

# GROUP POLICY

## Anti-Corruption Policy

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## I. Policy Objectives and Scope

Under the terms of the French Transparency, Anti-Corruption and Economic Modernisation Act 2016-1691 of 9 December 2016, the Group's Board of Directors is required to take measures to prevent and detect cases of corruption, both in France and abroad.

This policy is intended to describe how the Group will comply with this legislation. It also demonstrates the CERELIA Board of Directors' commitment to:

- Taking a zero tolerance approach to any act of corruption linked to the Group's activities, both in France and abroad,
- Ensuring and promoting behaviour and business ethics that meet strict integrity rules,
- Censuring and penalising any behaviour that is unethical in general, and any act of corruption more specifically.

This policy is applicable to all subsidiaries and all activities within the CERELIA Group (hereafter referred to as the Group).

It is the responsibility of:

- Business Unit Managers to implement the rules and principles of this policy within their remit;
- Each employee to ensure that this policy and the associated procedures are applied to the scope of their activity.

Any questions relating to this policy, or any difficulty with the application of the contents of this document, should be referred to the Internal Control Committee.

## II. Definition, Guidelines and Governance

### *a. Definition*

Corruption means to "offer, promise, give, solicit or receive, directly or indirectly, any money or anything of value, to or from an agent or person in the public or private sector, in order to obtain or keep a market or any other "unfair advantage".

### *b. Guidelines*

French anti-corruption guidelines are set out by the French Anti-Corruption Agency (AFA in French) which has created recommendations to prevent and detect cases of corruption, influence peddling, extortion, unlawful taking of interest, misappropriation of public funds and favouritism <sup>1</sup>. Hereinafter, these offences are referred to using the generic term "corruption".

This policy defines how the Group has adopted these recommendations, communicates them, and has created a rigorous framework which is tailored to the Group's business and organisation.

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<sup>1</sup> See Appendix 1 for definitions

### *c. Governance and Organisation*

The implementation of the Anti-Corruption Policy is supported by 4 governing bodies within the Group:

#### **Executive Committee:**

- Defines the aims of the Group's Anti-Corruption Policy and ensures its implementation.

#### **Internal Control Committee:**

- Designs, implements, manages and maintains the Anti-Corruption Compliance Programme,
- Is the point of reference for applying the policy to the Group's business,
- Ensures the effectiveness of internal control and corruption risk management systems,
- Commissions audits to validate the implementation and application of the Anti-Corruption Policy.

#### **Ethics Committee of Each Entity:**

- Is kept informed of the anti-corruption systems and may contribute to their development,
- Investigates disclosures about actions or behaviours within their entity that violate the Code of Conduct and are liable to constitute acts of corruption,
- Participates in the application and promotion of the Anti-Corruption Policy at all levels of the organisation.

#### **Corporate Social Responsibility (CSR) Committee**

- Designs the CSR programme and controls the lobbying activities specific to the Group's endowment fund.

The Group shall also seek external legal support to ensure that the systems comply with French and international law.

## **III. The Group's 8 Anti-Corruption Tools**

The Group's Anti-Corruption Policy is based on 8 tools.

### *a. The Code of Conduct*

Under the leadership of the Executive Committee, the code of conduct sets out the Group's expectations of employees, with regard to behaviour and ethics, particularly when they encounter the various risks of corruption to which the Group is exposed. Thus it includes all situations identified in the Group's corruption risk map. It also describes the Group's whistle-blowing system and its operation.

The code of conduct is applicable to all employees at all levels of the hierarchy and in all countries. It applies to all roles within the company and their interaction with internal and external stakeholders. All of the Group's employees are aware of the code of conduct and agree to adhere to it.

### *b. Whistle-Blowing System*

The whistle-blowing system allows disclosures to be gathered from employees about conduct or situations that do not comply with the code of conduct and are likely to constitute corruption.

The whistle-blowing system is a complementary procedure, which is not intended to replace other existing warning systems, and enables employees to disclose potentially non-compliant behaviours and

situations to an anti-corruption officer, to eliminate such behaviours and situations, and to impose sanctions where appropriate.

It guarantees confidentiality and respects of the rights of each individual throughout the process. Use of the system is not obligatory and is triggered by a voluntary disclosure.

The Internal Control Committee is responsible for this system. It examines disclosures in conjunction with the Ethics Committee and works with the Group's Executive Committee to carry out an annual review of the system. Matters reported to the governance bodies through whistle-blowers' disclosures are used to update the risk map, whilst ensuring the confidentiality guaranteed by the system.

The whistle-blowing system may be accessed in the Code of Conduct and on the Group's website. It is also available for third parties (clients, suppliers, service providers, etc.) to make disclosures.

### *c. Risk Mapping*

The corruption risk map aims to identify, assess and prioritise corruption risks. Accordingly, it defines the main relevant patterns of active and passive corruption, and evaluates the Group's exposure to them.

Based on the corruption risk maps submitted by each Business Unit, the Internal Control Committee develops a Group-wide Corruption Risk Map.

This Group Corruption Risk Map is presented to the Group Executive Committee annually, along with the "general" risk map, to inform the governing bodies and give them the visibility they require to implement or strengthen corresponding prevention and detection measures.

Finally, the Internal Control Committee ensures that the corruption risk maps are kept up-to-date and relevant as the business evolves.

### *d. Third-Party Due Diligence Procedures*

Third-party due diligence procedures for the Group consist of a structured and formal assessment of the specific risk involved in dealing with any given third party. They ensure that clients, suppliers and partners provide sufficient assurance of their integrity.

