The company indicates that this policy applies to all employees and board members, including those of subsidiaries and other controlled entities. In addition, there is evidence that the company's policy clearly addresses possible conflicts arising from employee relationships, financial interests and outside employment and government relationships.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.iii] KBR's Code of Business Conduct (COBC) is for everyone at KBR – every director, officer, employee and agent. It establishes a common set of ethical standards and legal principles that we all are expected to exhibit when dealing with clients, communities and each other.</p> <p>[p.1] KBR Code of Business Conduct</p> <p>The KBR Board of Directors has adopted this Code of Business Conduct (the "Code") to establish a common set of ethical standards and legal principles that the Company expects every Employee to exhibit when dealing with clients, communities and each other. The Company also expects third parties working on behalf of the Company to adhere to these same ethical standards.</p> <p>[...]</p> <p>This Code of Business Conduct applies to all KBR operations and group entities globally. The term "Employees" that is used throughout should be read to include all officers and employees, as well as agency personnel and members of the Board of Directors of KBR, Inc.</p> <p>[p.5] Conflicts of interest</p> <p>All Employees have a duty to the Company to advance the Company's legitimate interests. The Company is concerned when outside business or personal interests or other relationships of its Employees might possibly conflict or interfere with the interests of the Company. The Company prohibits conflicts of interest unless specifically approved by the Chief Executive Officer or his or her designee.</p> <p><b>Potential Conflicts of Interest</b>  There are many ways in which conflicts of interests can arise including Employees:</p> <ol style="list-style-type: none"> <li>1. Serving as a director or consultant of or for a non-KBR entity;</li> <li>2. Holding certain investments or having a financial interest in an existing or potential competitor, customer or supplier; or</li> <li>3. Having a second job that conflicts with the interests of the Company or impairs the Employee's ability to perform his/her responsibilities to the Company.</li> </ol> <p>Jobs and affiliations of close relatives may also create actual, apparent or potential conflicts of interest.</p> <p>The Company expects and requires Employees to be honest and ethical in the handling of actual, apparent or possible conflicts of interests. If any Employee has a possible conflict of interest, the situation should be promptly and fully disclosed by the Employee to his or her manager or supervisor, who is required to seek the approval of the Chief Executive Officer or his or her designee. If any member of the Board of Directors or the Chief Executive</p>

Officer has a possible conflict of interest, the situation should be promptly and fully disclosed to the Audit Committee of the Company.

Certain Employees who can direct or influence the use or disposition of any significant amount of funds or other assets of the Company are required to submit an annual statement of compliance regarding any actual, apparent or possible conflicts of interest.

Be Accountable!

Q: John works as an engineer and is booking a team retreat. John's brother owns a hotel that could host the retreat. Can John sign the contract with his brother's hotel?

A: No, because it could create a conflict of interest. John can't do anything to influence the Company to use his brother's business, but he can introduce his brother to the department that is responsible for Travel or Event Planning if he discloses the relationship.

#### **[15] Overview of KBR's Code of Business Conduct Program (Document)**

Accessed 01/02/2021

<https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf>

[p.2] Conflicts of Interest

Conflicts of interest may arise when KBR employees have personal interests that are in competition or divergent to KBR's interests. These personal interests can unduly influence the employee's business judgments, decisions, or actions by not having the employee perform in the best interests of KBR.

A non-exhaustive list of situations and relationships for the employee that can create a possible or actual conflict of interest includes:

- Personal workplace relationships (e.g., hiring or supervising a closely related person or in a personal relationship with a direct or indirect subordinate employee),
- Serving as a director or consultant for a non-KBR entity;

[p.3]

- Holding certain investments or having a financial interests in an existing or potential competitor, customer, or supplier;
- Holding outside employment that conflicts with KBR's interests or impairs the Employee's ability to perform their KBR responsibilities;
- Personal relationships that may affect a business decision or favor a non-KBR entity;
- Conducting personal financial transactions with or receiving personal benefits from a KBR subcontractors, vendors, or service provider.
- Receiving or offering gifts or entertainment designed or appearing to influence the performance of duties.
- Holding a position in any government or government department or ministry, particularly those that do business with KBR.

The employee can also be placed in these type situations as a result of a close personal relationship. For example, a conflict of interest may exist if an employee's spouse holds a procurement position with a government agency that does business with KBR.

Question
<b>4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company has procedures in place to identify, declare and manage conflicts of interest. The company indicates that the Director of Business Conduct is ultimately responsible for reviewing and handling conflicts of interest when reported by employees, and states that senior executives must report specific conflicts as part of an annual compliance certification process. In addition, there is evidence that the Chief Executive Officer and Audit Committee review certain conflicts related to senior executives. The company also indicates that its policy includes examples of possible criteria for recusals and indicates that disciplinary actions may apply if this policy is breached.</p> <p>However, the company receives a score of '1' because it is not clear from publicly available information that all employee and board member conflict of interest declarations are held in a central register that is accessible to those with oversight of the process.</p>
Evidence
<p><b>[15] Overview of KBR's Code of Business Conduct Program (Document)</b>  Accessed 01/02/2021  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a></p> <p>[p.3] KBR employees are required to report apparent, possible, and actual conflicts of interest to their supervisor and to the Director of Business Conduct. The reporting form includes a mitigation section, where the supervisor can reference actions, including recusal from certain business activities or processes that would negate any conflict of interest. The Director of Business Conduct reviews the requests to ensure adequate mitigation has been implemented or disapproves of the requested activity.</p> <p>Executive Leadership Team members, employees in Positions of Substantial Authority, and employees in designated job families (i.e., finance, procurement) are also required to report any outside business or financial interests or to provide a negative declaration during the Annual Compliance Certification process. These reports and certifications are reviewed (and in some cases further investigated) by the Director of Business Conduct and the Chief Compliance Officer to ensure there are no unmitigated conflicts of interest. All reported potential conflicts of interest and outside business or financial interests are also presented to the Chief Executive Officer and Audit Committee for further review and in some cases approval.</p> <p>In addition, individuals hired or promoted to any position of substantial authority, defined as Director level positions and above in all job functions, as well as Manager and Senior Manager positions in functions with financial oversight, such as finance, procurement, tax or internal audit, undergo a background check. Positions of substantial authority are reviewed throughout the year as jobs are added and modified.</p> <p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a></p> <p>[p.1] It is the personal responsibility of each Employee to adhere to the standards and restrictions applicable to his or her assigned duties and responsibilities, whether imposed by applicable laws or the Code of Business Conduct. Each Employee must avoid any activities which would involve the Company in any practice that is not in compliance with the Code of Business Conduct. Any Employee who does not adhere to such standards and restrictions is acting outside the scope of his or her employment, responsibilities or agency.</p> <p>Beyond legal compliance, all Employees are expected to observe high standards of business and personal ethics in the discharge of their assigned duties and responsibilities. This requires the practice of fair dealing, honesty and integrity by Employees in every aspect of dealing with Company Employees, the public, the business community, shareholders, customers, suppliers, competitors and governmental and regulatory authorities. Employees, when acting on behalf of the Company, shall not take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or other unfair-dealing practices.</p>

Employees have the responsibility to read, understand, and comply with the Code of Business Conduct and to participate in any Company-mandated training relating to the Code of Business Conduct.

Any Employee who compromises or violates the provisions of the Code of Business Conduct may be subject to disciplinary action including termination and, if applicable, to criminal or civil proceedings.

Examples of conduct that may result in disciplinary action include violating Code of Business Conduct policy, requesting others to violate Code of Business Conduct policy, or failing to promptly report a known or suspected violation of the Code of Business Conduct policy.

When in doubt about the propriety of a particular course of action, Employees are encouraged to contact the Ethics Hotline or any member of the Law Department.

[p.5] The Company expects and requires Employees to be honest and ethical in the handling of actual, apparent or possible conflicts of interests. If any Employee has a possible conflict of interest, the situation should be promptly and fully disclosed by the Employee to his or her manager or supervisor, who is required to seek the approval of the Chief Executive Officer or his or her designee. If any member of the Board of Directors or the Chief Executive Officer has a possible conflict of interest, the situation should be promptly and fully disclosed to the Audit Committee of the Company.

Certain Employees who can direct or influence the use or disposition of any significant amount of funds or other assets of the Company are required to submit an annual statement of compliance regarding any actual, apparent or possible conflicts of interest.

Question
<b>4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company has a procedure in place with controls to assess and regulate employment and offers of employment to current and recently departed public officials, including politicians. There is evidence that this policy requires approval from a HR representative or the Anti-Corruption Compliance team for the initiation of any employment discussions with former or current public officials, and a review of actual, potential or perceived conflict of interest.</p> <p>However, the company receives a score of '1' because there is no evidence that it provides further publicly available information on this procedure. There is no evidence that the company implements restrictions on the activities of the hired people if conflicts of interest are identified, nor is it clear that the company may require a cooling-off period of at least 12 months before such public officials are permitted to have any form of contact or relationship with their former organisation on the company's behalf.</p>
Evidence
<p><b>[13] Overview of KBR's ABC Program (Document)</b>          Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>          [p.3] Hiring of Government Officials or Their Relatives          All applicants complete a questionnaire identifying whether the candidate is a current or former government employee or whether he/she has any close family relative who is a current government official. If the candidate is selected, any positive responses are forwarded to either the lead HR representative (for US government services positions) or the Anti-Corruption Compliance team (for non-U.S. government services positions) for further review and vetting. In addition, the Company conducts background checks for employees being hired as or promoted to positions of substantial authority. During this process, the same information is gathered and reviewed for conflicts of interest and anti-corruption concerns.</p>

Question
4.4. Does the company report details of the contracted services of serving politicians to the company?
Score
2
Comments
There is evidence that the company publishes a clear statement that it does not contract serving politicians.
Evidence
<p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.3] Hiring of Government Officials or Their Relatives</p> <p>[...]</p> <p>The Company does not employ any currently serving politicians or engage any currently serving politicians on a contractual basis.</p>

## 5. Customer Engagement

### 5.1 Contributions, Donations and Sponsorships

Question
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
0
Comments
<p>There is evidence that the company has a policy on corporate political contributions, which generally prohibits such payments but states that they are permissible in certain circumstances and in accordance with all applicable laws. There is evidence that the Government Relations department is responsible for reviewing and approving any proposed contributions. This policy applies company-wide to all employees, including those of subsidiaries. There is also evidence that the company is associated with a Political Action Committee (PAC) in the United States.</p> <p>The company receives a score of '0' since it does not prohibit political contributions and is associated with a PAC in the United States, as outlined in the scoring criteria.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a></p> <p>[p.1] The KBR Board of Directors has adopted this Code of Business Conduct (the "Code") to establish a common set of ethical standards and legal principles that the Company expects every Employee to exhibit when dealing with clients, communities and each other. The Company also expects third parties working on behalf of the Company to adhere to these same ethical standards.</p> <p>[...]</p> <p>This Code of Business Conduct applies to all KBR operations and group entities globally. The term "Employees" that is used throughout should be read to include all officers and employees, as well as agency personnel and members of the Board of Directors of KBR, Inc.</p> <p>[p.9] Political Contributions</p> <p>The Company encourages participation in the political process. The United States federal government, states, localities, and some other countries have, however, enacted laws regulating political contributions, political activities and gifts in order to prevent improper influencing of public officials. Political contributions to such individuals or entities could be deemed to be Improper Payments. Participating in political activities at the international, or U.S. federal, state or local level may raise legal implications and liability for the Company. For these reasons, Employees should become familiar with relevant laws and always consult the Government Relations department before engaging in such political activities.</p> <p>The Company will comply with applicable laws regulating political influence and campaign contributions. The Company believes strongly in the democratic political process and that its Employees should take an active interest in fostering principles of good government in the nations, states and communities in which they live. Employees may spend their own time and funds supporting political candidates and issues, but they will not be reimbursed by the Company in any way for such time or their funds used for political contributions. Employees are urged to be sure that their personal political contributions and activities are in compliance with applicable laws. For example, persons who are not United States citizens are not permitted to make political contributions to candidates in federal, state or local elections in the United States. Other countries also have laws regulating political contributions.</p> <p>No Employee or other third person who represents the Company in political and governmental matters shall apply any pressure, direct or implied, on any Employee that infringes upon an individual's right to decide whether, to whom and in what amount a personal political contribution is to be made.</p>

Employees and other third persons who represent the Company in political and governmental matters must comply with all laws that regulate corporate participation in public affairs. Under various statutes, certain conduct, which is permitted and encouraged for individuals, is prohibited on the part of corporations. It is the Company's policy to comply fully with these prohibitions.

No contribution of Company funds, property or services can be made in support of any political candidate for elective office or any political party or party official in the United States (either at the state or federal level) or in any other country by the Company, or in the name of the Company designee, without pre-approval of KBR Government Relations. Such approval is subject to the General Counsel's review and approval. KBR's General Counsel will verify that the proposed contribution is legal and proper under applicable laws.

