

# ANTI-BRIBERY AND CORRUPTION POLICY

2020

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## 1. POLICY STATEMENT

### EFFECTIVE DATE

This Policy is effective as of [day] [month] 2020.

### PURPOSE

- 1.1 Suntory Beverage and Food Europe ("SBFE") is a region in Suntory Beverage and Food, a member of Suntory Group, which includes Lucozade Ribena Suntory Ltd ("LRS"), Orangina Schweppes Holdings B.V. ("OSH") and all of their subsidiaries (the "Business Units"). The use of "we", "us", "our" and SBFE in this document are references to SBFE, LRS, OSH and all or any one of the Business Units or group companies of which they are comprised.
- 1.2 At SBFE we are committed to maintaining the highest level of ethical standards in the conduct of our business affairs. In view of the nature, scale and geographic reach of SBFE's activities, it is important that we address the risk of bribery and corruption in order to prevent bribery and corruption occurring, help protect SBFE's reputation and protect it from liability. This document sets out our policy in relation to bribery and corruption (the "**Policy**").
- 1.3 At SBFE we are committed to:
  - (a) a zero-tolerance approach to bribery and corruption. Bribery and corruption are never acceptable by or on behalf of SBFE - we will not tolerate bribery and corruption in our business or by those with whom we do business;
  - (b) acting fairly, honestly, openly and with integrity in all our business dealings and relationships wherever we operate;
  - (c) upholding national and international laws and regulations relevant to countering bribery and corruption wherever we operate; and
  - (d) implementing and enforcing effective systems within SBFE to counter the risk of bribery and corruption.
- 1.4 We recognise that market practice varies across the territories in which SBFE operates and therefore what is normal and accepted in one place may not be accepted in another. However, we are fully committed to complying with our obligations under applicable legislation and ensuring that no bribes or corrupt payments are made or offered to anyone or sought or obtained by anyone acting on our behalf anywhere in the world.
- 1.5 The Policy supports our anti-bribery and corruption commitments. It sets out in practical terms how you should behave and what you should do if you are confronted with bribery and/or corruption. You are expected to adhere to the Policy at all times in all aspects of your work.
- 1.6 To assist SBFE in ensuring absolute compliance with this Policy, you must ensure that you have read and understood it.
- 1.7 If you are ever in doubt about a situation with which you are presented or if you believe or suspect that bribery or corruption has occurred or may occur, always seek advice from your local legal team or alternatively contact the relevant hotline. Contact details for each Business Unit's hotline are provided in [Appendix 2](#).

**GUIDING PRINCIPLE: WE ARE EXPECTED TO DO THE RIGHT THING AT ALL TIMES.**

## **2. ANTI-BRIBERY AND CORRUPTION LAWS**

- 2.1 This Policy is designed to ensure compliance with the anti-bribery and corruption laws to which SBFE and its employees are subject. These laws, including the UK Bribery Act 2010, the France Sapin II Law, the Unfair Competition Prevention Act of Japan, the United States Foreign Corrupt Practices Act (together the "**Bribery Laws**"), and legislation enacted in accordance with the Organization for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions as well as anti-corruption laws enacted in each country where SBFE and other members of Suntory Group conducts business, can apply to acts wherever in the world they take place and irrespective of local standards or cultural norms.
- 2.2 In addition to the requirements of this Policy, you must also comply with any requirements of applicable local anti-bribery and corruption laws, which may impose stricter requirements. When conducting business abroad, you should request guidance on any additional requirements in respect of applicable local anti-bribery and corruption laws from the relevant legal department or your "Compliance Officer".

The "**Compliance Officer**" is an individual appointed as the compliance officer for the SBFE Region or in your Business Unit, who works in the Compliance Department, or, if there is no specific Compliance Department, is a member of the local Ethics and Compliance Committee or Functional Equivalent (e.g. the Legal Team or HR Department), is of a senior position and capable of acting independently in the circumstances.

