

---

# **ANTI-CORRUPTION POLICY**

---

October 2020

The Cromology Group, composed of the company Cromology and its direct and indirect subsidiaries in France and abroad, strives to conduct all its activities with integrity and transparency and in compliance with all applicable laws and regulations.

At Cromology, we undertake to:

- Comply with applicable national and international anti-corruption laws and regulations wherever we operate;
- Introduce and implement effective internal systems to prevent any risk of corruption; and
- Adopt a zero tolerance approach to corruption, whether committed by Cromology itself, in its name or by its business partners.

This policy has been approved by the Executive Committee of the Cromology Group. You must ensure that you have read and understood the policy as you are obliged to comply with and implement its provisions in all circumstances and in all aspects of your work.

The members of the Executive Committee have all signed up to the policy:

Pierre Pouletty  
Loïc Derrien  
Yves Amsellem  
Emmanuel Baltyde  
Gaëtan Bartra  
Rui Caldas  
Carole Corvisier  
Bruno Delavelle  
Philippe Lederman  
Jean-Damien Ponte  
Philippe Ronphé  
Rémi Tourmente



The image shows a collection of handwritten signatures corresponding to the list of names on the left. The signatures are arranged in a grid-like fashion, with three rows of three signatures each. The first row contains signatures for Pierre Pouletty, Loïc Derrien, and Yves Amsellem. The second row contains signatures for Emmanuel Baltyde, Gaëtan Bartra, and Rui Caldas. The third row contains signatures for Carole Corvisier, Bruno Delavelle, and Philippe Lederman. The fourth row contains signatures for Jean-Damien Ponte, Philippe Ronphé, and Rémi Tourmente. The signatures are written in various styles, including cursive and semi-cursive, and some are underlined.

## **Purpose of the policy**

This policy is the expression of Cromology's anti-corruption undertakings (also summarised in the **Code of Ethics**). It defines in clear terms the conduct to be adopted by every Cromology employee in order to prevent corruption and how to respond should they come across any such act.

This policy neither modifies nor replaces any other Cromology policy or procedure governing the approval and reimbursement of travel costs and expenses. All requirements relating to prior approval, all restrictions applicable to cost commitments and all other requirements or restrictions applicable to Cromology employees must be complied with independently of this policy.

## **Scope**

This policy applies to:

- Cromology; and
- any natural person working at or with Cromology, regardless of their level, function, location or status, notably all employees (whether on permanent or temporary contracts), senior managers and directors.

This policy may also apply to third parties, defined as any person or organisation in a business relationship with Cromology, notably (but not limited to):

- Consultants;
- Agents;
- Producers, suppliers and service providers;
- Distributors.

## **What is corruption?**

In order to prevent punishable practices, it is important to understand the meaning of corruption. Cromology also requires all its employees to attend training on anti-corruption and the implementation of this policy. Employees working in sectors with the highest levels of risk receive specific and more frequent training.

Corruption is defined as the act of offering a person in their professional capacity (active corruption) or any such person requesting or accepting (passive corruption) a gift or undue advantage in return for said person performing or omitting to perform any act falling within their scope of responsibilities.

The following fall under the definition of undue advantage:

- Payments in cash or cash equivalents (cheques, gift cards, etc.), or loans;
- Gifts or invitations (jewellery, invitations to sports or artistic events, advantages enjoyed through membership of a club, cruise, etc.);

- Favours (cooperation with a company belonging to the family of a customer, job or training offers);
- Charitable donations;
- Unjustified terms for the purchase of Cromology products or services;
- Employment, training.

Similarly prohibited is any act of directly or indirectly making an illicit offer, promise, gift or advantage to a third party to incite said party to abuse their real or assumed influence with a decision maker in order to obtain a decision that is favourable to Cromology. This is known as influence peddling.

Example:

An employee is expecting to receive a certification decision from a public authority. He asks one of his friends who knows the public official making the decision to intercede with the official in order to obtain a favourable decision. In return, the employee promises to issue an invitation to the rugby cup final. The employee must not make any such offer.

This policy applies to all Cromology activities worldwide, but the risk of corruption is all the greater in the following circumstances:

- A commercial partner is based or operates in a high-risk country with a score below 50 in the corruption perception index of Transparency International<sup>1</sup>;
- High-risk relations (associations, independent experts, business introducers) exist where services are provided directly or indirectly on behalf of Cromology (lobbyists, agents) in a country with a score below 70 in the corruption perception index of Transparency International;
- The services involve business partners who have obtained or will be required to obtain official permits, authorisations or approvals from public employees or officials.