Federal, state and local laws restrict the offering of gifts to public officials. Employees, when acting on behalf of the company, are, therefore, generally prohibited from offering anything of value to U.S. public officials or employees.

#### **[10] KBR 2018 Sustainability Report (Document)**

Accessed 19/03/2020

<https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf>

[p.52] Global Reporting Initiative (GRI) Standards

415-1 Political Contributions

US\$52,000 was donated by KBR employees through KBRPAC (KBR Political Action Committee)

#### **[13] Overview of KBR's ABC Program (Document)**

Accessed 22/06/2020

<https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf>

[p.4] Political Contributions and Lobbyists

KBR complies with all applicable laws regulating political influence and campaign contributions. No contribution of the Company funds, property or services can be made in support of any political candidate for elective office or any political party or party official in the United States (either at the state or federal level) or in any other country without the appropriate review and approval. In addition, any political contributions to be made outside the United States must undergo an anti-corruption assessment and be approved by the Chief Compliance Officer prior to being made.

In 2019, no political contributions were made by KBR.

KBRPAC is KBR's Political Action Committee (PAC), a voluntary, nonpartisan organization. Registered with the U.S. Federal Election Commission (FEC) and appropriate state offices, KBRPAC allows KBR employees to pool personal, voluntary financial contributions to support candidates seeking elective office at the federal, state and local levels, who support issues important to our business and our employees. KBRPAC operations are transparent and compliant with all applicable laws. Because they are regulated by the Federal Election Commission (FEC) and state and local election agencies, PACs are considered the most transparent form of political involvement. As required by law, KBRPAC activity is publicly disclosed on the FEC and state election agency websites.

Question
<b>5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?</b>
Score
<b>2</b>
Comments
The company publishes a statement that it did not make any political contributions in the last 12 months. The company publishes some data on its political contributions on an annual basis.
Evidence
<p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.4] Political Contributions and Lobbyists  KBR complies with all applicable laws regulating political influence and campaign contributions. No contribution of the Company funds, property or services can be made in support of any political candidate for elective office or any political party or party official in the United States (either at the state or federal level) or in any other country without the appropriate review and approval. In addition, any political contributions to be made outside the United States must undergo an anti-corruption assessment and be approved by the Chief Compliance Officer prior to being made.</p> <p>In 2019, no political contributions were made by KBR.</p> <p>KBRPAC is KBR's Political Action Committee (PAC), a voluntary, nonpartisan organization. Registered with the U.S. Federal Election Commission (FEC) and appropriate state offices, KBRPAC allows KBR employees to pool personal, voluntary financial contributions to support candidates seeking elective office at the federal, state and local levels, who support issues important to our business and our employees. KBRPAC operations are transparent and compliant with all applicable laws. Because they are regulated by the Federal Election Commission (FEC) and state and local election agencies, PACs are considered the most transparent form of political involvement. As required by law, KBRPAC activity is publicly disclosed on the FEC and state election agency websites.</p> <p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.52] Global Reporting Initiative (GRI) Standards</p> <p>415-1 Political Contributions  US\$52,000 was donated by KBR employees through KBRPAC (KBR Political Action Committee)</p>

Question
<b>5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?</b>
Score
<b>1</b>
Comments
<p>Based on publicly available information, there is some evidence that the company has a policy on charitable donations and sponsorships. There is evidence that the company specifies criteria for donations and that some donations are subject to an anti-corruption review and approval process. In addition, the company provides some high-level figures of its charitable donations and community sponsorships.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence that it publishes full details of its charitable contributions, such as details of the recipient, amount, country of recipient and which corporate entity made the payment. It is also not clear that the company has further procedures in place to reduce the risk of corruption, such as due diligence on recipients.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.7] Bribery and Corruption</p> <p>The Company, its Employees and third parties acting on its behalf are prohibited from making any "facilitating" or expediting payments to any government official or employee, the purpose of which is to expedite or to secure the performance of non-discretionary routine governmental action by such official.</p> <p>[...]</p> <p>Because actions of third parties acting on behalf of KBR, like actions of Employees, can create liability for the company and damage its reputation, all third parties who may interact with non-U.S. government officials or employees on behalf of the Company and other designated high-risk third parties shall be:</p> <ul style="list-style-type: none"> <li>(i) Subject to appropriate risk-based due diligence prior to being engaged;</li> <li>(ii) Prohibited from making Improper Payments; and</li> <li>(iii) Subject to additional anti-corruption terms and conditions as appropriate.</li> </ul> <p>Depending on the circumstances, donations to charitable organizations or community organizations could be considered to be Improper Payments.</p> <p>KBR's Anti-Corruption Procedures provide further guidance on the processes required to engage third parties and make donations.</p> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.3] Charitable and Community Contributions</p> <p>The Corporate Charitable Contributions Policy establishes standards, guidelines and documentation requirements for charitable contributions. KBR will only consider making contributions to an organization, a program or an activity that is either a U.S. 501(c)3 organization; a school or educational institution in the United States; or a Vetted Foreign Charitable Organization, school or educational institution. To prevent against the risk that a charitable or community contribution could be deemed to be an improper payment under the FCPA or other applicable anticorruption law, contributions to organizations outside the United States or to organizations in the United States but for the ultimate use outside of the United States must be reviewed and approved by the Anti-Corruption Compliance Group, which considers a number of factors to ensure the proposed contribution will pose no risk of liability under applicable anti-corruption laws.</p> <p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020</p>

<https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf>

[p.5] 2018 Highlights



[p.24] Ethics and Compliance

Governing KBR Policies and Procedures

[...]

- Charitable Contributions Policy

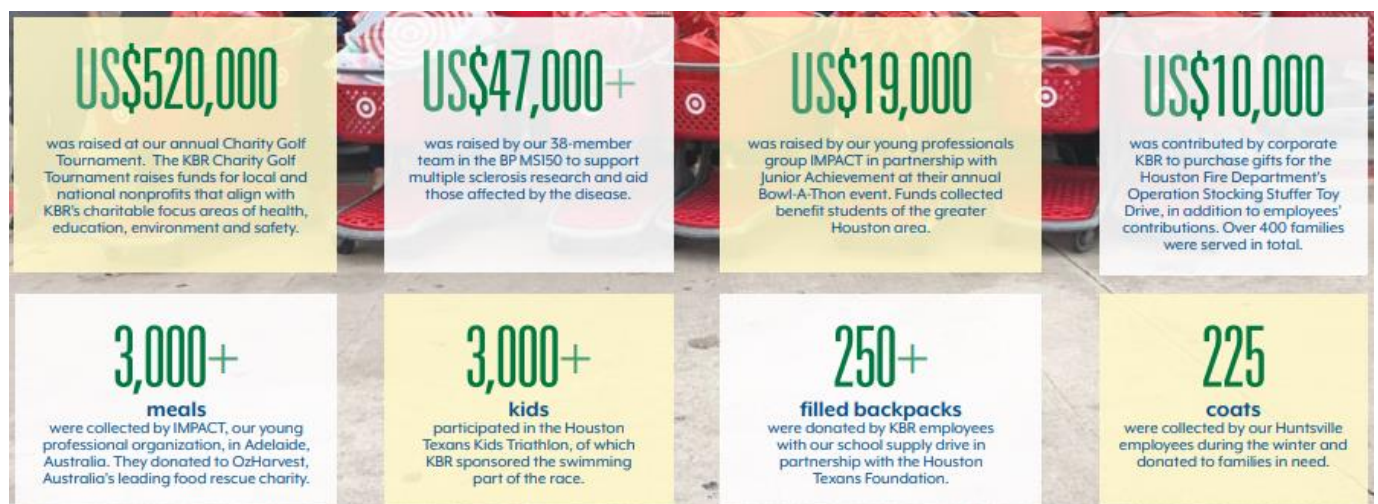
Our Approach

[...]

- Foreign charitable and community contributions undergo an anti-corruption review and approval process.

[p.43] Community Engagement

We strongly believe that growth should not be at the expense of people and the communities we impact, and we continually seek to be a positive force in the communities where we operate.



[p.44] Supporting Physical, Spiritual and Psychological Wellness

We support the U.S. Special Operations Command's (USSOCOM) Preservation of the Force and Family (POTFF) program. The POTFF Program aims for readiness through physical, mental, social and spiritual programs for Special Operations Forces (SOF) and their families. Under the contract, KBR provides POTFF a number of human performance and psychological performance services and ensure SOF personnel have access to care from a full spectrum of physical and mental health professionals to optimize readiness and resilience of service members and their families. Services include performance-based strength and conditioning programs and rehabilitation techniques to accelerate the warfighter's return to duty. KBR professionals will perform individual, group and family

counseling, case management and other activities that integrate the physical, spiritual and psychological wellness of SOF warriors and their families. These services are carried out at up to 32 locations around the world.

[p.45] STEM Education

Contributing to the Unmanned Aerial Systems Community

[...]

Building Employability and Technical Skills

[...]

Promoting Diversity and Equal Employment

[...]

Commemorating Year of Engineers with Open Doors Event and Partnership

## 5.2 Lobbying

Question
<b>5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?</b>
Score
<b>1</b>
Comments
<p>There is some evidence that the company has a procedure on lobbying to ensure compliance with all applicable laws and regulations. The company indicates that any lobbyists outside of the United States are subject to the same due diligence, approval and standards of conduct that apply to commercial intermediaries.</p> <p>However, the company receives a score of '1' because it does not provide further publicly available information on its procedures to ensure responsible lobbying, such as standards of conduct for lobbyists in the United States or specific oversight mechanisms for both domestic and foreign lobbying activities. There is also no clear evidence that the company's policy addresses and applies to all internal, external and association lobbyists.</p>
Evidence
<p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a></p> <p>[p.1] Third Party Due Diligence  KBR requires that anti-corruption due diligence be performed on third parties that are considered International Business Relationships prior to their engagement and periodically thereafter. The specifics of the due diligence that is required for different International Business Relationships are included in our Anti-Corruption Procedures that apply to all KBR businesses and subsidiaries worldwide and to all KBR directors and employees. Third-Party Intermediaries Any intermediary that may have dealings with non-U.S. government officials or state-owned or controlled companies on KBR's behalf, such as sales agents, consultants, sponsors, customs brokers and freight forwarders, lobbyists, regulatory license and permit providers, and certain other third parties, must undergo rigorous risk-based due diligence before the business relationship can commence. [...] The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. The intermediary will not be approved unless KBR has determined that the proposed relationship complies with all applicable law, and that the review conducted has provided the Company with a reasonable level of assurance that its dealings with the proposed intermediary will not violate the FCPA or other applicable anti-corruption law. The intermediary is required to certify compliance with the FCPA and other applicable anti-corruption laws. Failure to certify compliance or disclose the required information or any other unmitigated risks will result in the denial of approval to enter into an agreement with the intermediary. KBR includes specific anti-corruption compliance provisions in all intermediary agreements, including the right to conduct audits and terminate the agreement for compliance breaches. The due diligence is refreshed every time the third-party agreement comes up for renewal. Most third-party agreements have a term of no longer than three years, unless the agreement is project-specific, in which case the due diligence is renewed every five years.</p> <p>[p.4] Political Contributions and Lobbyists  KBR complies with all applicable laws regulating political influence and campaign contributions. No contribution of the Company funds, property or services can be made in support of any political candidate for elective office or any political party or party official in the United States (either at the state or federal level) or in any other country without the appropriate review and approval. In addition, any political contributions to be made outside the United States must undergo an anti-corruption assessment and be approved by the Chief Compliance Officer prior to being made.</p> <p>[...]</p> <p>Lobbyists outside the United States are considered commercial intermediaries under KBR's anti-corruption compliance program. Therefore, they must be reviewed and approved according to the due diligence process and procedures described above.</p>

Question
<b>5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?</b>
Score
<b>0</b>
Comments
There is no evidence that the company publishes any information on its lobbying aims, topics or activities.
Evidence
No evidence found.

Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
0
Comments
There is no evidence that the company publishes any information on its global lobbying expenditure.
Evidence
No evidence found.