## **3. CONSEQUENCES OF NON-COMPLIANCE**

- 3.1 Breach of applicable anti-bribery and corruption laws may result in criminal, civil and regulatory penalties for SBFE and personal liability for individual directors and employees. Penalties include unlimited fines, imprisonment and repayment of profits. Under UK legislation, for example, bribery and corruption are punishable for individuals by up to ten years' imprisonment and/or an unlimited fine. If SBFE is found to have participated in bribery or if its employees or Business Partners engage in bribery and SBFE is found to lack adequate procedures to prevent an occurrence of bribery, then it could face an unlimited fine and be excluded from tendering for public contracts. Actual or perceived breaches of these laws may therefore result in severe financial and reputational damage to SBFE.
- 3.2 SBFE will take firm action against anyone found, after investigation, to be involved in bribery and corruption. This includes disciplinary action in respect of an employee who is found to have breached this Policy, which could result in the dismissal of that employee for gross misconduct. Furthermore, SBFE may, whether required by law or not, report such acts to the relevant authorities, which could lead to criminal prosecutions. In addition, employees who had knowledge, or should reasonably have known, about a breach of the Policy but did not report the violation to a supervisor, Compliance Officer, local Legal or HR Department or via the Whistleblowing Hotline or who fail to cooperate in the investigation in violation of this Policy, may also be subject to disciplinary action.

The "**Whistleblowing Hotline**" is a telephone number operated by a totally independent third party, to whom you can report any concerns that you might have about any wrongdoing at work. All calls are free and will be treated confidentially, though the hotline operator will share details with the relevant Business Unit so that any concerns can be properly investigated. The telephone number for your Business Unit's hotline can be found in Appendix 2 and further details are available in the Whistleblowing Policy.

## 4. WHO IS COVERED BY THIS POLICY?

4.1 This Policy applies to:

- (a) SBFE;
- (b) every individual working in or with SBFE, at any level or grade, wherever located, regardless of title, including all employees (whether permanent, fixed term or temporary), directors and officers; and
- (c) any third party performing services for, on behalf of, or otherwise representing the business interests of SBFE, including but not limited to: consultants, agents, contract manufacturers, distributors and wholesalers, lobbyists, government permitting representatives, customs agents, logistics providers, joint venture/consortium partners (the "**Business Partners**").

## 5. UNDERSTANDING AND RECOGNISING BRIBERY AND CORRUPTION

5.1 In essence, a bribe is offering "anything of value" directly or indirectly to someone, including Public Officials (as defined in paragraph 11) or individuals at commercial entities, his or her family or other relations, as an inducement to act improperly or as a reward for the improper act. "Anything of value" includes, but not limited to:

- (a) cash payments;
- (b) gifts (including gifts of cash or cash equivalents);
- (c) disproportionate expenses, such as business meals, lavish travel and accommodation;
- (d) other "favours" that are of value to the recipient (e.g. offering the employment, engaging a company owned by a customer's family);
- (e) free use of company services, facilities or property for activity unrelated to the business relationship; or
- (f) political contributions or charitable donations, made at the request of, or for the benefit of, Public Officials or individuals at commercial entities, his or her family, or other relations, even if made to a legitimate charity,

5.2 Corruption is any form of abuse of entrusted power and may include, but is not limited to,

bribery.

## **6. PROHIBITION OF IMPROPER CONDUCT**

6.1 All SBFE directors, officers, employees and Business Partners must not request, receive, make, offer to make, or promise to make payments (regardless of whether the payment is actually made) or give anything of value directly or indirectly to any third party, including Public Officials or individuals at commercial entities, to assist SBFE in obtaining or retaining an improper business advantage, regardless of whether or not any benefit is received. The following are examples of types of conduct that are strictly prohibited under this Policy:

- (a) offering, promising, authorising or providing anything of value to any person;
  - (i) with the expectation or hope that a business or other advantage, including, but not limited to, securing licenses, permits, renewals, and any other required approvals or clearances, or opportunity to provide any products or services, more preferential terms and conditions, will be obtained by or rewarded to SBFE, you or any other person;
  - (ii) in order to induce or influence any person to act or fail to act, make or not to make any decision, abuse his or her power, or misuse real or alleged influence with a government or government instrumentality (as defined in paragraph 11) to affect any act or decision of the government or governmental instrumentality, or to reward them for doing so; or
  - (iii) knowing or believing that acceptance by the other person would itself be improper;
- (b) requesting, soliciting, accepting or receiving or agreeing to receive anything of value from any person where you know or suspect that;
  - (i) it is offered or provided with the intention of inducing SBFE, you or any other person to provide any business or other advantage to any person, or to act improperly or to reward SBFE, you or any other person for doing so; or
  - (ii) the request itself is improper;
- (c) otherwise using any means to obtain, retain or reward any business or other advantage for SBFE, for you or for any other person;
- (d) acting as an intermediary for any third party in any of the actions referred to in this paragraph 6; and
- (e) threatening or retaliating against another person who has refused to commit a bribery offence or who has raised concerns under this Policy.