As far as our business is concerned, our risk mapping exercise has identified potential corruption risks in the following activities:

- Selecting business partners;
- Negotiating and signing commercial agreements, notably with customers, agents and specifier intermediaries;
- Payments in cash or cash equivalents (cheques, gift cards, etc.);
- The risk of corrupt public officials;
- Donations to charities, patronage and sponsorship.

The following rules and procedures are designed to avoid these general and specific risks.

---

<sup>1</sup> You can check if and/or where the jurisdiction you are operating in is classified at <http://www.transparency.org>

## **Mandatory rules and procedures**

### **1) When assessing business partners**

Before entering into any business relationship with partners, prior checks must be carried out with regard to their integrity (due diligence) which are appropriate and proportionate to the particular situation of the partner (country, reputation, previous or ongoing legal action, expertise and resources in the field in question, prior or current contractual relationships with a public official, etc.).

Particular attention must be paid to the following categories of partners:

- Those marketing Cromology products to potential partners or presenting potential customers to Cromology, including sales agents, business introducers and sales & marketing consultants;
- Those representing Cromology to civil servants or other public officials, such as lobbyists, accountants, lawyers, tax advisors, customs agents, consultants, etc.;
- Politically exposed persons (PEPs) occupying important public functions, political or otherwise, whether currently or in the past, holding significant decision-making powers or influence; this shall also include their close relatives.

In most jurisdictions, Cromology, its senior managers and employees can be held liable for acts of corruption committed by its business partners if they can profit Cromology, even if the act in question has not been approved by Cromology.

Cromology must therefore take all necessary measures to ensure that its partners comply with all applicable anti-corruption laws and regulations and formally subscribe to Cromology's undertaking of transparency and integrity in its commercial practices.

In general terms, before entering into or renewing a business relationship with a partner, any corruption risks the latter may pose must be analysed and, as applicable, its integrity must be assessed. Depending on the information obtained accordingly, the decision may be taken not to establish a business relationship with the partner.

You must refer to the **Partner Assessment Procedure** to establish the level of diligence required in light of the level of risk, it being stated that certain situations call for more in-depth investigations:

- A partner owned by, controlled by or employing civil servants or other public officials;
- A partner owned or controlled by a director, senior manager or employee of Cromology or by any of their close relatives;
- A partner recommended by a public official or expressly requested by a customer, unless dictated by the technical requirements;
- A partner who has suggested that they may be able to avoid or accelerate certain administrative formalities or a tender procedure;

- A partner who has been the subject of legal action relating to corruption, whether directly or via its legal representatives; or
- With the existence of any of the following warning signs:
  - ✓ Apparent lack of expertise or resources;
  - ✓ Refusal to provide pertinent information about its history or to submit to an audit;
  - ✓ Refusal to include anti-corruption provisions in a contract;
  - ✓ Unusual terms or conditions contrary to market practices and/or where the specific nature of the services provided is not clear;
  - ✓ Unusual payment methods or other financial arrangements (payment in cash, to another account, to a different country);
  - ✓ Payments in advance, unusually high or suspiciously structured commissions (success fees only); or
  - ✓ Requests for the reimbursement of unusually high or undocumented expenses.

Ignoring alert signals may give rise to the assumption of negligence, contrary to applicable anti-corruption laws.

The **Partner Assessment Procedure** contains three risk and assessment levels:

- If the risk is low: Level 1 diligence, consisting of a questionnaire to be completed internally;
- If the risk is medium: Level 2 diligence, consisting of a questionnaire to be completed internally + a detailed questionnaire to be completed by the partner and verification of its history via a database;
- If the risk is high: Level 3 diligence consisting of the previous 2 levels + checks carried out by a specialist firm and/or specific commitments from the partner.

The Legal & Compliance Department can provide you with support during the assessment process and help you to analyse cases presenting the highest level of risk.

## 2) Negotiating and signing commercial agreements

The contract must expressly stipulate that the partner is obliged to comply with all applicable anti-corruption laws, with the Group's **Partner Code of Ethics** and with this policy. Wherever possible, Cromology must reserve the contractual right to terminate the contractual relationship with the partner should it contravene the policy.

In addition to these specific provisions, whether with suppliers, service providers, intermediaries or customers, all commercial relations must have a well-defined contractual basis incorporating all aspects of a relationship consistent with the Cromology **Chart of Authority**.