### 5.3 Gifts and Hospitality

Question
<b>5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company has a policy on the giving and receipt of gifts and hospitality, with procedures designed to ensure that such promotional expenses do not pose a bribery and corruption risk. There is evidence that this policy establishes an approval procedure for the different types of promotional expense that employees may encounter, and it addresses the risks associated with gifts and hospitality given to and received from public officials. There is some evidence that the policy includes financial or proportional limits and that all gifts and hospitality above a certain threshold are recorded in a dedicated central register that is accessible to those responsible for oversight of the process.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.8] Gifts, Travel &amp; Entertainment</p> <p>Any payment or provision of anything of value to any public official, government employee, political party or party official, candidate for public office, employee of a public international organization, client or potential client, including excessive entertainment, travel, or gifts of significant value, could be considered to be an Improper Payment and/or a violation of an applicable anti-corruption law. Accordingly, Employees are prohibited from providing extravagant or frequent gifts, hospitality, travel or entertainment (also called business courtesies) to third parties. To provide further guidance, KBR's Procedures for Implementation of KBR's AntiCorruption Policies specify the circumstances in which gifts may be given or hospitality provided to certain third parties, including public officials and government employees.</p> <p>Employees are also prohibited from soliciting or receiving, directly or indirectly, anything of significant value, including extravagant gifts, hospitality, travel or entertainment from third parties.</p> <p>This provision does not prohibit the giving or receipt of reasonable and customary business meals, entertainment, and gifts as long as the receipt of which does not create the appearance of impropriety and are in accordance with all Company policies and procedures. All such activities must be reported and approved by Company policy or, in the absence of a specific policy or procedure, the Employee's supervisor.</p> <p>Be Accountable!  Q: Does this mean I can't take a client to dinner after a business meeting?  A: You may take a client to dinner to discuss business or develop the relationship. You must ensure that the meal is reasonable and customary and that you follow KBR's procedures for pre-approval and expense reimbursement.</p> <p>[p.9] Political Contributions  The Company encourages participation in the political process. The United States federal government, states, localities, and some other countries have, however, enacted laws regulating political contributions, political activities and gifts in order to prevent improper influencing of public officials. Political contributions to such individuals or entities could be deemed to be Improper Payments. Participating in political activities at the international, or U.S. federal, state or local level may raise legal implications and liability for the Company. For these reasons, Employees should become familiar with relevant laws and always consult the Government Relations department before engaging in such political activities.</p> <p>[...]</p> <p>Federal, state and local laws restrict the offering of gifts to public officials. Employees, when acting on behalf of the company, are, therefore, generally prohibited from offering anything of value to U.S. public officials or employees.</p>

**[13] Overview of KBR's ABC Program (Document)**

Accessed 22/06/2020

<https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf>

[p.2] Business Courtesies

Our procedures allow normal and customary business meals and entertainment or the giving of business mementos of nominal value provided that such activities are reasonable in the circumstances in which they are given and do not violate any applicable laws. The procedures require that provision of Business Courtesies to any third party (including Foreign Officials and private clients) be properly approved and accurately and completely recorded in the Company's books and records to ensure compliance with the FCPA and other applicable anti-corruption laws, including the UK Bribery Act. To ensure strict compliance with the applicable local laws and regulations, payments for all Business Courtesies must be limited by whichever framework is most restrictive. The Procedures establish specific criteria, including monetary thresholds and frequency limits, when Business Courtesies may be provided without pre-approval as long as they are provided in connection with a business meeting that serves a legitimate business purpose. Business Courtesies that do not meet these criteria may be provided but must be pre-approved in accordance with the established procedure. Each business unit, project or office that provides business courtesies is

[p.3] responsible for maintaining a business courtesy register, a copy of which is provided for review to the AntiCorruption Compliance Group quarterly.

## 6. Supply Chain Management

Question
<b>6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company requires the involvement of its procurement department in the establishment of new suppliers. The company indicates that this department is ultimately responsible for providing oversight of the company's supplier base.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence that it assures itself of this department's proper involvement in the procurement process, for example through audits of the system, on a regular basis or at least every three years.</p>
Evidence
<p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.35] Governing KBR Policies and Procedures</p> <p>[...]</p> <ul style="list-style-type: none"> <li>• Procurement Corrective Action Team Procedure</li> </ul> <p>Our Approach</p> <p>[...]</p> <ul style="list-style-type: none"> <li>• Our procurement corrective action team reviews all performance evaluations, inspection reports, shop surveys, watch lists and unapproved vendors and collaborates closely with our global master data team to prevent business with non-compliant business partners.</li> </ul> <p><b>[12] From Nuts and Bolts to Heavy Equipment, KBR Procurement Delivers it All (Webpage)</b>  Accessed 24/03/2020  <a href="https://www.kbr.com/en-au/insights-events/stories/nuts-and-bolts-heavy-equipment-kbr-procurement-delivers-it-all">https://www.kbr.com/en-au/insights-events/stories/nuts-and-bolts-heavy-equipment-kbr-procurement-delivers-it-all</a>  KBR's team of approximately 190 procurement personnel implement the most efficient and cost-effective procurement strategies to deliver project materials of all shapes and sizes for our customers.</p> <p>KBR Procurement oversees purchasing, expediting, inspection, logistics, materials management and supplier relations services for projects across all business units. At the onset of any project, contracts are reviewed and analyzed to create a plan ensuring the appropriate execution strategy is in place taking into account the project's location, budget, client and logistics requirements.</p> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.2] Supplier Due Diligence</p> <p>The procurement team oversees the selection and onboarding of suppliers and subcontractors. The onboarding process involves, among other things, screening new suppliers and subcontractors on their compliance with ethical practices through our pre-qualification questionnaire. The suppliers and subcontractors are required to certify they will abide by the KBR Supplier Code of Conduct, available at <a href="http://www.kbrsupplier.com">www.kbrsupplier.com</a>. High-risk subcontractors, which include subcontractors performing work over a certain threshold in high-risk locations outside the U.S. as well as those identified by name in a client bid, are required to complete a separate anti-corruption compliance</p>

questionnaire and undergo anti-corruption due diligence. As a primary contact point with a supplier during the onboarding stage, procurement plays a key role in collecting anti-corruption due diligence information from vendors and suppliers that interact with non-US government officials on KBR's behalf and are subject to mandatory anticorruption due diligence review and approval for third-party intermediaries. If a third-party intermediary vendor or supplier uses a sub-agent or additional party to perform part of the proposed services, the sub-agent or additional party must undergo the same due diligence as the vendor or supplier. Alternatively, the Chief Compliance Officer, or his/her delegate, after determining that the supplier's due diligence procedures are satisfactory, will seek a certification from the candidate supplier or subcontractor that it has conducted a due diligence review of the subentity and has found no unresolved due diligence concerns.

Question
<b>6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company has formal procedures in place to conduct due diligence on its suppliers. The company indicates that all new suppliers are screened to ensure compliance with ethical practices and all suppliers are monitored on an ongoing basis through various surveys and assessments. There is evidence that highest risk suppliers are subject to enhanced review.</p> <p>However, the company receives a score of '1' because it is not clear from publicly available information that these due diligence reviews include checks on the ultimate beneficial ownership of suppliers. Although the company indicates that suppliers are monitored on an ongoing basis, it is not clear how frequently these checks are conducted during the supplier relationship. In addition, there is no clear publicly available evidence that the company might be willing to review or terminate supplier relationships if a red flag highlighted in the due diligence cannot be mitigated.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.1] The KBR Board of Directors has adopted this Code of Business Conduct (the "Code") to establish a common set of ethical standards and legal principles that the Company expects every Employee to exhibit when dealing with clients, communities and each other. The Company also expects third parties working on behalf of the Company to adhere to these same ethical standards.</p> <p>[p.7] Bribery and Corruption</p> <p>[...]</p> <p>Because actions of third parties acting on behalf of KBR, like actions of Employees, can create liability for the company and damage its reputation, all third parties who may interact with non-U.S. government officials or employees on behalf of the Company and other designated high-risk third parties shall be:</p> <ul style="list-style-type: none"> <li>• Subject to appropriate risk-based due diligence prior to being engaged;</li> <li>• Prohibited from making Improper Payments; and</li> <li>• Subject to additional anti-corruption terms and conditions as appropriate.</li> </ul> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.2] Supplier Due Diligence  The procurement team oversees the selection and onboarding of suppliers and subcontractors. The onboarding process involves, among other things, screening new suppliers and subcontractors on their compliance with ethical practices through our pre-qualification questionnaire. The suppliers and subcontractors are required to certify they will abide by the KBR Supplier Code of Conduct, available at <a href="http://www.kbrsupplier.com">www.kbrsupplier.com</a>. High-risk subcontractors, which include subcontractors performing work over a certain threshold in high-risk locations outside the U.S. as well as those identified by name in a client bid, are required to complete a separate anti-corruption compliance questionnaire and undergo anti-corruption due diligence. As a primary contact point with a supplier during the onboarding stage, procurement plays a key role in collecting anti-corruption due diligence information from vendors and suppliers that interact with non-US government officials on KBR's behalf and are subject to mandatory anticorruption due diligence review and approval for third-party intermediaries. If a third-party intermediary vendor or supplier uses a sub-agent or additional party to perform part of the proposed services, the sub-agent or additional party must undergo the same due diligence as the vendor or supplier. Alternatively, the Chief Compliance Officer, or his/her delegate, after determining that the supplier's due diligence procedures are satisfactory, will seek a certification from the candidate supplier or subcontractor that it has conducted a due diligence review of the subentity and has found no unresolved due diligence concerns.</p>

**[10] KBR 2018 Sustainability Report (Document)**

Accessed 19/03/2020

<https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf>

[p.35] Supply Chain and Human Rights

**Our Approach**

- High-risk subcontractors performing work in high-risk locations outside the U.S. are required to complete our supplier anti-corruption compliance questionnaire.
- We screen new suppliers and subcontractors on their compliance with HSSE codes, ISO certifications and ethical practices through our pre-qualification questionnaire.
- We monitor suppliers and subcontractors on an ongoing basis through performance evaluations, shop surveys and new supplier assessment procedures.
- Our procurement corrective action team reviews all performance evaluations, inspection reports, shop surveys, watch lists and unapproved vendors and collaborates closely with our global master data team to prevent business with non-compliant business partners.
- Prior to starting work, we perform a critical review of our subcontractors' CTIPs plan as part of our risk assessment process.
- Every three months we conduct CTIPs audits and inspections. Our Quality Assurance function performs biannual assessments of our CTIPs program to ensure effectiveness.

Question
<b>6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company requires suppliers to have adequate anti-bribery and corruption policies and procedures in place. The company indicates that all suppliers must have, at minimum, policies that prohibit foreign and domestic bribery, prohibit facilitation payments, as well as policies and procedures relating to gifts and hospitality. There is evidence that the company takes active steps to ensure this, for example by requiring that suppliers abide by the Code of Conduct, which includes procedures related to conflict of interest and whistleblowing. The company ensures that suppliers have adequate bribery and corruption policies when onboarding suppliers and throughout the course of the business relationship.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.1] The KBR Board of Directors has adopted this Code of Business Conduct (the "Code") to establish a common set of ethical standards and legal principles that the Company expects every Employee to exhibit when dealing with clients, communities and each other. The Company also expects third parties working on behalf of the Company to adhere to these same ethical standards.</p> <p>[p.7] Employees and third parties acting on KBR's behalf are prohibited from making, offering, authorizing or promising to make any Improper Payments. The term "Improper Payments" is used to describe a broad range of unlawful payments of money or anything of value that are usually in the nature of kickbacks, bribes or payoffs made in order to influence favorably some decision affecting a company's business or for the personal gain of an individual. These types of payments are illegal, unethical and prohibited by this Code of Business Conduct.</p> <p>[...]</p> <p>Because actions of third parties acting on behalf of KBR, like actions of Employees, can create liability for the company and damage its reputation, all third parties who may interact with non-U.S. government officials or employees on behalf of the Company and other designated high-risk third parties shall be:</p> <p>[...]</p> <p>(iii) Subject to additional anti-corruption terms and conditions as appropriate.</p> <p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.35] Governing KBR Policies and Procedures</p> <ul style="list-style-type: none"> <li>• Supplier Code of Conduct</li> </ul> <p>Our Approach</p> <ul style="list-style-type: none"> <li>• We require all suppliers and subcontractors to certify the KBR Supplier Code of Conduct.</li> <li>• High-risk subcontractors performing work in high-risk locations outside the U.S. are required to complete our supplier anti-corruption compliance questionnaire.</li> <li>• We screen new suppliers and subcontractors on their compliance with HSSE codes, ISO certifications and ethical practices through our pre-qualification questionnaire.</li> </ul> <p><b>[11] 2019 Annual Report</b>  Accessed 20/03/2020  <a href="https://investors.kbr.com/financials/annual-reports/default.aspx">https://investors.kbr.com/financials/annual-reports/default.aspx</a></p>

[p.20] We train our staff concerning Anti-bribery Laws and we also inform our partners, subcontractors, agents and other third parties who work for us or on our behalf that they must comply with the requirements of these Anti-bribery Laws.

### [13] Overview of KBR's ABC Program (Document)

Accessed 22/06/2020

<https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf>

#### [p.2] Supplier Due Diligence

The procurement team oversees the selection and onboarding of suppliers and subcontractors. The onboarding process involves, among other things, screening new suppliers and subcontractors on their compliance with ethical practices through our pre-qualification questionnaire. The suppliers and subcontractors are required to certify they will abide by the KBR Supplier Code of Conduct, available at [www.kbrsupplier.com](http://www.kbrsupplier.com). High-risk subcontractors, which include subcontractors performing work over a certain threshold in high-risk locations outside the U.S. as well as those identified by name in a client bid, are required to complete a separate anti-corruption compliance questionnaire and undergo anti-corruption due diligence. As a primary contact point with a supplier during the onboarding stage, procurement plays a key role in collecting anti-corruption due diligence information from vendors and suppliers that interact with non-US government officials on KBR's behalf and are subject to mandatory anticorruption due diligence review and approval for third-party intermediaries. If a third-party intermediary vendor or supplier uses a sub-agent or additional party to perform part of the proposed services, the sub-agent or additional party must undergo the same due diligence as the vendor or supplier. Alternatively, the Chief Compliance Officer, or his/her delegate, after determining that the supplier's due diligence procedures are satisfactory, will seek a certification from the candidate supplier or subcontractor that it has conducted a due diligence review of the subentity and has found no unresolved due diligence concerns.