## **7. HIGH RISK AREAS**

7.1 Appendix A.1 attached hereto shows a non-exhaustive list of example situations that raise concerns under various anti-corruption laws.

7.2 We have identified the following as particular bribery and corruption risks to our business, each

of which are dealt with in the following ten sections in this Policy:

- (a) use of Business Partners (see paragraph 8);
- (b) gifts and hospitality (see paragraph 9);
- (c) unusual payment terms and cash payments (see paragraph 10);
- (d) risk of bribery of public officials (see paragraph 11);
- (e) commercial bribery (see paragraph 12)
- (f) facilitation payments (see paragraph 13);
- (g) political and charitable donations (see paragraph 14);
- (h) social programs (see paragraph 15);
- (i) sponsorships (see paragraph 16); and
- (j) acquisitions, joint venture partners & minority interests (see paragraph 17)

## **8. BUSINESS PARTNERS**

- 8.1 Most anti-bribery and corruption laws impose liability on companies which become involved in direct or indirect bribery. This means that SBFE may incur liability where a Business Partner (as defined in paragraph 4.1(c)) makes or receives an improper payment or otherwise engages in improper conduct in the course of their work on SBFE's behalf. This exposure may arise notwithstanding that the payment or conduct in question is prohibited by SBFE.
- 8.2 It is very important, therefore, that you deal only with Business Partners who (i) have been subjected to appropriate due diligence and (ii) have agreed to adhere to SBFE's Code of Business Conduct as well as the standard contractual provisions relating to anti-bribery and corruption in an agreement or contract in order to ensure that a Business Partner does not make or receive any improper payment or otherwise engage in improper conduct in the course of acting on SBFE's behalf.

For more information on how to engage with Business Partners please refer to relevant guidelines including the “**Business Partner Guidelines**” and the SBFE “**Procurement Policy**” and discuss with your local Procurement team if you have any questions.

- 8.3 Due diligence must be completed prior to entry into or renewal of an agreement with a Business Partner and should be completed in accordance with the relevant guidelines (see text box above). Where there is a significant bribery risk in relation to a Business Partner, you must consult the relevant legal department or Compliance Officer in relation to appropriate anti-bribery compliance measures **before**:
- (a) either appointing or entering into a business relationship with the business partner; or

(b) entering into a new contract or renewing or amending the terms of an existing contract with the Business Partner.

8.4 Whilst there is corruption risk in every country, and this Policy applies to SBFE business worldwide, for the purposes of paragraph 8.3, a significant bribery risk will arise if:

- (a) a Business Partner is based or operates in a high-risk country with a score of below 50 in the Transparency International Corruption Perceptions Index;
- (b) the services provided involve work being undertaken, directly or indirectly on SBFE's behalf in any high-risk country;
- (c) the services involve Business Partners obtaining official permits, permissions or agreement from Public Officials; or
- (d) there are particular reasons to suspect that the risk of corruption or bribery is higher than normal.

8.5 The following questions should be asked before engaging a third party to provide services to or to represent SBFE:

- (a) Do I know the identity of the individual or individual(s) who will be providing the services?
- (b) Can I describe in detail the services being provided?
- (c) Can the fee for the services be justified as being value for money?

If the answer to one or more of the above questions is no, then please liaise with the relevant legal department or Compliance Officer before engaging the third party.

## **9. GIFTS AND HOSPITALITY**

9.1 This Policy does not seek to prohibit normal hospitality, given or received, to or from third parties and provided in good faith with the intention only to build or maintain legitimate business relations or offer normal courtesy.

9.2 However, when given or received inappropriately, gifts may violate one or more laws. Therefore, you are strictly prohibited from:

- (i) offering, promising, authorising or providing any Gift, Meals and/or Entertainment, Sponsored Travel or other promotional expense to any person; or
- (ii) requesting, soliciting, accepting or receiving or agreeing to receive any Gift, Meals and/or Entertainment, Sponsored Travel or other promotional expense from any person;

if such a Gift, Meals and/or Entertainment, Sponsored Travel or other promotional expense is:

- (a) provided with the intention of obtaining, retaining or rewarding any business or other advantage for SBFE, for you or for any other person or in order to induce any person