The use of Cromology's general terms and conditions and standard contracts should be favoured. The Legal & Compliance Department can provide you with support in this regard.

Furthermore, remuneration must always relate to a service actually delivered, and be proportionate and justified with regard to objective criteria (similar partner prices in the market, performance, complexity and risks).

Any discount or rebate granted to a customer must be in Cromology's commercial interests and be documented in accordance with contractual rules defined in law and by Cromology.

Example:

A Cromology employee is negotiating an extension to your product range with the employee of a reseller customer. The employee refuses to consider the commercial offer, stating that the competitors are "more generous". May a gift be offered? No, healthy negotiations are based on the quality of our products and our pricing policy, not on our ability to offer gifts to customers' employees.

Lastly, relations with third parties responsible for helping Cromology to win contracts bring a particular risk of corruption.

Cromology therefore **prohibits** payments to third parties in the context of public procurement.

For private sector orders/contracts, the relationship with the intermediary must be covered by a written business introducer contract, for which Cromology has produced a template. This template expressly states the obligation to strictly comply with all regulations on corruption and related offences (transparency). In all cases it must be approved by the Legal & Compliance Department prior to signature.

### **3) Gifts and invitations**

This policy does not prohibit modest gifts or invitations (entertainment, meals, accommodation, etc.) given or received in good faith with the sole intention of establishing or maintaining appropriate business relationships or normal standards of courtesy.

However, you are strictly prohibited from:

- Offering any gift or invitation with the intention of obtaining an undue advantage or decision in favour of Cromology or yourself personally, or intended to incite someone to act in an inappropriate manner or to reward said person for any such act;
- Accepting a gift or invitation likely to create a feeling of obligation or to compromise your judgement and, in general terms, offering or accepting a gift or invitation during negotiations or a tender procedure;
- Offering or accepting gifts in cash or in cash equivalents (notably gifts cards or vouchers);

- Offering or accepting gifts or invitations contrary to the principles of morality or decency;
- Accepting a gift given in a personal capacity rather than as a representative of Cromology or given in a concealed rather than open manner;
- Offering any gift or invitation to public officials (civil servants, judges, members of regulatory authorities or employees of a public company), or to members of their family, or to friends of such persons.

Each time, you must verify whether the gift or invitation is both reasonable and justified in light of the circumstances, notably in terms of the underlying intention. If you are unsure, you must refer the matter to your line manager or to the Legal & Compliance Department for advice. It can also be useful to ask yourself if you would be embarrassed by the advantage vis-à-vis your manager or colleagues, were it to be made public.

If an employee wishes to offer or accept a gift or invitation (excluding branded gifts of low value, such as pens or notepads), they must seek prior approval from their line manager and, if the value is over €80, from the manager of the Cromology entity to which the employee belongs.

By way of exception in relation to restaurant invitations, an employee wishing to offer or accept an invitation must seek prior approval from their line manager if the value is over €40 per head and, if the value is over €80 per head, from the manager of the Cromology entity to which the employee belongs.

Approval requests are issued via the Cromology **Gift & Invitations Register** which is used to process the request and to maintain transparent traceability of approvals and refusals.

In all circumstances, the recipient must not have received more than two gifts or invitations during the preceding 12 months.

Example:

During the course of their professional activities, an employee organises various trips, conferences and meetings. The hotel he frequently uses to reserve rooms offers him an all expenses paid weekend for his parents. The employee must decline the offer even though he is not benefiting directly from the gift. Otherwise he will find it difficult to demonstrate the impartiality of his decisions.

If allowed by the type of gift, it is recommended for it to be shared with your colleagues.

#### **4) RELATIONS WITH PUBLIC OFFICIALS**

Corruption involving public officials is even more severely sanctioned than in the case of private persons.



The term “public official” is interpreted in a broad manner and includes senior managers, employees and representatives of:

- Any local, regional, central or national government body (e.g. members of parliament, the forces of law and order, the army, firefighters, tax officers, customs inspectors, official government advisors, etc.);
- Judicial and regulatory bodies;
- State universities, schools and hospitals;
- Any enterprise owned or controlled by the state;
- International public organisations (e.g. the European Union and any entity created under EU treaties, the UN, the IOC, the International Red Cross, etc.);
- Political parties;

and elected representatives, members of royal families and the close family members (e.g. parents, siblings or children) of any of the aforementioned persons.