### [14] Supplier Code of Conduct (Webpage)

Accessed 22/06/2020

<https://www.kbrsupplier.com/News.aspx>

#### PREAMBLE

KBR has a Code of Business Conduct (COBC) that contains specific corporate policies. The COBC can be found on KBR's website at [www.kbr.com/en/about-us/our-company/code-business-conduct](http://www.kbr.com/en/about-us/our-company/code-business-conduct). The KBR COBC establishes a common set of ethical standards and legal principles that are binding for all Directors and Employees of KBR and its Subsidiaries worldwide. KBR expects all Suppliers and Subcontractors acting with them also to ascribe to the same ethical standards. KBR will not condone any illegal or unethical actions on the part of its employees, Directors or any Supplier or Sub Supplier with whom KBR performs business.

The purpose of this Supplier Code of Conduct is to define KBR's expectations of Supplier in relation to its work with KBR, including compliance with any local and national laws and regulations.

#### DEFINITIONS

**KBR:** means KBR Inc., a Delaware corporation, its subsidiaries, affiliates, Business Units, Business Groups and successors

**Supplier:** means any supplier or subcontractor including their employees, sub-suppliers, lower tier subcontractors, subsidiaries, affiliates and agents

#### COMPLIANCE WITH LAWS

KBR expects its Suppliers to observe the highest standards of personal and business ethics and to comply with all applicable laws and regulations. As a public company subject to U.S. laws, KBR must ensure that its Suppliers inside and outside the U.S. comply with the requirements of certain U.S. laws that impose on KBR standards of conduct for its business throughout the world. If there is a conflict between applicable local law and applicable U.S. law, Supplier shall seek the guidance of KBR's Law Department to resolve the conflict.

[...]

**ANTI CORRUPTION**

Supplier shall comply with the U.S. Foreign Corrupt Practices Act, and other applicable anti-corruption laws. Supplier shall not, directly or indirectly, offer, promise, authorize, solicit, pay or give any bribe, kickback, facilitating, expediting or improper payment or anything of value (including money, gifts, hospitality, entertainment or travel) to any individual or entity in relation to Supplier's business with KBR to gain any preferred treatment or improper advantage.

Supplier shall not offer, promise, authorize, solicit, pay or give any bribe, kickback or other improper payment of money or anything of value to an employee of KBR to gain any preferred treatment or improper advantage. During the bidding phase, Supplier also shall refrain from giving, directly or indirectly, any gifts, hospitality, entertainment, or travel to KBR employees or anyone closely related to KBR employees that could create or give the appearance of impropriety or a potential conflict of interest. Normal and customary business meals and entertainment or the giving of business mementos of nominal value may be provided to KBR employees at other times provided such activities are reasonable in the circumstances in which they are given and do not violate the laws of the country in which they are given, the laws of the United States or other applicable anti-corruption laws.

[...]

**POLITICAL CONTRIBUTIONS**

Supplier shall follow applicable laws regarding political contributions.

[...]

**COMPLIANCE WITH THE KBR SUPPLIER CODE OF CONDUCT**

Supplier agrees that KBR may review documentation demonstrating Supplier's compliance with the Supplier Code of Conduct and shall make such records and documentation available to KBR upon request and at no cost to KBR. Any violation of the principles and requirements set out in this KBR Supplier Code of Conduct will be regarded as a serious violation and KBR reserves the right to request from the Supplier that all relevant information be disclosed to demonstrate compliance.

Question
<b>6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company takes steps to ensure that its sub-contractors have adequate anti-bribery and corruption programmes in place and that the substance of its anti-corruption and bribery programme and standards are included in subcontracts throughout the supply chain. This evidence is in the form of a clear statement, and a set of supplier principles that sets the minimum standards of ethical behaviour expected throughout the supply chain.</p>
Evidence
<p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  <p>[p.2] Supplier Due Diligence</p> <p>The procurement team oversees the selection and onboarding of suppliers and subcontractors. The onboarding process involves, among other things, screening new suppliers and subcontractors on their compliance with ethical practices through our pre-qualification questionnaire. The suppliers and subcontractors are required to certify they will abide by the KBR Supplier Code of Conduct, available at <a href="http://www.kbrsupplier.com">www.kbrsupplier.com</a>. High-risk subcontractors, which include subcontractors performing work over a certain threshold in high-risk locations outside the U.S. as well as those identified by name in a client bid, are required to complete a separate anti-corruption compliance questionnaire and undergo anti-corruption due diligence. As a primary contact point with a supplier during the onboarding stage, procurement plays a key role in collecting anti-corruption due diligence information from vendors and suppliers that interact with non-US government officials on KBR's behalf and are subject to mandatory anticorruption due diligence review and approval for third-party intermediaries. If a third-party intermediary vendor or supplier uses a sub-agent or additional party to perform part of the proposed services, the sub-agent or additional party must undergo the same due diligence as the vendor or supplier. Alternatively, the Chief Compliance Officer, or his/her delegate, after determining that the supplier's due diligence procedures are satisfactory, will seek a certification from the candidate supplier or subcontractor that it has conducted a due diligence review of the subentity and has found no unresolved due diligence concerns.</p> </p> <p><b>[14] Supplier Code of Conduct (Webpage)</b>  Accessed 22/06/2020  <a href="https://www.kbrsupplier.com/News.aspx">https://www.kbrsupplier.com/News.aspx</a></p> <p><b>PREAMBLE</b></p> <p>KBR has a Code of Business Conduct (COBC) that contains specific corporate policies. The COBC can be found on KBR's website at <a href="http://www.kbr.com/en/about-us/our-company/code-business-conduct">www.kbr.com/en/about-us/our-company/code-business-conduct</a>. The KBR COBC establishes a common set of ethical standards and legal principles that are binding for all Directors and Employees of KBR and its Subsidiaries worldwide. KBR expects all Suppliers and Subcontractors acting with them also to ascribe to the same ethical standards. KBR will not condone any illegal or unethical actions on the part of its employees, Directors or any Supplier or Sub Supplier with whom KBR performs business.</p> <p>The purpose of this Supplier Code of Conduct is to define KBR's expectations of Supplier in relation to its work with KBR, including compliance with any local and national laws and regulations.</p> <p><b>DEFINITIONS</b></p> <p><b>KBR:</b> means KBR Inc., a Delaware corporation, its subsidiaries, affiliates, Business Units, Business Groups and successors</p> <p><b>Supplier:</b> means any supplier or subcontractor including their employees, sub-suppliers, lower tier subcontractors, subsidiaries, affiliates and agents</p> <p><b>COMPLIANCE WITH LAWS</b></p> <p>KBR expects its Suppliers to observe the highest standards of personal and business ethics and to comply with all applicable laws and regulations. As a public company subject to U.S. laws, KBR must ensure that its Suppliers inside and outside the U.S. comply with the requirements of certain U.S. laws that impose on KBR standards of conduct for its business throughout the world. If there is a conflict between applicable local law and applicable U.S. law, Supplier shall seek the guidance of KBR's Law Department to resolve the conflict.</p>

[...]

**ANTI CORRUPTION**

Supplier shall comply with the U.S. Foreign Corrupt Practices Act, and other applicable anti-corruption laws. Supplier shall not, directly or indirectly, offer, promise, authorize, solicit, pay or give any bribe, kickback, facilitating, expediting or improper payment or anything of value (including money, gifts, hospitality, entertainment or travel) to any individual or entity in relation to Supplier's business with KBR to gain any preferred treatment or improper advantage.

Supplier shall not offer, promise, authorize, solicit, pay or give any bribe, kickback or other improper payment of money or anything of value to an employee of KBR to gain any preferred treatment or improper advantage. During the bidding phase, Supplier also shall refrain from giving, directly or indirectly, any gifts, hospitality, entertainment, or travel to KBR employees or anyone closely related to KBR employees that could create or give the appearance of impropriety or a potential conflict of interest. Normal and customary business meals and entertainment or the giving of business mementos of nominal value may be provided to KBR employees at other times provided such activities are reasonable in the circumstances in which they are given and do not violate the laws of the country in which they are given, the laws of the United States or other applicable anti-corruption laws.

[...]

**POLITICAL CONTRIBUTIONS**

Supplier shall follow applicable laws regarding political contributions.

[...]

**COMPLIANCE WITH THE KBR SUPPLIER CODE OF CONDUCT**

Supplier agrees that KBR may review documentation demonstrating Supplier's compliance with the Supplier Code of Conduct and shall make such records and documentation available to KBR upon request and at no cost to KBR. Any violation of the principles and requirements set out in this KBR Supplier Code of Conduct will be regarded as a serious violation and KBR reserves the right to request from the Supplier that all relevant information be disclosed to demonstrate compliance.

Question
<b>6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?</b>
Score
<b>0</b>
Comments
There is no evidence that the company publishes data on ethical or corruption-related reports investigations or disciplinary actions involving its suppliers.
Evidence
No evidence found.

## 7. Agents, Intermediaries and Joint Ventures

### 7.1 Agents and Intermediaries

Question
<b>7.1.1 Does the company have a clear policy on the use of agents?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company has a clear policy and/or procedure to control the use of agents which addresses the corruption risks associated with the use of agents and provides details of specific controls to mitigate these risks. As part of this policy, the company commits to establishing and verifying that the use of an agent is, in each case, necessary to perform a legitimate business function. This policy applies to all divisions within the organisation which might employ agents, including subsidiaries and joint ventures.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.1] The KBR Board of Directors has adopted this Code of Business Conduct (the “Code”) to establish a common set of ethical standards and legal principles that the Company expects every Employee to exhibit when dealing with clients, communities and each other. The Company also expects third parties working on behalf of the Company to adhere to these same ethical standards.</p> <p>[...]</p> <p>This Code of Business Conduct applies to all KBR operations and group entities globally. The term “Employees” that is used throughout should be read to include all officers and employees, as well as agency personnel and members of the Board of Directors of KBR, Inc.</p> <p>[p.7] Bribery and Corruption</p> <p>[...]</p> <p>Because actions of third parties acting on behalf of KBR, like actions of Employees, can create liability for the company and damage its reputation, all third parties who may interact with non-U.S. government officials or employees on behalf of the Company and other designated high-risk third parties shall be:</p> <ul style="list-style-type: none"> <li>(i) Subject to appropriate risk-based due diligence prior to being engaged;</li> <li>(ii) Prohibited from making Improper Payments; and</li> <li>(iii) Subject to additional anti-corruption terms and conditions as appropriate.</li> </ul> <p>Depending on the circumstances, donations to charitable organizations or community organizations could be considered to be Improper Payments.</p> <p>KBR’s Anti-Corruption Procedures provide further guidance on the processes required to engage third parties and make donations.</p> <p><b>[13] Overview of KBR’s ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.1] Third Party Due Diligence  KBR requires that anti-corruption due diligence be performed on third parties that are considered International Business Relationships prior to their engagement and periodically thereafter. The specifics of the due diligence that</p>

is required for different International Business Relationships are included in our Anti-Corruption Procedures that apply to all KBR businesses and subsidiaries worldwide and to all KBR directors and employees.

#### Third-Party Intermediaries

Any intermediary that may have dealings with non-U.S. government officials or state-owned or controlled companies on KBR's behalf, such as sales agents, consultants, sponsors, customs brokers and freight forwarders, lobbyists, regulatory license and permit providers, and certain other third parties, must undergo rigorous risk-based due diligence before the business relationship can commence. The due diligence is focused on detecting and mitigating corruption risks associated with the use of intermediaries, including verifying the business rationale for engaging the intermediary and the reasonableness of the proposed compensation. Intermediaries are requested to complete KBR Due Diligence Questionnaire that requires non-public companies providing the company's ownership that identifies all of the individual owners of the company, whether an individual owns the shares directly or indirectly through another legal entity. Publicly traded companies are required to disclose holders of 5% interest and above. KBR conducts extensive media and denied parties searches on all legal entities and individuals in the chain of ownership. High-risk agents and intermediaries are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk agents and intermediaries are addressed in a legal memorandum that may contain recommendations for conditions of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. The intermediary will not be approved unless KBR has determined that the proposed relationship complies with all applicable law, and that the review conducted has provided the Company with a reasonable level of assurance that its dealings with the proposed intermediary will not violate the FCPA or other applicable anti-corruption law. The intermediary is required to certify compliance with the FCPA and other applicable anti-corruption laws. Failure to certify compliance or disclose the required information or any other unmitigated risks will result in the denial of approval to enter into an agreement with the intermediary. KBR includes specific anti-corruption compliance provisions in all intermediary agreements, including the right to conduct audits and terminate the agreement for compliance breaches. The due diligence is refreshed every time the third-party agreement comes up for renewal. Most third-party agreements have a term of no longer than three years, unless the agreement is project-specific, in which case the due diligence is renewed every five years.