- to act improperly or to reward them for doing so;
- (b) received where you know or suspect that it is offered or provided with the intention of inducing SBFE, you or any other person to provide any business or other advantage to any person or to act improperly or to reward SBFE, you or any other person for doing so;
  - (c) comprised of cash or cash equivalent (including gift cards, gift certificates, vouchers, cheques, loans and shares or other securities);
  - (d) not considered a token or of minimal or nominal value or not considered modest in value but considered unduly lavish or extravagant both in isolation and when considered in the context of other Gifts, Meals and/or Entertainment, Sponsored Travel and other promotional expenses offered to or by the same party;
  - (e) given in your personal capacity rather than in your capacity as a representative of SBFE or is concealed (that is, provided secretly rather than openly);
  - (f) not appropriate in the circumstances (taking into account reason, type, value, the occasion and frequency of provision in the particular circumstances, including the level of influence the person receiving it has on relevant business decisions and local cultural sensitivities);
  - (g) in breach of any applicable laws or regulations, including local laws, or in breach of this Policy; or
  - (h) offered to, or accepted from, Public Officials, political parties or politicians, or any relatives or friends of such persons, without the prior approval of the Compliance Officer or the relevant legal department.

**NB:** The giving of gift vouchers, gift cards or gift certificates is permitted for the following purposes: (i) as compensation in respect of consumer complaints; (ii) as a prize as part of a genuine, bona-fide competition; or (iii) in nominal amounts as a reward to third party sales staff for work completed.

- 9.3 It is a requirement that the written pre-approval of the Compliance Officer or the relevant legal department for Gifts, Meals and/or Entertainment, Sponsored Travel or other promotional expense which exceed the threshold set out in the Gift Guidelines is obtained. The process to be followed by you and the Compliance Officer or the relevant legal department, and also the requirement of the record keeping, monitoring and reporting is set out in this Policy. At all times you should comply with this Policy.
- 9.4 Even if it is not prohibited to give or receive the Gifts, Meals and/or Entertainment, Sponsored Travel or other promotional expenditure under this Policy, you should consider whether, in all of the circumstances, including the intention behind it, the Gifts, Meals and/or Entertainment, Sponsored Travel or other promotional expense is reasonable and justifiable. If you are uncertain whether a Gift, Meals and/or Entertainment, Sponsored Travel or promotional expense is acceptable, you should ask your line manager or the Compliance Officer for guidance. It may also be helpful to consider whether you would be embarrassed if your manager or colleagues or anyone outside SBFE were to become aware of the gift. Some examples of situations which might raise cause for concern are provided in [Appendix 1](#).
- 9.5 Expenditure conforming to the Policy on Gifts, Meals and/or Entertainment and Sponsored

Travel offered to any individual external to SBFE can be made without prior consent where the Market Value is below a threshold value. The Market Value threshold will vary between the Business Units depending upon the jurisdiction in which they operate. A table setting out the Market Value threshold for each of the Business Units is provided at [Appendix 4](#). Any expenditure in excess of the Market Value threshold on Gifts, Meals and/or Entertainment and Sponsored Travel offered to any individual external to SBFE can only be made with the prior written consent of your line manager as well as the local Legal team or Compliance Officer. If you are offered a Gift, Meal and/or Entertainment or Sponsored Travel to an event and the value exceeds the relevant Market Value threshold set out in [Appendix 4](#) you should seek permission from your line manager as well as the local Legal team or Compliance Officer.

- 9.6 If you are still in doubt about whether you may accept an offer, you should seek guidance from the relevant legal department.
- 9.7 If a gift or hospitality is prohibited under this Policy or it is decided (by your line manager, the Compliance Officer or by Legal) that you cannot accept a gift or an offer of hospitality then you should write to the giver to politely decline the offer. A suggested response for declining the gift or invitation is provided in a letter at [Appendix 3](#). If declining an offer would offend the giver, or the circumstances under which it was given preclude its return, you should notify and seek the advice from the Compliance Officer or the relevant legal department.
- 9.8 Each Business Unit maintains a gift and hospitality register, which can be found on the Local Intranet or requested from the Legal team. Any form of Gift, Meal and/or Entertainment or Sponsored Travel that is given, received or offered exceeding the Market Value threshold set out in [Appendix 4](#) must be recorded in actual value and in the relevant denomination and a receipt must be provided for any Gift, Meal and/or Entertainment or Sponsored Travel provided. A copy of the written consent of your line manager, as well as the Legal Team or Compliance Officer, approving the offer or acceptance the Gift, Meal and/or Entertainment or Sponsored Travel must also be provided. There will be no reimbursement of expenditure until it has been registered. If a prohibited gift has been offered or inadvertently accepted this must be recorded in the register and notified immediately to the relevant legal department.