Due diligence focuses on the third parties with which the Group has or is about to start a relationship, giving priority to those activities identified in the risk map as presenting greater corruption risks. Due diligence is adapted and proportionate to the particular partner's situation and is regularly updated.

Accordingly, the Group develops third party due diligence procedures under the responsibility of the Internal Control Committee, that are rolled out to the relevant operational management levels.

### *e. Accounting Control Procedures*

Accounting control systems are an important tool for safeguarding the Group's business and helping to manage risk in general, and corruption risk in particular.

In this way, the Group ensures that:

- Accounting Departments are vigilant when checking for the risk of accounts being used to conceal acts of corruption,

- The prevention of corruption is a central issue for those responsible for accounting control.

The Group also runs a continuous improvement programme of its internal control guidelines, which includes, in particular, procedures, instructions and working methods that are shared throughout all of the Group's activities and subsidiaries.

The Internal Control Committee carries out:

- Second level control on the application of the internal control guidelines' Key Controls that are within the scope of the audit assignments that it commissions.
- Third level control, analysing disclosures and acts of corruption that may reveal weaknesses in the risk management systems.

### *f. Training and Awareness*

The Group has put in place a system for the training and awareness of corruption risks, which raises awareness of its commitment to stamp out corruption, brings employees and managers on board, and creates a culture of integrity throughout the organisation.

The system has three components:

- Training for members of the Board of Directors (Executive Committee, BU Management Committees, Ethics Committees and the CSR Committee), targeting in particular the legal framework and the consequences of corruption;
- Training delivered to employees who are most exposed to corruption risks. This classroom training is delivered to a list of employees and managers drawn up by the Internal Control Committee and Human Resources Management, based on the corruption risk map.
- A more global awareness plan, so that all employees and managers become trained in the prevention and detection of corruption, regardless of their exposure to risks.

The training courses are created and approved by the Internal Control Committee and the Legal Department. They are updated regularly.

### *g. Disciplinary Process*

Any violation of the code of conduct may lead to disciplinary action, without prejudice to potential proceedings before civil and criminal courts. Disciplinary sanctions are stipulated in each entity's internal regulations. Sanctions may also be imposed against employees internationally.

The most serious offences are treated as a priority by Human Resources Management, the Internal Control Committee and the Executive Committee.

Simultaneously, the Group guarantees that no employee shall suffer any prejudice whatsoever for having disclosed unethical behaviour or for having refused to participate in an act of corruption.

### *h. Internal Monitoring and Assessment System*

In order to ensure that the corruption prevention and detection measures - informed by its corruption risk mapping - are appropriate and effective, the Group relies on a periodic evaluation led by the Group's Internal Control Committee.

The first 7 tools in the Group's anti-corruption system are evaluated, individually or collectively, at least every 5 years.

Furthermore, during the development of its annual audit plan, the Internal Control Committee identifies one or several corruption risks that are to be targeted. Moreover, within the framework of each of the audit assignments commissioned by the Internal Control Committee, particular attention is paid to risk corruption. The Internal Control Committee's findings are documented and formalised in a report which is presented to the Board of Directors.

## APPENDIX 1

OJRF (Official Journal of the French Republic) N°0298 of 22 December 2017  
Text N° 176

**Corruption** is defined as an act whereby a person holding a specific public or private sector function, solicits or proffers or accepts or gives a gift, offer or promise to carry out, obstruct or abstain from carrying out an act pertaining directly or indirectly to his function. The offence of corruption is established by Articles 433-1 and 433-2 of the French Criminal Code.

**Influence peddling** is defined as "The direct or indirect request or acceptance without right and at any time of offers, promises, donations, gifts or advantages for oneself or others, when done by a person holding public authority or discharging a public service mission, or by a person holding a public electoral mandate: to carry out or abstain from carrying out an act relating to his office, duty, or mandate, or facilitated by his office, duty or mandate; or to abuse his real or alleged influence with a view to obtaining from any public body or administration any distinction, employment, contract or any other favourable decision." The offence of influence peddling is established by Article 432-11 of the French Criminal Code.

**Extortion** is defined as any acceptance, request or order to pay as public duties, contributions, taxes or impositions any sum known not to be due, or known to exceed what is due, committed by a person holding public authority or discharging a public service mission. The offence of extortion is established by Article 432-10 of the French Criminal Code.

**Unlawful taking of interest** is defined as the taking, receiving or keeping of any interest in a business or business operation, either directly or indirectly, by a person holding public authority or discharging a public service mission, or by a person holding a public electoral mandate who at the time in question has the duty of ensuring, in whole or in part, its supervision, management, liquidation or payment. The offence of unlawful taking of interest is established by Article 432-12 and Article 432-13 of the French Criminal Code.

**Misappropriation of public funds** is defined as the destruction, misappropriation or purloining of a document or security, of private or public funds, papers, documents or securities representing such funds, or of any object entrusted to him as part of his function or tasks, committed by a person holding public authority or discharging a public service mission, a public accountant, a public depository or any of his subordinates. The offence of misappropriation of public funds is established by Article 432-15 of the French Criminal Code.

**Favouritism** is defined as an offence committed by a person holding public authority or discharging a public service mission or holding a public electoral mandate or acting as a representative, administrator or agent of central government, local government, public establishments, national semi-public companies discharging public service missions and local semi-public companies, or any person acting on behalf of any of the above-mentioned persons, who obtains or attempts to obtain for others an unjustified advantage by an act breaching the statutory or regulatory provisions designed to ensure freedom of access and equal treatment for bidders in tenders for public contracts and delegated public services. The offence of favouritism is established by Article 432-14 of the French Criminal Code.