Question
<b>7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence prior to engaging and re-engaging any agents and intermediaries. The company indicates that agents and highest risk intermediaries are subject to enhanced due diligence. The company commits to not engaging or terminating its engagement with agents or intermediaries where the risks identified in the due diligence cannot be mitigated. In addition, there is evidence that the company reviews this due diligence periodically or at least every three to five years throughout the relationship.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.7] Bribery and Corruption</p> <p>[...]</p> <p>Because actions of third parties acting on behalf of KBR, like actions of Employees, can create liability for the company and damage its reputation, all third parties who may interact with non-U.S. government officials or employees on behalf of the Company and other designated high-risk third parties shall be:</p> <ul style="list-style-type: none"> <li>(i) Subject to appropriate risk-based due diligence prior to being engaged;</li> <li>(ii) Prohibited from making Improper Payments; and</li> <li>(iii) Subject to additional anti-corruption terms and conditions as appropriate.</li> </ul> <p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.37] Our Approach</p> <ul style="list-style-type: none"> <li>• Our Anti-Corruption Procedure governs the due diligence requirements and engagement of third parties, provisions of business courtesies and donations and other details of our anti-corruption program.</li> <li>• We only engage third parties (sales agents, business partners and other third parties that interact with non-U.S. government officials on KBR's behalf) that complete our rigorous anti-corruption due diligence review and approval process. Our contracts with these parties include specific anti-corruption compliance provisions, and the third parties are required to certify compliance with the FCPA and other applicable anticorruption laws.</li> </ul> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.1] Third Party Due Diligence</p> <p>KBR requires that anti-corruption due diligence be performed on third parties that are considered International Business Relationships prior to their engagement and periodically thereafter. The specifics of the due diligence that is required for different International Business Relationships are included in our Anti-Corruption Procedures that apply to all KBR businesses and subsidiaries worldwide and to all KBR directors and employees.</p> <p><b>Third-Party Intermediaries</b>  Any intermediary that may have dealings with non-U.S. government officials or state-owned or controlled companies on KBR's behalf, such as sales agents, consultants, sponsors, customs brokers and freight forwarders, lobbyists, regulatory license and permit providers, and certain other third parties, must undergo rigorous risk-based due diligence before the business relationship can commence. The due diligence is focused on detecting and mitigating corruption risks associated with the use of intermediaries, including verifying the business rationale for engaging the intermediary and the reasonableness of the proposed compensation. Intermediaries are requested to complete KBR Due Diligence Questionnaire that requires non-public companies providing the company's ownership</p>

that identifies all of the individual owners of the company, whether an individual owns the shares directly or indirectly through another legal entity. Publicly traded companies are required to disclose holders of 5% interest and above. KBR conducts extensive media and denied parties searches on all legal entities and individuals in the chain of ownership. High-risk agents and intermediaries are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk agents and intermediaries are addressed in a legal memorandum that may contain recommendations for conditions of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. The intermediary will not be approved unless KBR has determined that the proposed relationship complies with all applicable law, and that the review conducted has provided the Company with a reasonable level of assurance that its dealings with the proposed intermediary will not violate the FCPA or other applicable anti-corruption law. The intermediary is required to certify compliance with the FCPA and other applicable anti-corruption laws. Failure to certify compliance or disclose the required information or any other unmitigated risks will result in the denial of approval to enter into an agreement with the intermediary. KBR includes specific anti-corruption compliance provisions in all intermediary agreements, including the right to conduct audits and terminate the agreement for compliance breaches. The due diligence is refreshed every time the third-party agreement comes up for renewal. Most third-party agreements have a term of no longer than three years, unless the agreement is project-specific, in which case the due diligence is renewed every five years.

Question
<b>7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company has formal procedures to establish the beneficial ownership of agents prior to engaging them and whenever there is a significant change in the business relationship. The company indicates that high-risk agents and intermediaries are subject to enhanced due diligence and that it may engage an external legal counsel to review such information depending on the risk and circumstances. There is evidence that the company commits to not engaging or terminating its engagement with agents or intermediaries where ultimate beneficial ownership cannot be established.</p>
Evidence
<p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  <p>[p.1] Third Party Due Diligence  KBR requires that anti-corruption due diligence be performed on third parties that are considered International Business Relationships prior to their engagement and periodically thereafter. The specifics of the due diligence that is required for different International Business Relationships are included in our Anti-Corruption Procedures that apply to all KBR businesses and subsidiaries worldwide and to all KBR directors and employees.</p> <p>Third-Party Intermediaries  Any intermediary that may have dealings with non-U.S. government officials or state-owned or controlled companies on KBR's behalf, such as sales agents, consultants, sponsors, customs brokers and freight forwarders, lobbyists, regulatory license and permit providers, and certain other third parties, must undergo rigorous risk-based due diligence before the business relationship can commence. The due diligence is focused on detecting and mitigating corruption risks associated with the use of intermediaries, including verifying the business rationale for engaging the intermediary and the reasonableness of the proposed compensation. Intermediaries are requested to complete KBR Due Diligence Questionnaire that requires non-public companies providing the company's ownership that identifies all of the individual owners of the company, whether an individual owns the shares directly or indirectly through another legal entity. Publicly traded companies are required to disclose holders of 5% interest and above. KBR conducts extensive media and denied parties searches on all legal entities and individuals in the chain of ownership. High-risk agents and intermediaries are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk agents and intermediaries are addressed in a legal memorandum that may contain recommendations for conditions of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. The intermediary will not be approved unless KBR has determined that the proposed relationship complies with all applicable law, and that the review conducted has provided the Company with a reasonable level of assurance that its dealings with the proposed intermediary will not violate the FCPA or other applicable anti-corruption law. The intermediary is required to certify compliance with the FCPA and other applicable anti-corruption laws. Failure to certify compliance or disclose the required information or any other unmitigated risks will result in the denial of approval to enter into an agreement with the intermediary. KBR includes specific anti-corruption compliance provisions in all intermediary agreements, including the right to conduct audits and terminate the agreement for compliance breaches. The due diligence is refreshed every time the third-party agreement comes up for renewal. Most third-party agreements have a term of no longer than three years, unless the agreement is project-specific, in which case the due diligence is renewed every five years.</p> </p>

Question
<b>7.1.4 Does the company's anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company's anti-bribery and corruption policy applies to all agents and intermediaries acting for or on behalf of the company. The company indicates that all agents and intermediaries are subject to anti-bribery and corruption clauses in their contracts, which include clear audit rights and termination rights to detect, control and prevent breaches.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.iii] KBR's Code of Business Conduct (COBC) is for everyone at KBR – every director, officer, employee and agent.</p> <p>[p.1] The KBR Board of Directors has adopted this Code of Business Conduct (the "Code") to establish a common set of ethical standards and legal principles that the Company expects every Employee to exhibit when dealing with clients, communities and each other. The Company also expects third parties working on behalf of the Company to adhere to these same ethical standards.</p> <p>[...]</p> <p>This Code of Business Conduct applies to all KBR operations and group entities globally. The term "Employees" that is used throughout should be read to include all officers and employees, as well as agency personnel and members of the Board of Directors of KBR, Inc.</p> <p>[p.7] Bribery and Corruption  Employees and third parties acting on KBR's behalf are prohibited from making, offering, authorizing or promising to make any Improper Payments. The term "Improper Payments" is used to describe a broad range of unlawful payments of money or anything of value that are usually in the nature of kickbacks, bribes or payoffs made in order to influence favorably some decision affecting a company's business or for the personal gain of an individual. These types of payments are illegal, unethical and prohibited by this Code of Business Conduct.</p> <p>[...]</p> <p>Because actions of third parties acting on behalf of KBR, like actions of Employees, can create liability for the company and damage its reputation, all third parties who may interact with non-U.S. government officials or employees on behalf of the Company and other designated high-risk third parties shall be:</p> <ul style="list-style-type: none"> <li>(i) Subject to appropriate risk-based due diligence prior to being engaged;</li> <li>(ii) Prohibited from making Improper Payments; and</li> <li>(iii) Subject to additional anti-corruption terms and conditions as appropriate.</li> </ul> <p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.37] Our Approach</p> <ul style="list-style-type: none"> <li>• Our Anti-Corruption Procedure governs the due diligence requirements and engagement of third parties, provisions of business courtesies and donations and other details of our anti-corruption program.</li> <li>• We only engage third parties (sales agents, business partners and other third parties that interact with non-U.S. government officials on KBR's behalf) that complete our rigorous anti-corruption due diligence review and approval process. Our contracts with these parties include specific anti-corruption compliance provisions, and the third parties are required to certify compliance with the FCPA and other applicable anticorruption laws.</li> </ul>

**[11] 2019 Annual Report**

Accessed 20/03/2020

<https://investors.kbr.com/financials/annual-reports/default.aspx>

[p.20] We train our staff concerning Anti-bribery Laws and we also inform our partners, subcontractors, agents and other third parties who work for us or on our behalf that they must comply with the requirements of these Anti-bribery Laws.

**[13] Overview of KBR's ABC Program (Document)**

Accessed 22/06/2020

<https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf>

[p.1] Third Party Due Diligence

KBR requires that anti-corruption due diligence be performed on third parties that are considered International Business Relationships prior to their engagement and periodically thereafter. The specifics of the due diligence that is required for different International Business Relationships are included in our Anti-Corruption Procedures that apply to all KBR businesses and subsidiaries worldwide and to all KBR directors and employees.

**Third-Party Intermediaries**

Any intermediary that may have dealings with non-U.S. government officials or state-owned or controlled companies on KBR's behalf, such as sales agents, consultants, sponsors, customs brokers and freight forwarders, lobbyists, regulatory license and permit providers, and certain other third parties, must undergo rigorous risk-based due diligence before the business relationship can commence. The due diligence is focused on detecting and mitigating corruption risks associated with the use of intermediaries, including verifying the business rationale for engaging the intermediary and the reasonableness of the proposed compensation. Intermediaries are requested to complete KBR Due Diligence Questionnaire that requires non-public companies providing the company's ownership that identifies all of the individual owners of the company, whether an individual owns the shares directly or indirectly through another legal entity. Publicly traded companies are required to disclose holders of 5% interest and above. KBR conducts extensive media and denied parties searches on all legal entities and individuals in the chain of ownership. High-risk agents and intermediaries are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk agents and intermediaries are addressed in a legal memorandum that may contain recommendations for conditions of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. The intermediary will not be approved unless KBR has determined that the proposed relationship complies with all applicable law, and that the review conducted has provided the Company with a reasonable level of assurance that its dealings with the proposed intermediary will not violate the FCPA or other applicable anti-corruption law. The intermediary is required to certify compliance with the FCPA and other applicable anti-corruption laws. Failure to certify compliance or disclose the required information or any other unmitigated risks will result in the denial of approval to enter into an agreement with the intermediary. KBR includes specific anti-corruption compliance provisions in all intermediary agreements, including the right to conduct audits and terminate the agreement for compliance breaches. The due diligence is refreshed every time the third-party agreement comes up for renewal. Most third-party agreements have a term of no longer than three years, unless the agreement is project-specific, in which case the due diligence is renewed every five years.

Question
<b>7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?</b>
Score
<b>1</b>
Comments
<p>There is some evidence that the company highlights and addresses incentive structures for agents as a factor in bribery and corruption risk. The company indicates that part of its anti-corruption due diligence includes ensuring that any proposed compensation is reasonable and that payments are reviewed periodically.</p> <p>However, there is no publicly available evidence that the company imposes a threshold on the payment of sales commissions to agents, nor that its remuneration must be paid in stage payments or into local bank accounts.</p>
Evidence
<p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.37] Ethics and Compliance</p> <p>Our Approach</p> <p>[...]</p> <ul style="list-style-type: none"> <li>We periodically review all general ledger accounts for facilitating payments, compliance-sensitive payments, and improper fees.</li> </ul> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.1] Third-Party Intermediaries</p> <p>Any intermediary that may have dealings with non-U.S. government officials or state-owned or controlled companies on KBR's behalf, such as sales agents, consultants, sponsors, customs brokers and freight forwarders, lobbyists, regulatory license and permit providers, and certain other third parties, must undergo rigorous risk-based due diligence before the business relationship can commence. The due diligence is focused on detecting and mitigating corruption risks associated with the use of intermediaries, including verifying the business rationale for engaging the intermediary and the reasonableness of the proposed compensation.</p>

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the agents currently contracted to act for or on its behalf.
Evidence
No evidence found.

Question
<b>7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?</b>
Score
<b>0</b>
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption-related investigations, incidents or the associated disciplinary actions involving its agents.
Evidence
No evidence found.