In this Policy, these terms have the following meanings:

**“Gifts, Meals and/or Entertainment”** refers to any and all gifts (including the giving of SBFE’s products), business meals and/or entertainment provided by SBFE directors, officers, employees or Business Partners in connection with the business of SBFE. Gifts, Meals, and/or Entertainment also include any and all gifts, business meals and/or entertainment provided by a third party to SBFE directors, officers or employees or Business Partners in connection with the business of SBFE. In addition, giving of employment opportunities (including but not limited to internships) could constitute a thing of value or part of a quid pro quo.

**“Sponsored Travel”** refers to any business travel of or the attendance to an event (including the events such as a World Cup Final or Olympic Opening Ceremony) by a Public Official or an individual at commercial entities, the expenses of which are wholly or partly borne by SBFE or Business Partners. Sponsored Travel also includes any business travel of or attendance to the event by a SBFE directors, officers, employees or Business Partners, the expense of which are wholly or partly borne by a third party.

**“Market Value”** refers to the monetary amount for which a product or service would be sold between willing parties in an arm’s length transaction in an open market, excluding any tax that may be imposed upon the sale of such a product or service.

## 10. UNUSUAL PAYMENT TERMS AND CASH PAYMENTS

- 10.1 A bribery risk is created by the following types of payments:
- (a) To third parties not named in contracts;
  - (b) To offshore bank accounts;
  - (c) Those made in cash; and
  - (d) Those made up front before work is done or goods supplied.
- 10.2 Prior to any payment being made to a party not named in a contract, documentation identifying the owner of the entity to whom the payment is being made should be ascertained. No payment of this nature should be made without prior discussion with the relevant legal department or Compliance Officer.
- 10.3 Prior to any payment being made to an offshore bank account documentation identifying the owner of the offshore bank account should be obtained.
- 10.4 Contractual cash payments should not be made where an alternative is available. Where there is no option but to transact in cash, no payment should be made unless an invoice has been provided. Following a cash transaction, proof of payment should be obtained.
- 10.5 No payment should be made in advance of work being done or goods supplied unless such a payment is required by a contract entered into and approved in accordance with the relevant chart of authority.

## 11. RISK OF BRIBERY OF PUBLIC OFFICIALS

- 11.1 Bribery of Public Officials is taken extremely seriously across the world. It is illegal under the Bribery Laws as well as the laws of many countries in which SBFE operates. Any bribe offered, promised or paid to Public Officials at any level in order to influence them in the performance of their public function (e.g. in respect of granting permits, inspections and licensing matters) would constitute a breach of the Policy.

In this policy, these terms have the following meanings:

**“Public Official(s)”** refers to directors, officers, employees and representatives of government institutions, agencies, departments, and government instrumentalities and of public international organizations (e.g., United Nations, Red Cross, and NATO); anyone acting in an official capacity on behalf of these entities; and party officials and candidates for political office. The term also includes individuals in unpaid or honorary government positions, including committees, panels, commissions, or other advisory positions.

**“Government instrumentality”** refers to government-owned or controlled commercial enterprises (regardless if it is whole or partial government ownership or control). Examples of government instrumentalities are government-owned or controlled universities, sovereign wealth funds, insurance companies, oil companies, hospitals, and airlines. In addition, it should be noted that retail stores, bars, and hotels are owned by or under full/partial government control in certain countries, making them government instrumentalities.

## 12. COMMERCIAL BRIBERY

- 12.1 This Policy is on compliance to laws relating to not only the bribery or influence peddling of Public Officials, but also prohibits “commercial bribery.” Commercial bribery refers to the furnishing of anything of value to an intermediary (e.g., an employee of a customer) without his or her supervisor’s knowledge, with the intent to influence either the employee, the employee’s supervisor or any other party’s commercial conduct. SBFE prohibits any employee or Business Partner acting on such individual’s behalf or on behalf of SBFE from directly or indirectly engaging in commercial bribery.

## 13. FACILITATION PAYMENTS

- 13.1 Facilitation or “grease” payments are usually small payments or gifts of small value offered or given to (junior) Public Officials to secure, facilitate or expedite a routine government action (such as processing a visa, provision of a permit or license, scheduling an inspection).
- 13.2 Whilst facilitation payments may be common in many countries, they are illegal under the laws in many countries in which SBFE operates. Accordingly, other than as noted in this section, facilitation payments are not permitted under this Policy.
- 13.3 You must make the Compliance Officer or the relevant legal department immediately aware of any requests for a facilitation payment.