Among the examples of corruption involving public officials, and therefore prohibited behaviour, is the offering of any “kickback” to incite the official to:

- Ignore a violation or tolerate any non-compliance with regard to applicable laws;
- Omit performing a task which would otherwise be performed (e.g. not conducting an inspection required prior to issuing a permit);
- Unjustly favour one bidder over another in the context of public procurement;
- Issue a favourable legislative or judicial decision;
- Grant favourable tax treatment.

“Facilitation payments” are small payments or gifts of low value given to public officials or their juniors to facilitate or accelerate the performance of routine tasks (customs clearance, granting of permits). They are also prohibited.

Any kickback or facilitation payment constitutes violation of this policy.

Example:

In return for the rapid clearance of raw materials held by customs over several weeks, a customs clearance officer asks for free product. The employee must refuse any such request.

You must immediately notify the Legal & Compliance Department of any such request.

Solicitation, i.e. requesting any unlawful commission, and extortion, i.e. refusing to provide a public service without previously receiving an unlawful commission, are both illegal. If you encounter any such situation, you must immediately notify all the details to your line manager, to the manager of the Cromology entity to which you belong and to the Group Legal & Compliance Department.

## **5) Unusual payment terms and cash payments**

A corruption risk is created by the following types of payment:

- Payments made to third parties not designated in a contract;
- Payments to foreign bank accounts;
- Cash payments;
- Payments made before work is completed or goods delivered (excluding usual and documented down payments in the course of ongoing business relations).

Each payment must therefore be made against invoice, in the amount stated on said invoice, in compliance with contractual terms, to the partner's account and preferentially via bank transfer. Payments to a country other than that of the partner are prohibited unless approved by the Finance Director and Legal & Compliance Department.

Wherever possible, cash and advance payments are to be avoided. Where there is no option other than dealing in cash, the payment must be made against invoice and within the legal limits. Written or electronic proof must be produced for all cash transactions.

Settlement may only take place via electronic gift voucher if issued in the name of the partner's legal entity against signature from its legal representative.

## **6) Donations to charities, corporate patronage and sponsorship**

Employees must always ensure that all gifts, patronage and sponsorship are not used as subterfuge to conceal an act of corruption.

Charitable donations and patronage correspond to donations or other financial contributions made in good faith with a charitable objective and are designed to demonstrate social or civic responsibility and support the communities within which Cromology operates, including sponsoring events when the profits are to be allocated to charitable works.

Cromology may only offer and make donations if they are (i) completely independent of any commercial transaction and are not made with the intention of obtaining or winning a contract in return, (ii) conducted in complete transparency, (iii) authorised under the law, (iv) conducted in compliance with all codes of ethics applicable to the recipient organisation, and (v) reasonable.

### Example:

A customer asks an employee to make a donation to a charity run by their son-in-law in exchange for the realisation of a commercial transaction. The employee must refuse any such request.

If a Cromology employee wishes to make a donation to a charitable organisation, they must obtain prior written authorisation from the manager of the Cromology entity concerned, which may only be issued after consultation with the Group Legal & Compliance Director and Finance Director.

Each request, authorisation and refusal for donations to charitable organisations must be retained by the Legal & Compliance Department in a dedicated file. The Finance Department must precisely record the expense and the purpose of each donation to charitable organisations in the books and records of the Cromology company in question.

The rules and authorisation form are covered in the **Patronage & Charitable Donations Procedure**.

Sponsorship is designed to provide material support to an event, person or organisation in order to gain a direct benefit generally corresponding to improving our brand profile (sponsoring a car race, athlete, artist or public place).

The remuneration must be proportionate to the brand visibility achieved and it is recommended to use our standard contract.

## **7) Lobbying**

Lobbying means any direct or indirect exchanges with public officials designed to influence public decision-making.

All lobbying must be conducted in strict compliance with national and international regulations, in complete transparency and with prior authorisation from the Group.

Lobbying incorporates risk as it may lead to corruption where the lobbyist (professional association, specialist firm, NGO, etc.) offers an undue advantage to a decision maker to incite the latter to support, reject or modify any regulation in a direction that is favourable to its client.

## **8) Political donations**

As a matter of principle, Cromology prohibits all donations to political parties on behalf of Cromology or in any other manner via the company's funds. No Cromology employee may make or approve any donation to a political party, whether directly or indirectly, on behalf of Cromology or for any purpose related to its activities.