## 7.2 Joint Ventures

Question
<b>7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence on all of its joint venture partnerships. The company conducts enhanced due diligence for joint ventures operating in high risk countries or with high risk partners. There is evidence that the company conducts anti-bribery and corruption due diligence both prior to entering into a joint venture and on both the entity and its activities once established.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence to indicate that the company establishes the beneficial ownership of its joint venture partners as part of due diligence, nor is there evidence that such checks are repeated at least every two years throughout the relationship.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.7] Bribery and Corruption</p> <p>[...]</p> <p>Because actions of third parties acting on behalf of KBR, like actions of Employees, can create liability for the company and damage its reputation, all third parties who may interact with non-U.S. government officials or employees on behalf of the Company and other designated high-risk third parties shall be:</p> <ul style="list-style-type: none"> <li>(i) Subject to appropriate risk-based due diligence prior to being engaged;</li> <li>(ii) Prohibited from making Improper Payments; and</li> <li>(iii) Subject to additional anti-corruption terms and conditions as appropriate.</li> </ul> <p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.37] Ethics and Compliance</p> <p>We believe that operating with integrity is essential to KBR's success, and we have zero tolerance for any unethical behavior by employees, subcontractors, joint venture employees, partners or vendors.</p> <p>Our Approach</p> <ul style="list-style-type: none"> <li>• Our Anti-Corruption Procedure governs the due diligence requirements and engagement of third parties, provisions of business courtesies and donations and other details of our anti-corruption program.</li> <li>• We only engage third parties (sales agents, business partners and other third parties that interact with non-U.S. government officials on KBR's behalf) that complete our rigorous anti-corruption due diligence review and approval process. Our contracts with these parties include specific anti-corruption compliance provisions, and the third parties are required to certify compliance with the FCPA and other applicable anticorruption laws.</li> <li>• High-risk projects and offices are required to complete anti-corruption self-assessment questionnaires annually.</li> </ul> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.1] KBR requires that anti-corruption due diligence be performed on third parties that are considered International Business Relationships prior to their engagement and periodically thereafter. The specifics of the due diligence that</p>

is required for different International Business Relationships are included in our Anti-Corruption Procedures that apply to all KBR businesses and subsidiaries worldwide and to all KBR directors and employees.

#### Third-Party Intermediaries

Any intermediary that may have dealings with non-U.S. government officials or state-owned or controlled companies on KBR's behalf, such as sales agents, consultants, sponsors, customs brokers and freight forwarders, lobbyists, regulatory license and permit providers, and certain other third parties, must undergo rigorous risk-based due diligence before the business relationship can commence. The due diligence is focused on detecting and mitigating corruption risks associated with the use of intermediaries, including verifying the business rationale for engaging the intermediary and the reasonableness of the proposed compensation. Intermediaries are requested to complete KBR Due Diligence Questionnaire that requires non-public companies providing the company's ownership that identifies all of the individual owners of the company, whether an individual owns the shares directly or indirectly through another legal entity. Publicly traded companies are required to disclose holders of 5% interest and above. KBR conducts extensive media and denied parties searches on all legal entities and individuals in the chain of ownership. High-risk agents and intermediaries are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk agents and intermediaries are addressed in a legal memorandum that may contain recommendations for conditions of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. The intermediary will not be approved unless KBR has determined that the proposed relationship complies with all applicable law, and that the review conducted has provided the Company with a reasonable level of assurance that its dealings with the proposed intermediary will not violate the FCPA or other applicable anti-corruption law. The intermediary is required to certify compliance with the FCPA and other applicable anti-corruption laws. Failure to certify compliance or disclose the required information or any other unmitigated risks will result in the denial of approval to enter into an agreement with the intermediary. KBR includes specific anti-corruption compliance provisions in all intermediary agreements, including the right to conduct audits and terminate the agreement for compliance breaches. The due diligence is refreshed every time the third-party agreement comes up for renewal. Most third-party agreements have a term of no longer than three years, unless the agreement is project-specific, in which case the due diligence is renewed every five years.

#### [p.2] Joint Ventures and Partnerships

Any individual or entity with a financial or beneficial interest in a project-specific or permanent Joint Venture or other equity investment with KBR, as well as partners in consortia, teaming and joint bidding agreements, or strategic alliances that will engage in activities outside the United States, are subject to mandatory risk-based anticorruption due diligence. KBR applies the same rigorous standards of review to both majority- and minority controlled JVs. High-risk partnership arrangements are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk partnerships are addressed in a legal memorandum that may contain recommendations for conditions of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. KBR standard anti-corruption provisions for joint venture agreements prohibit foreign and domestic bribery and facilitation payments and incorporate audit and termination rights. Prior to the formation of the JV, the parties must agree on the corporate governance procedures that include the adoption of anti-corruption policies and establish a system of appropriate internal controls. Both JVs and non-JV partnership arrangements require compliance with KBR's Code of Business Conduct for International Business Relationships, which is reproduced at the end of this document. JV board members and key personnel receive periodic anti-corruption training and KBR internal audit conducts regular audits of certain JVs selected through a careful risk-based analysis.

Question
<b>7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture relationships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?</b>
Score
2
Comments
<p>There is evidence that the company clearly commits to establishing and implementing anti-bribery and corruption policies and procedures in all of its joint ventures, by requiring the adoption of its own Code of Conduct, inclusive of its anti-bribery and corruption programme. There is evidence that the company requires anti-bribery and corruption clauses in its contracts with joint venture partners. There is also evidence that the company specifies clear audit and termination rights to detect, control and prevent breaches.</p>
Evidence
<p><b>[1] Code of Business Conduct (Document)</b>  Accessed 13/08/2019  <a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>  [p.7] Bribery and Corruption</p> <p>[...]</p> <p>Because actions of third parties acting on behalf of KBR, like actions of Employees, can create liability for the company and damage its reputation, all third parties who may interact with non-U.S. government officials or employees on behalf of the Company and other designated high-risk third parties shall be:</p> <ul style="list-style-type: none"> <li>(i) Subject to appropriate risk-based due diligence prior to being engaged;</li> <li>(ii) Prohibited from making Improper Payments; and</li> <li>(iii) Subject to additional anti-corruption terms and conditions as appropriate.</li> </ul> <p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.16] Safety and Physical Security</p> <p>Our Approach</p> <ul style="list-style-type: none"> <li>• Prior to agreements with joint ventures, we assess the equivalence of their HSSE policy and standards with those of KBR and require improvements if not acceptable.</li> </ul> <p>[p.37] Ethics and Compliance</p> <p>We believe that operating with integrity is essential to KBR's success, and we have zero tolerance for any unethical behavior by employees, subcontractors, joint venture employees, partners or vendors.</p> <p>Our Approach</p> <ul style="list-style-type: none"> <li>• We only engage third parties (sales agents, business partners and other third parties that interact with non-U.S. government officials on KBR's behalf) that complete our rigorous anti-corruption due diligence review and approval process. Our contracts with these parties include specific anti-corruption compliance provisions, and the third parties are required to certify compliance with the FCPA and other applicable anticorruption laws.</li> <li>• Our internal audit services team regularly conducts anti-corruption audits of our projects and office locations on a risk-based approach and periodically conducts anticorruption audits of selected third parties.</li> </ul> <p>[p.51] Global Reporting Initiative (GRI) Standards:</p> <p>[...]</p> <p>410-1 Security personnel trained in Human Rights policies or procedures</p> <p>Response – All KBR employees, joint venture employees and subcontractors, including security, are trained annually on our COBC, which includes Human Rights policies and procedures</p>

**[13] Overview of KBR's ABC Program (Document)**

Accessed 22/06/2020

<https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf>
**[p.2] Joint Ventures and Partnerships**

Any individual or entity with a financial or beneficial interest in a project-specific or permanent Joint Venture or other equity investment with KBR, as well as partners in consortia, teaming and joint bidding agreements, or strategic alliances that will engage in activities outside the United States, are subject to mandatory risk-based anticorruption due diligence. KBR applies the same rigorous standards of review to both majority- and minority controlled JVs. High-risk partnership arrangements are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk partnerships are addressed in a legal memorandum that may contain recommendations for conditions of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. KBR standard anti-corruption provisions for joint venture agreements prohibit foreign and domestic bribery and facilitation payments and incorporate audit and termination rights. Prior to the formation of the JV, the parties must agree on the corporate governance procedures that include the adoption of anti-corruption policies and establish a system of appropriate internal controls. Both JVs and non-JV partnership arrangements require compliance with KBR's Code of Business Conduct for International Business Relationships, which is reproduced at the end of this document. JV board members and key personnel receive periodic anti-corruption training and KBR internal audit conducts regular audits of certain JVs selected through a careful risk-based analysis.

**[p.5] CODE OF BUSINESS CONDUCT FOR INTERNATIONAL BUSINESS RELATIONSHIPS**

KBR, Inc. ("KBR") requires that all of its business operations observe certain basic standards of conduct. Also, as a subsidiary of a public company subject to the laws of the United States of America ("United States" or "U.S."), KBR must ensure that its business relationships outside the United States will comply with the requirements of certain U.S. laws that impose on KBR standards of conduct for its business throughout the world.

The following standards of conduct and legal requirements shall be observed by party(ies) contracting with KBR ("Contracting Party"):

1. KBR, customers, employees, suppliers, and other persons, organizations, and governments will be dealt with in a fair manner with honesty and integrity, observing high standards of personal and business ethics.
2. Business books and records will be maintained in a proper, responsible, and honest manner. All payments, in cash or in kind, on behalf of KBR will be properly recorded.
3. Applicable law must be complied with in the conduct of such relationships. If there is a conflict between applicable local law and applicable U.S. law, the guidance of the KBR's Law Department will be sought in order to resolve such conflict. However, the U.S. laws referred to in paragraphs 4, 5, 6, and 7 below must be complied with without exception.
4. The U.S. Foreign Corrupt Practices Act and other applicable anti-corruption, mail fraud, wire fraud and antiracketeering laws.
5. The laws of the United States regarding boycotts.
6. The laws of the United States and any other applicable jurisdiction regarding export administration and control, trade sanctions, importation and customs administration, and the keeping of books and records with respect to all export, shipment and import transactions.
7. The laws of the United States and the regulations of the U.S. Securities and Exchange Commission and the New York Stock Exchange regarding the use and public disclosure of material nonpublic information, including those regarding insider trading.
8. Applicable antitrust and competition laws.
9. Applicable laws regarding political contributions.
10. Bribes, kickbacks and other improper payoffs and benefits to suppliers or customers are prohibited.
11. Confidential or proprietary information will not be disclosed at any time to persons outside the Contracting Party without proper authorization.

Question
<b>7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?</b>
Score
<b>2</b>
Comments
There is evidence that the company commits to take an active role in preventing bribery and corruption in all of its joint ventures. There is clear evidence to support the company's commitment, through practical examples and a statement of possible controls that it may implement, dependent on the context.
Evidence
<p><b>[13] Overview of KBR's ABC Program (Document)</b>            Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a></p> <p>[p.2] Joint Ventures and Partnerships            Any individual or entity with a financial or beneficial interest in a project-specific or permanent Joint Venture or other equity investment with KBR, as well as partners in consortia, teaming and joint bidding agreements, or strategic alliances that will engage in activities outside the United States, are subject to mandatory risk-based anticorruption due diligence. KBR applies the same rigorous standards of review to both majority- and minority controlled JVs. High-risk partnership arrangements are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk partnerships are addressed in a legal memorandum that may contain recommendations for conditions of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. KBR standard anti-corruption provisions for joint venture agreements prohibit foreign and domestic bribery and facilitation payments and incorporate audit and termination rights. Prior to the formation of the JV, the parties must agree on the corporate governance procedures that include the adoption of anti-corruption policies and establish a system of appropriate internal controls. Both JVs and non-JV partnership arrangements require compliance with KBR's Code of Business Conduct for International Business Relationships, which is reproduced at the end of this document. JV board members and key personnel receive periodic anti-corruption training and KBR internal audit conducts regular audits of certain JVs selected through a careful risk-based analysis.</p>

## 8. Offsets

Question
<b>8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?</b>
Score
<b>0</b>
Comments
There is no publicly available evidence that the company addresses the corruption risks associated with offset contracting, nor is there evidence that a dedicated body, department or team is responsible for oversight of its offset activities. There is no evidence that the company publishes a statement to indicate that it does not engage in offset contracting.
Evidence
No evidence found.

Question
<b>8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?</b>
Score
<b>0</b>
Comments
There is no evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on its offset obligations.
Evidence
No evidence found.

Question
<b>8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?</b>
Score
<b>0</b>
Comments
There is no evidence that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of its offset programme, nor does it indicate that it does not employ or engage such entities.
Evidence
No evidence found.

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
0
Comments
There is no evidence that the company publishes any details of its offset obligations or contracts, nor does it publish a statement that it does not engage in offset contracting.
Evidence
No evidence found.