In rare circumstances a Facilitation Payment may be required in order to ensure the immediate personal safety or health of an SBFE employee or Business Partner. More specifically, a Facilitation Payment may be permitted unless otherwise provided by law if: (i) there was a medical or safety emergency that required SBFE to obtain governmental services to protect the safety of SBFE employees (for example, medical evaluation or police or fire protection); or (ii) you reasonably believed that an SBFE employee was in imminent danger of serious harm and no other reasonable alternatives for aid were available.

Where permitted by law such payments would likely not be considered in violation of this Policy, however, they should be reported immediately to your supervisor and the Legal team or Compliance Officer and appropriately logged and documented. Such records should indicate the date of the Facilitation Payment, a description of the "anything of value" provided, an estimate of its Market Value, the identity of the Public Official who received the Facilitation Payment and the SBFE employee who provided it.

**As stated above, please note that these exceptions do not apply in many jurisdictions including, among others, France. Should you have any concerns then please contact your legal department immediately for further guidance.**

## **14. POLITICAL AND CHARITABLE DONATIONS**

- 14.1 We respect the right of individual employees to make personal contributions, provided they are not made in any way to obtain advantage in a business transaction.
- 14.2 No Charitable Donation or Political Contribution must be offered or made on behalf of SBFE in breach of any applicable laws or regulations, including the local laws or in breach of this Policy.
- 14.3 All Political Contributions, Donations, Charitable Contributions and Sponsorship must be pre-approved (in accordance with the applicable Chart of Authority) by either the COO or CFO of the relevant Business Unit and the Compliance Officer regardless of the amount or Market Value. An SBFE Employee who requests the giving of a Donation, Charitable Contribution or Sponsorship in the name of or on behalf of the SBFE must adhere to any relevant local Charitable Donations policy and complete the relevant register with the required information.

In this policy, these terms have the following meanings:

**Charitable Donation**” refers to a contribution of money, goods or anything of value provided as part of a corporate social responsibility initiative to an organization that operates for any of such purposes as charitable, academic, scientific, religious, arts, literary, sports, culture, prevention of cruelty to humans or animals, or support for war veterans, at no charge to the organization.

**Political Contribution**” refers to a contribution of money, goods or anything of value provided directly or indirectly to a political party, any officer of a political party, an election candidate, a political action committee, or a political campaign including an election campaign, as well as the purchase of a ticket to any events, parties or similar gathering that are held by or for any political party, any officer of a political party or an election candidate for the purpose of raising political funds.

## 15. SOCIAL PROGRAMS

- 15.1 Companies operating in many jurisdictions are often asked to become involved in and make financial contributions to local programs. For example, companies are asked to contribute to local infrastructure projects.
- 15.2 These projects are often connected to the interests of Public Officials. There is a risk that contributions to social programs are in fact channeled to Public Officials as bribes.
- 15.3 No involvement in or payment to a social program on behalf of SBFE should take place without the prior approval of the relevant CFO, Compliance Officer and the relevant legal team and in any event the process set forth in this Policy and any local Charitable Donations Policy shall be followed.

## 16. SPONSORSHIP

- 16.1 Sponsorship is a part of SBFE’s daily business activities but if it is connected with the interest of Public Officials or the intent to obtain an improper advantage, there is a risk that Sponsorship benefits are channeled to the Public Official or any person or entities as bribes.
- 16.2 All Sponsorship must be pre-approved by the Compliance Officer and in accordance with the process set forth in the relevant local Charitable Donation Policy.

In this policy, these terms have the following meanings:

**Sponsorship**” refers to a contribution of money, goods or anything of value provided as a part of a corporate sponsorship initiative to a person or organization for the purpose of one or all of the following: (1) marketing, (2) brand building, or (3) associating SBFE business or brands with particular events, projects or activities.

## **17. ACQUISITIONS, JOINT VENTURE PARTNERS & MINORITY INTERESTS**

- 17.1. The acquiring of companies, making minority investments, and seeking strategic partners may create exposure should applicable anti-corruption laws be violated. Failure to perform compliance related due diligence may put SBFE at risk of civil and criminal liability for any corrupt conduct of the third party. In order to mitigate this potential exposure, SBFE must perform risk based due diligence on the acquisition targets and strategic partners (collectively, "Targets"). The due diligence procedures include, but are not limited to, the following:

Assessment of the risk profile of countries in which the Targets and their subsidiaries operate (directly and indirectly through Business Partners);

- (a) Analysis of association of the Targets, their major shareholders, officers, directors and senior management with Public Officials and government instrumentalities
- (b) Analysis of the Target's interactions with Public Officials;
- (c) Analysis of the Targets' internal controls surrounding anti-corruption; and
- (d) Analysis of the Targets' books and records, including transaction testing of compliance-sensitive accounts.