This prohibition does not in any way extend to the right of a Cromology employee to make personal contributions in their own name.

## **9) Avoiding and managing conflicts of interest**

In addition to the prohibition on acts of corruption, all Cromology employees must avoid situations in which their personal interests may conflict with those of Cromology.

Maximum transparency is required. If an employee encounters an actual or potential conflict of interests that may influence their judgement or actions (family

ties or friendships) or if they occupy a post, perform a function or hold a financial interest in a competitor, customer or supplier, they are obliged to disclose all the facts to enable an in-depth analysis to be carried out in compliance with the **Conflicts of interest procedure**.

The line manager and Legal & Compliance Department must assess the situation and determine what measures must be taken, notably if the employee's functions enable them to exert an influence over the relationship. As applicable, the employee may be excluded from the decision-making process.

Example:

A delivery of packaging to a Cromology production unit must be covered by an inspection performed by an employee who is the niece of the supplier. The supplier asks for the delivery to be accepted as is without any check. The employee must refuse this suggestion and notify Cromology of her links of interest with the supplier.

## **10) Accounting procedures**

Cromology's accounting procedures ensure that the ledgers, records and accounts are not used to conceal corruption.

In addition to the standard accounting controls, enhanced verification is applied to the following types of expenditure:

- Transactions susceptible to concealing corruption (gifts, invitations, trips, payments to tax havens, sponsorship, charitable donations, fees, commissions and cash payments).
- Transactions identified in the corruption risk map as susceptible to incorporating a risk (year-end rebates, agents' commissions and expenses, transactions involving public bodies and significant rises in supplier volumes).
- Extraordinary transactions (acquisitions, construction permits) or those that require the intervention of intermediaries.

## **Notification and whistleblowing**

If you have any doubts as to the situation you face or if you believe or suspect that an act of corruption has been or may be committed, you must always seek advice.

In addition to the usual notification and referral channels available within the Cromology Group (line manager, Human Resources, the manager of each operating company, etc.), all of whom retain their role, Cromology has made available to employees and stakeholders a system that complies with the French

law no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and modernisation of the economy, known as the Sapin II law.

Under this mechanism, employees may issue notifications via e-mail to

Carole Corvisier, Legal & Compliance Director, 71 boulevard du Général Leclerc, 92110 Clichy, France; or

Philippe Ronphé, Human Resources Director, 71 boulevard du Général Leclerc, 92110 Clichy, France.

(Please state on the envelope "Only to be opened by the addressee".)

Any such concerns may also be notified via the whistleblowing channel CromologyIntegrityLine. Notifications issued via the whistleblowing mechanism may be anonymous if this is permitted in domestic law.

The receipt and management of such notifications are covered in the **Whistleblowing Procedure** that can be accessed by users via the dedicated platform.

Under no circumstances shall the notification of any such information or wrongful practice made in good faith constitute grounds for any retaliatory measure against the employee issuing the notification.

## **Sanctions**

Any violation of applicable anti-corruption legislation may lead to criminal, civil or regulatory sanction against Cromology and invoke the personal liability of directors and employees in their capacity as natural persons.

Sanctions may lead to significant fines, imprisonment and the reimbursement of profits.

Under French law, for example, corruption is subject to up to 10 years' imprisonment for natural persons and/or fines of up to 5 million euros or 10 times the proceeds from the offence for the company. If Cromology is found guilty of having participated in an act of corruption or if its employees are engaged in acts of corruption and/or it is deemed that Cromology does not have the necessary procedures to prevent the risks of corruption, a heavy fine may be issued and the company may notably be excluded from public procurement.

Actual or assumed violation of these laws may also seriously damage Cromology's reputation.

Cromology will therefore take firm measures against anyone confirmed as being involved in any corrupt practices. This includes disciplinary measures against any employee who violates this policy, up to and including dismissal for serious misconduct.

Any questions about this policy or applicable anti-corruption laws should be addressed to the Group Legal & Compliance Department or to the Financial Director of the country in question, who will request assistance from the Legal & Compliance Department as and when required.

List of tools and reference documents available in C-WE (or the intranet of other Cromology Group companies)

Employee Code of Conduct  
Partner Code of Ethics  
Partner Assessment Procedure  
Conflicts of Interest Procedure  
Patronage & Charitable Donations Procedure.  
Whistleblowing Procedure

Gifts and Invitations Register  
Whistleblowing line CromologyIntegrityLine  
Anti-corruption E-learning Module