## 9. High Risk Markets

Question
<b>9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?</b>
Score
1
Comments
<p>There is evidence that the company acknowledges the corruption risks associated with operating in different markets and there is evidence that it has a dedicated assessment process in place to assess such risks. The company suggests that the results of such assessments may impact business decisions.</p> <p>However, there is no publicly available evidence that the company publishes details of its clear risk management procedures nor is it clear that the results of risk assessments trigger the implementation of additional controls.</p>
Evidence
<p><b>[11] 2019 Annual Report</b>  Accessed 20/03/2020  <a href="https://investors.kbr.com/financials/annual-reports/default.aspx">https://investors.kbr.com/financials/annual-reports/default.aspx</a>  [p.20] Risks Related to Governmental Regulations and Law</p> <p>[...] We operate in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with Anti-bribery Laws may conflict with local customs and practices.</p> <p><b>[10] KBR 2018 Sustainability Report (Document)</b>  Accessed 19/03/2020  <a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>  [p.37] Ethics and Compliance  Our Approach</p> <ul style="list-style-type: none"> <li>• Our internal audit services team regularly conducts anti-corruption audits of our projects and office locations on a risk-based approach and periodically conducts anticorruption audits of selected third parties.</li> <li>• High-risk projects and offices are required to complete anti-corruption self-assessment questionnaires annually.</li> </ul> <p><b>[13] Overview of KBR's ABC Program (Document)</b>  Accessed 22/06/2020  <a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>  [p.1] KBR requires that anti-corruption due diligence be performed on third parties that are considered International Business Relationships prior to their engagement and periodically thereafter. The specifics of the due diligence that is required for different International Business Relationships are included in our Anti-Corruption Procedures that apply to all KBR businesses and subsidiaries worldwide and to all KBR directors and employees.</p> <p><b>Third-Party Intermediaries</b>  Any intermediary that may have dealings with non-U.S. government officials or state-owned or controlled companies on KBR's behalf, such as sales agents, consultants, sponsors, customs brokers and freight forwarders, lobbyists, regulatory license and permit providers, and certain other third parties, must undergo rigorous risk-based due diligence before the business relationship can commence. The due diligence is focused on detecting and mitigating corruption risks associated with the use of intermediaries, including verifying the business rationale for engaging the intermediary and the reasonableness of the proposed compensation. Intermediaries are requested to complete KBR Due Diligence Questionnaire that requires non-public companies providing the company's ownership that identifies all of the individual owners of the company, whether an individual owns the shares directly or indirectly through another legal entity. Publicly traded companies are required to disclose holders of 5% interest and above. KBR conducts extensive media and denied parties searches on all legal entities and individuals in the chain of ownership. High-risk agents and intermediaries are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk agents and intermediaries are addressed in a legal memorandum that may contain recommendations for conditions</p>

of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. The intermediary will not be approved unless KBR has determined that the proposed relationship complies with all applicable law, and that the review conducted has provided the Company with a reasonable level of assurance that its dealings with the proposed intermediary will not violate the FCPA or other applicable anti-corruption law.

[p.2] Joint Ventures and Partnerships

Any individual or entity with a financial or beneficial interest in a project-specific or permanent Joint Venture or other equity investment with KBR, as well as partners in consortia, teaming and joint bidding agreements, or strategic alliances that will engage in activities outside the United States, are subject to mandatory risk-based anticorruption due diligence. KBR applies the same rigorous standards of review to both majority- and minority controlled JVs. High-risk partnership arrangements are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk partnerships are addressed in a legal memorandum that may contain recommendations for conditions of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. KBR standard anti-corruption provisions for joint venture agreements prohibit foreign and domestic bribery and facilitation payments and incorporate audit and termination rights. Prior to the formation of the JV, the parties must agree on the corporate governance procedures that include the adoption of anti-corruption policies and establish a system of appropriate internal controls. Both JVs and non-JV partnership arrangements require compliance with KBR's Code of Business Conduct for International Business Relationships, which is reproduced at the end of this document. JV board members and key personnel receive periodic anti-corruption training and KBR internal audit conducts regular audits of certain JVs selected through a careful risk-based analysis.

[p.5] CODE OF BUSINESS CONDUCT FOR INTERNATIONAL BUSINESS RELATIONSHIPS

KBR, Inc. ("KBR") requires that all of its business operations observe certain basic standards of conduct. Also, as a subsidiary of a public company subject to the laws of the United States of America ("United States" or "U.S."), KBR must ensure that its business relationships outside the United States will comply with the requirements of certain U.S. laws that impose on KBR standards of conduct for its business throughout the world.

The following standards of conduct and legal requirements shall be observed by party(ies) contracting with KBR ("Contracting Party"):

1. KBR, customers, employees, suppliers, and other persons, organizations, and governments will be dealt with in a fair manner with honesty and integrity, observing high standards of personal and business ethics.
2. Business books and records will be maintained in a proper, responsible, and honest manner. All payments, in cash or in kind, on behalf of KBR will be properly recorded.
3. Applicable law must be complied with in the conduct of such relationships. If there is a conflict between applicable local law and applicable U.S. law, the guidance of the KBR's Law Department will be sought in order to resolve such conflict. However, the U.S. laws referred to in paragraphs 4, 5, 6, and 7 below must be complied with without exception.
4. The U.S. Foreign Corrupt Practices Act and other applicable anti-corruption, mail fraud, wire fraud and antiracketeering laws.
5. The laws of the United States regarding boycotts.
6. The laws of the United States and any other applicable jurisdiction regarding export administration and control, trade sanctions, importation and customs administration, and the keeping of books and records with respect to all export, shipment and import transactions.
7. The laws of the United States and the regulations of the U.S. Securities and Exchange Commission and the New York Stock Exchange regarding the use and public disclosure of material nonpublic information, including those regarding insider trading.
8. Applicable antitrust and competition laws.
9. Applicable laws regarding political contributions.
10. Bribes, kickbacks and other improper payoffs and benefits to suppliers or customers are prohibited.
11. Confidential or proprietary information will not be disclosed at any time to persons outside the Contracting Party without proper authorization.

Question
<b>9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company publishes details of its fully consolidated subsidiaries and non-fully consolidated holdings. There is evidence that this list includes all of the company's material subsidiaries and significant joint ventures, along with its percentage ownership for some entities and the country or jurisdiction of incorporation for all entities. It is clear that this information is published annually as part of the company's annual corporate reporting.</p> <p>However, the company receives a score of '1' because it is not clear that this list represents all of the company's holdings and associates, including entities in which the company has non-significant ownership or control. There is also no publicly available evidence that the list includes the percentage ownership and country or countries of operation for each associated entity.</p>
Evidence
<p><b>[11] 2019 Annual Report</b>  Accessed 20/03/2020  <a href="https://investors.kbr.com/financials/annual-reports/default.aspx">https://investors.kbr.com/financials/annual-reports/default.aspx</a>  [p.8] Significant Joint Ventures and Alliances</p> <p>[...] All joint venture ownership percentages presented are stated as of December 31, 2019.</p> <p>Aspire Defence is a joint venture currently owned by KBR and two financial investors to upgrade and provide a range of services to the British Army's garrisons at Aldershot and around the Salisbury Plain in the U.K. We own a 45% interest in Aspire Defence that is accounted for within our GS business segment using the equity method of accounting. Prior to January 15, 2018, we held a 50% interest in the joint ventures that provide the construction and related support services to Aspire Defence, with the other 50% being owned by Carillion. On January 15, 2018, Carillion entered into compulsory liquidation and was excluded from future business and benefit from its interest in the joint ventures. As a result, KBR assumed operational management and control of these entities. KBR began consolidating the financial results of these entities in its financial statements effective January 15, 2018. On April 18, 2018, we completed the acquisition of Carillion's interests in the subcontracting entities as further discussed in Note 4 to our consolidated financial statements.</p> <p>In 2016, we established the Affinity joint venture with Elbit Systems Ltd. to procure, operate and maintain aircraft, and aircraft-related assets over an 18- year contract period, in support of the UKMFTS project. KBR owns a 50% interest in Affinity. In addition, KBR owns a 50% interest in the two joint ventures, Affinity Capital Works and Affinity Flying Services, which provide procurement, operations and management support services under subcontracts with Affinity. The investments are accounted for within our GS business segment using the equity method of accounting.</p> <p>Brown &amp; Root Industrial Services is a joint venture with Bernhard Capital Partners and offers maintenance services, turnarounds and small capital projects, primarily in North America. We own a 50% interest in this joint venture and account for this investment within our ES business segment using the equity method of accounting.</p> <p>[p.144]</p>

## LIST OF SUBSIDIARIES

**KBR, INC.**

Subsidiaries of Registrant as of December 31, 2019

NAME OF COMPANY	STATE OR COUNTRY OF INCORPORATION
BE&K, Inc.	Delaware
BITC (US) LLC	Delaware
Brown & Root Construction Pty Ltd	Australia
Brown & Root Investments (No. 1) Pty Ltd	Australia
Brown & Root Investments Pty Ltd	Australia
Brown & Root Operations (No. 1) Pty Ltd	Australia
Brown & Root Projects (No. 1) Pty Ltd	Australia
Brown & Root Projects Pty Ltd	Australia
CAS, Inc.	Alabama
Corporacion Mexicana de Mantenimiento Integral S. de R.L. de C.V.	Mexico
Energo Engineering Services, LLC	Texas
Fasttrax Holdings Limited	United Kingdom, England & Wales
Fasttrax Limited	United Kingdom, England & Wales
FTX Logistics Limited	United Kingdom, England & Wales
Granherne Pty Ltd	Australia
Granherne, Inc.	Texas
HBR NL Holdings, LLC	Delaware
Howard Humphreys & Partners Limited	United Kingdom, England & Wales
KBR (Aspire Construction) Holdings Limited	United Kingdom, England & Wales
KBR (Aspire Construction) Limited	United Kingdom, England & Wales
KBR (Aspire Construction) Holdings No. 2 Limited	United Kingdom, England & Wales
KBR (Aspire Services) Holdings Limited	United Kingdom, England & Wales
KBR (Aspire Services) Holdings No.2 Limited	United Kingdom, England & Wales
KBR (Aspire Services) Limited	United Kingdom, England & Wales
KBR (U.K.) Investments Limited	United Kingdom, England & Wales
KBR Arabia Limited	Saudi Arabia
KBR Australia Pty Ltd	Australia

[List continues over the following four pages alphabetically and in the same level of detail]

[p.148] KBR, Inc. maintains over 100 subsidiaries. Set forth above are the names of certain controlled subsidiaries, at least 50% owned, directly or indirectly, of KBR, Inc. as of December 31, 2019. The names of certain subsidiaries have been omitted from this Exhibit 21.1 in accordance with applicable rules. The omitted subsidiaries, considered in the aggregate as a single subsidiary, did not constitute a "significant subsidiary" (as defined in Rule 1-02(v) of Regulation S-X) at December 31, 2019.