In addition, SBFE must seek appropriate representations, warranties and certifications by the Targets that provide confidence and assurance that they have not in the past violated, nor will they violate, any relevant laws and regulations, or, alternatively, they have affirmatively disclosed all such violations in the past. Further, SBFE must include anti-corruption and right to audit clauses in its contracts with the Target.

## **18. RECORD KEEPING**

- 18.1 You must ensure that accurate and appropriate financial records are kept and that you abide by all internal procedures and controls to ensure that bribery does not occur and to enable SBFE to defend itself against any allegations of bribery or corruption that may be made. This includes:

- (a) retaining all paperwork (including accounts, invoices, memoranda, receipts and other documents) associated with third party dealings and specifically recording the reason for all expenditures;
- (b) submitting all expenses claims relating to hospitality, gifts or promotional expenses incurred promptly and in accordance with SBFE's finance policies and procedures;
- (c) ensuring all records retained or submitted are accurate and not misleading; and
- (d) declaring and keeping a record of all Gifts, Meals and/or Entertainment and Sponsored Travel and Donations and Charitable or Political Contributions, Social Program and Sponsorship required to be filed, recorded and monitored under this Policy.

## **19. REPORTING RESPONSIBILITIES AND COOPERATION**

- 19.1 If you are aware of any conduct that may violate this Policy or that raises concerns regarding ethical behavior, you have an obligation to report it through normal reporting channels, or to a supervisor, the Compliance Officer, the relevant department or officer in charge of legal or compliance matters, or via the Whistleblowing Hotline. If you are unsure as to whether a particular incidence constitutes bribery or corruption, you should also raise this concern or query through one of the channels referenced above.
- 19.2 Subject to applicable legal requirements and the need to conduct an appropriate investigation, all such reports will be treated as confidential and be used only for the purpose of addressing the specific concern reported. Such reports will be shared by the SBFE management and other authorized individuals on a need-to-know basis. SBFE employees may choose to remain anonymous when reporting a potential violation on the Whistleblowing Hotline, although anonymous reporting may inhibit any subsequent investigation.
- 19.3 SBFE aims to encourage openness and will support anyone who raises genuine concerns under this Policy. Further, it is committed to ensuring that no one suffers detrimental treatment as a result of refusing to participate in bribery or corruption or because they reported their suspicion of actual or potential bribery or corruption. If you believe you have suffered detrimental treatment connected with your raising a concern, you should inform the relevant HR Director immediately.
- 19.4 All SBFE directors, officers, employees and Business Partners are obligated to cooperate with any SBFE Group investigation of potential violations of the relevant regulations or this Policy.

## **20. TRAINING AND CERTIFICATES**

- 20.1 SBFE requires participation from all directors, officers and employees and certain Business Partners in mandatory anti-bribery training and the implementation of this Policy. This training will be repeated periodically. Those directors, officers, employees and Business Partners working in higher risk areas of the business will receive tailored and more frequent training.
- 20.2 All SBFE directors, officers and employees and Business Partners will be required to execute periodic certifications/confirmations of Policy compliance.

## **21. AUDITING AND MONITORING**

- 21.1 SBFE will periodically audit and monitor compliance with this Policy through scheduled, as well as random, unannounced, anti-corruption compliance audits.

## **22. AMENDMENT/UPDATE HISTORY**

- 22.1 SBFE senior management will conduct regular reviews of this Policy and any associated guidelines, finance policies and procedures to ensure they are in line with changing legislation and best practice. Changes will be communicated to you as and when they are made.



22.2 This Policy may be amended at any time.

## APPENDIX 1: EXAMPLE SITUATIONS

The following is a non-exhaustive list of example situations that raise concerns under various anti-corruption laws. It is the responsibility of every SBFE employee to be aware of such situations, and to report situations promptly to a supervisor, Compliance Officer, the relevant department or officer in charge of legal or compliance matters of the relevant company or via the Whistleblowing Hotline for review:

1. A situation where any person or firm who is being considered to represent, distribute, or supply for the SBFE:
  - (a) engages in, or has been accused of engaging in, improper business practices;
  - (b) has a familial or other relationship that could improperly influence the decision of a vendor, customer or a Public Official; or
  - (c) approaches SBFE employees at or near the time of a contract or procurement decision, including tenders, and explains that he or she has a special arrangement with a Public Official, a vendor, a customer, or a potential vendor or customer.
2. A commission payment before the announcement of a contract or procurement decision.
3. A disproportionately high commission or fee for services.
4. Payment in cash, to a person or entity other than that which provided goods/services to the SBFE, or to a bank account in a location where the party does not conduct business and/or is commonly regarded as a tax-haven location (e.g., Switzerland, Isle of Man, Cayman Islands, or Jersey).
5. Additional commission or fees in order to “facilitate” services.
6. Lavish entertainment, gifts or travel before or while commencing contract negotiations or other services.
7. A charitable contribution to be made to some group or organization in connection with advancing the business interests of the SBFE.
8. A payment to “overlook” potential violations of law.
9. Employment of a friend or relative of a Public Official, customer, vendor or a potential vendor or customer.
10. Lack of transparency, supporting documentation or inconsistent documentation for vendors expenses, particularly agents, consultants and travel agents.
11. Comments suggesting that an improper manner of conducting business is “the way business is done” in a particular locale.
12. Large amount of petty cash transactions.
13. Use of side letters that hide important elements of a transaction or business relationship.

14. Use of consultant whose office location does not make sense in light of service offerings.
15. Recommendation by a vendor, customer or a Public Official to use a particular consultant or distributor, and, in particular, when there is a lack of business necessity or when there is absence of a rationale for using such a consultant or distributor given the nature of the engagement.
16. Any commission, payment, or distributor sale price/discount, that appears large in relation to the services provided, or in relation to market standards.
17. Any request to use a specific sales representative, agent, intermediary, consultant, distributor, or supplier that is not typically used by or known to the SBFE.
18. Any request to expedite action by making a “grease payment.”
19. Approach by a Public Official or a private person, who intimates that he or she may be able to talk to the right people and arrange with advancing the business interests of the SBFE.
20. Bidding processes are higher risk events for bribery because they present a clear opportunity to win business. The desire to win large projects could heighten the incentive to pay a bribe. Particular care should be taken in the period leading up to the award of a public tender. For example, it would be inappropriate to provide gifts or hospitality to a party involved in the bidding process in the period leading up to the award of the contract.

This is not an exhaustive list of compliance issues. Whenever a SBFE employee is in doubt, consult first with a supervisor, Compliance Officer, the relevant department or officer in charge of legal or compliance matters of the relevant company or report via the Whistleblowing Hotline.

*APPENDIX 2: HOTLINE NUMBERS*

<b>COMPANY</b>	<b>HOTLINE NAME</b>	<b>HOTLINE NUMBER</b>
<b>LRS</b>	Safecall	0800 915 1571
<b>SBFE EUROPE</b>	Safecall	00800 7233 2255

### *APPENDIX 3: FORM OF WORDS FOR DECLINING A GIFT OR AN OFFER OF HOSPITALITY*

Dear [●]

Thank you for your kind offer of [gift / invitation]. Unfortunately, however, I / we must decline the offer as our company policy does not allow us to accept [gifts / hospitality] of significant value.

[I / We must therefore return your generous gift with thanks.] I / We hope that you understand my / our position and thank you nonetheless for the gesture.

I look forward to continuing to work together.

Yours sincerely

[●]

## APPENDIX 4: THRESHOLDS FOR GIFTS, MEALS, ENTERTAINMENT AND SPONSORED TRAVEL

If the recipient is an SBFE Employee or an individual at commercial entities:

BUSINESS UNIT	MARKET VALUE THRESHOLD
LRS	£100
SBFE Europe	€100 (or equivalent value in jurisdictions using different currencies)

If the recipient is a Public Official:

Written pre-approval is required where:

- (a) SBFE has provided the Gifts, Meals, Entertainment or Sponsored Travel to the recipient four (4) or more times either in the current calendar year or in the last calendar year; **or**
- (b) the total aggregate amount of Gifts, Meals, Entertainment and Sponsored Travel provided to the recipient in the current or prior calendar year exceeds EURO 100 (excluding tax) in Market Value.

**SBFE Employees should clearly acknowledge and recognize that the frequent giving of Gifts, Meals, Entertainment or Sponsored Travel of small amounts below the above threshold should not be used to circumvent the pre-approval requirement.**