Question																																																								
9.3 Does the company disclose its beneficial ownership and control structure?																																																								
Score																																																								
2																																																								
Comments																																																								
There is evidence that the company is publicly listed on the New York Stock Exchange (NYSE) and therefore it is not required to disclose further information on its beneficial ownership to receive a score of '2'. The company also discloses all beneficial owners with ownership or voting rights of 5% or above on its website.																																																								
Evidence																																																								
<p>[8] Financial Times Markets Data (Webpage) Accessed 13/08/2019 <a href="https://markets.ft.com/data/equities">https://markets.ft.com/data/equities</a></p> <div><div><div>KBR Inc</div><div>KBR:NYQ</div><div>Industrials &gt; Construction &amp; Materials</div></div><div><div>PRICE (USD)</div><div>TODAY'S CHANGE</div><div>SHARES TRADED</div><div>1 YEAR CHANGE</div><div>BETA</div></div><div><div>25.31</div><div>↑1.03 / 4.24%</div><div>1.01m</div><div>↑25.67%</div><div>1.4192</div></div><div>Data delayed at least 15 minutes, as of Aug 16 2019 23:30 BST.</div></div>																																																								
<p>[7] Notice of Annual Meeting of Stockholders and Proxy Statement (Document) Accessed 13/08/2019 <a href="https://d18rn0p25nwr6d.cloudfront.net/CIK-0001357615/21806ac1-3dcb-405c-aa46-0a79fa767d09.pdf">https://d18rn0p25nwr6d.cloudfront.net/CIK-0001357615/21806ac1-3dcb-405c-aa46-0a79fa767d09.pdf</a> [p.24] Security Ownership of Certain Beneficial Owners and Management</p> <table><thead><tr><th rowspan="2">Name and Address of Beneficial Owner <sup>(1)</sup></th><th colspan="2">Shares of KBR Common Stock Beneficially Owned</th></tr><tr><th>Number of Shares <sup>(2)</sup></th><th>Percentage of Class</th></tr></thead><tbody><tr><td>BlackRock, Inc. <sup>(3)</sup> 55 East 52nd Street, New York City, New York 10055</td><td>16,142,470</td><td>11.5%</td></tr><tr><td>The Vanguard Group <sup>(4)</sup> 100 Vanguard Boulevard, Malvern, Pennsylvania 19355</td><td>12,890,634</td><td>9.15%</td></tr><tr><td>Frontier Capital Management Co., LLC. <sup>(5)</sup> 99 Summer Street, Boston, Massachusetts 02110</td><td>7,163,208</td><td>5.07%</td></tr><tr><td>Stuart J. B. Bradie <sup>(6)(7)</sup></td><td>412,189</td><td>*</td></tr><tr><td>J. Jay Ibrahim <sup>(6)(7)</sup></td><td>64,662</td><td>*</td></tr><tr><td>Ian J. Mackey <sup>(6)(7)</sup></td><td>60,675</td><td>*</td></tr><tr><td>Farhan Mujib <sup>(6)(7)</sup></td><td>177,625</td><td>*</td></tr><tr><td>Mark W. Sopp <sup>(6)(7)</sup></td><td>40,016</td><td>*</td></tr><tr><td>Mark E. Baldwin <sup>(6)(7)</sup></td><td>37,343</td><td>*</td></tr><tr><td>James R. Blackwell <sup>(6)(7)</sup></td><td>36,754</td><td>*</td></tr><tr><td>Loren K. Carroll <sup>(6)(7)</sup></td><td>62,038</td><td>*</td></tr><tr><td>Lester L. Lyles <sup>(6)(7)</sup></td><td>52,691</td><td>*</td></tr><tr><td>Wendy M. Masiello <sup>(6)(7)</sup></td><td>14,601</td><td>*</td></tr><tr><td>Jack B. Moore <sup>(6)(7)</sup></td><td>43,057</td><td>*</td></tr><tr><td>Ann D. Pickard <sup>(6)(7)</sup></td><td>29,824</td><td>*</td></tr><tr><td>Umberto della Sala <sup>(6)(7)</sup></td><td>31,565</td><td>*</td></tr><tr><td><b>ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP (18 PERSONS) <sup>(6)(7)(8)</sup></b></td><td><b>1,298,025</b></td><td><b>*</b></td></tr></tbody></table> <p>* Less than one percent (1%). (1) The address of each of the named executive officers and directors is c/o KBR, Inc., 601 Jefferson Street, Suite 3400, Houston, Texas 77002. (2) Beneficial ownership means the sole or shared power to vote, or to direct the voting of, shares of KBR common stock, or investment power with respect to KBR common stock, or any combination of the foregoing. Each director and executive officer and the directors and executive officers as a group beneficially own less than 1% of the outstanding shares of KBR common stock. (3) Based solely on a Schedule 13G filed February 11, 2019, BlackRock, Inc. is deemed to be the beneficial owner of 16,142,470 shares as a result of being a parent holding company or control person in accordance with §240.13d-1(b)(1)(i)(G). (4) Based solely on a Schedule 13G filed February 11, 2019, The Vanguard Group is deemed to be the beneficial owner of 12,890,634 shares as a result of being an investment adviser in accordance with §240.13d-1(b)(1)(i)(E). (5) Based solely on a Schedule 13G filed February 11, 2019, Frontier Capital Management Co., LLC. is deemed to be the beneficial owner of 7,163,208 shares as a result of being an investment advisor in accordance with §240.13d-1(b)(1)(i)(E). (6) Includes the following shares of restricted stock and/or restricted stock units that have vested or will vest on or before May 14, 2019: Mr. Bradie, 289,013; Mr. Ibrahim, 42,472; Mr. Mackey, 36,039; Mr. Mujib, 89,427; Mr. Sopp, 25,016; Mr. Baldwin, 37,343; Mr. Blackwell, 36,754; Mr. Carroll, 62,038; General Lyles, 52,691 (13,361 of which were deferred into the nonqualified elective deferral plan for non-executive directors); General Masiello, 14,601; Mr. Moore, 43,057; Ms. Pickard, 29,824; Mr. della Sala, 31,565; and all executive officers as a group, 327,558. Includes the following shares that may be acquired upon the exercise of options that are exercisable or will become exercisable on or before May 14, 2019: Mr. Bradie, 123,178; Mr. Ibrahim, 22,190; Mr. Mackey, 24,636; Mr. Mujib, 88,198; and all executive officers as a group, 235,405. Includes 15,000 shares of common stock purchased by Mr. Sopp on March 7, 2017, and March 8, 2017. (7) Does not include the following shares of restricted stock units as to which the holder has no voting power and no investment power, but which convert to common stock on a 1-to-1 ratio upon vesting, which for some restricted stock units requires that certain performance measures be met: Mr. Bradie, 245,288; Mr. Ibrahim, 32,709; Mr. Mackey, 38,482; Mr. Mujib, 53,872; Mr. Sopp, 49,344; and all executive officers and directors as a group, 642,420. (8) All directors and executive officers as a group refers to the current 9 directors (General Masiello, Ms. Pickard, General Lyles, and Messrs. Baldwin, Blackwell, Bradie, Carroll, Moore, and della Sala) and the current 9 executive officers, excluding Mr. Bradie (Ms. Akerson and Messrs. Bright, Carney, Conlon, Derbyshire, Ibrahim, Mackey, Mujib, and Sopp).</p>	Name and Address of Beneficial Owner <sup>(1)</sup>	Shares of KBR Common Stock Beneficially Owned		Number of Shares <sup>(2)</sup>	Percentage of Class	BlackRock, Inc. <sup>(3)</sup> 55 East 52nd Street, New York City, New York 10055	16,142,470	11.5%	The Vanguard Group <sup>(4)</sup> 100 Vanguard Boulevard, Malvern, Pennsylvania 19355	12,890,634	9.15%	Frontier Capital Management Co., LLC. <sup>(5)</sup> 99 Summer Street, Boston, Massachusetts 02110	7,163,208	5.07%	Stuart J. B. Bradie <sup>(6)(7)</sup>	412,189	*	J. Jay Ibrahim <sup>(6)(7)</sup>	64,662	*	Ian J. Mackey <sup>(6)(7)</sup>	60,675	*	Farhan Mujib <sup>(6)(7)</sup>	177,625	*	Mark W. Sopp <sup>(6)(7)</sup>	40,016	*	Mark E. Baldwin <sup>(6)(7)</sup>	37,343	*	James R. Blackwell <sup>(6)(7)</sup>	36,754	*	Loren K. Carroll <sup>(6)(7)</sup>	62,038	*	Lester L. Lyles <sup>(6)(7)</sup>	52,691	*	Wendy M. Masiello <sup>(6)(7)</sup>	14,601	*	Jack B. 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Question																																	
9.4 Does the company publish a percentage breakdown of its defence sales by customer?																																	
Score																																	
1																																	
Comments																																	
<p>There is evidence that the company publishes a breakdown of its sales per customer, to indicate that the United States and United Kingdom governments accounted for 65% of its total sales in the most recently reported financial year. There is evidence that this data is correct up to the most recently reported financial year.</p> <p>However, the company receives a score of ‘1’ because there is no evidence that it publishes information on its defence sales specifically nor is it clear that it publishes details of its customers for more than 80% of its sales.</p>																																	
Evidence																																	
<p><b>[11] 2019 Annual Report</b> Accessed 20/03/2020 <a href="https://investors.kbr.com/financials/annual-reports/default.aspx">https://investors.kbr.com/financials/annual-reports/default.aspx</a> [p.9] Significant customers</p> <p>We provide services to a diverse customer base, including:</p> <ul style="list-style-type: none"><li>• domestic and foreign governments;</li><li>• international oil companies and national oil companies;</li><li>• independent refiners; petrochemical and fertilizer producers;</li><li>• developers; and</li><li>• manufacturers.</li></ul> <p>Within the past three years, we generated significant revenues within our GS business segment from key U.S. government customers including U.S. DoD and NASA, and from the U.K government. No other customers represented 10% or more of consolidated revenues in any of the periods presented. The following table summarizes our revenues from U.S. and U.K. government agencies.</p> <p><i>Revenues and percent of consolidated revenues attributable to major customers by year:</i></p> <table><tr><th rowspan="2"><i>Dollars in millions, except percentage amounts</i></th><th colspan="6">Years ended December 31,</th></tr><tr><th colspan="2">2019</th><th colspan="2">2018</th><th colspan="2">2017</th></tr><tr><td>U.S. government (all agencies)</td><td>\$</td><td>3,014</td><td>53%</td><td>\$</td><td>2,610</td><td>53%</td><td>\$</td><td>1,914</td><td>46%</td></tr><tr><td>U.K. government (all agencies)</td><td>\$</td><td>659</td><td>12%</td><td>\$</td><td>622</td><td>13%</td><td>\$</td><td>66</td><td>2%</td></tr></table>	<i>Dollars in millions, except percentage amounts</i>	Years ended December 31,						2019		2018		2017		U.S. government (all agencies)	\$	3,014	53%	\$	2,610	53%	\$	1,914	46%	U.K. government (all agencies)	\$	659	12%	\$	622	13%	\$	66	2%
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## 10. State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
N/A
Comments
N/A
Evidence

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
N/A
Comments
N/A
Evidence

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
N/A
Comments
N/A
Evidence

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
N/A
Comments
N/A
Evidence

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
N/A
Comments
N/A
Evidence

## List of Evidence & Sources

No.	Type (Webpage or Document)	Name	Download Date	Link
01	Document	Code of Business Conduct	13/08/2019	<a href="https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf">https://www.kbr.com/sites/default/files/2019-05/COBC_english2019.pdf</a>
02	Webpage	Corporate Governance	13/08/2019	<a href="https://www.kbr.com/en/about-us/our-company/corporate-governance">https://www.kbr.com/en/about-us/our-company/corporate-governance</a>
03	Document	Audit Committee Charter of KBR	13/08/2019	<a href="https://www.kbr.com/sites/default/files/2019-05/Audit-Committee-Charter.pdf">https://www.kbr.com/sites/default/files/2019-05/Audit-Committee-Charter.pdf</a>
04	Document	KBR 2017 Sustainability Report	13/08/2019	[Outdated, see 10 for latest version] <a href="https://www.kbr.com/sites/default/files/2019-04/KBR-Sustainability-Report-2017-A-Focus-on-What-Is-Important.pdf">https://www.kbr.com/sites/default/files/2019-04/KBR-Sustainability-Report-2017-A-Focus-on-What-Is-Important.pdf</a>
05	Document	Compensation Committee Charter of KBR	13/08/2019	<a href="https://www.kbr.com/sites/default/files/2019-05/Compensation-Committee-Charter.pdf">https://www.kbr.com/sites/default/files/2019-05/Compensation-Committee-Charter.pdf</a>
06	Webpage	KBR Ethics Point	13/08/2019	<a href="https://secure.ethicspoint.com/domain/media/en/gui/31830/index.html">https://secure.ethicspoint.com/domain/media/en/gui/31830/index.html</a>
07	Document	Notice of Annual Meeting of Stockholders and Proxy Statement	13/08/2019	<a href="https://d18rn0p25nwr6d.cloudfront.net/CIK-0001357615/21806ac1-3dcb-405c-aa46-0a79fa767d09.pdf">https://d18rn0p25nwr6d.cloudfront.net/CIK-0001357615/21806ac1-3dcb-405c-aa46-0a79fa767d09.pdf</a>
08	Webpage	Financial Times Markets Data	13/08/2019	<a href="https://markets.ft.com/data/equities">https://markets.ft.com/data/equities</a>
09	Document	KBR Form 10-K	13/08/2019	[Outdated, see 11 for latest version within Annual Report] <a href="https://s23.q4cdn.com/238351756/files/doc_financials/annual/2018/KBR-2018-Annual-Report_Web.pdf">https://s23.q4cdn.com/238351756/files/doc_financials/annual/2018/KBR-2018-Annual-Report_Web.pdf</a>
10	Document	KBR 2018 Sustainability Report	19/03/2020	<a href="https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf">https://www.kbr.com/sites/default/files/2019-11/2018-kbr-sustainability-report.pdf</a>
11	Document	2019 Annual Report	20/03/2020	<a href="https://investors.kbr.com/financials/annual-reports/default.aspx">https://investors.kbr.com/financials/annual-reports/default.aspx</a>
12	Webpage	From Nuts and Bolts to Heavy Equipment, KBR Procurement Delivers it All (Webpage)	24/03/2020	<a href="https://www.kbr.com/en-au/insights-events/stories/nuts-and-bolts-heavy-equipment-kbr-procurement-delivers-it-all">https://www.kbr.com/en-au/insights-events/stories/nuts-and-bolts-heavy-equipment-kbr-procurement-delivers-it-all</a>
13	Document	Overview of KBR's ABC Program	22/06/2020	<a href="https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf</a>
14	Webpage	Supplier Code of Conduct	22/06/2020	<a href="https://www.kbrsupplier.com/News.aspx">https://www.kbrsupplier.com/News.aspx</a>
15	Document	Overview of KBR's Code of Business Conduct Program	01/02/2021	<a href="https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf">https://www.kbr.com/sites/default/files/2020-05/kbr-cobc.pdf</a>