

# **CFAO GROUP ANTI-BRIBERY AND CORRUPTION POLICY**

## SUMMARY

- 1-Message from the CEO
- 2-Why? What? For Whom? How?
- 3-Definitions
- 4-Description of the prohibited behaviours
- 5-Applicable principles and sanctions
- 6-Risky situations and corresponding rules
- 7-The anti-corruption toolbox at your disposal

# 1. Message from the CEO

CHAIRMAN & CEO

Sèvres,  
22, May 2018

Dear All,

On December 19, 2017, CFAO's Management Committee adopted the Code of Conduct and Ethics ("COCE") of the TTC Group that I am sending to you and which replaces the Code of Business Conduct of CFAO.

This decision is part of the consolidation of all TTC group activities in Africa within CFAO. It aims to strengthen within this unified team, symbolized by the slogan "One Team for Africa", the commitment to values and a common corporate culture.

The COCE is itself the result of a global TTC initiative launched by President Karube to "carry out reforms of the corporate culture of the TTC group" and "make the workplace safer and more secure, and establish a work ethic". It is your responsibility that everyone in your team should be aware of and understand each of the principles contained in this Code. I thank you in advance for the attention you will give in its respect.

The dissemination of this Code also gives me the opportunity to inform you that the change of regulatory environment in France in particular (Sapin 2 law) as well as the Japanese regulation (Unfair Competition Prevention Act), will lead us to adopt in the coming months more specific rules to confirm the commitment of the anti-corruption group and procedures to frame our actions in situations considered usually at risk. I remind you of your duty of exemplarity vis-à-vis your teams in defense of strong principles to which I adhere, of which we are the guardians, and who are the pledge of responsible and sustainable business conduct for CFAO group.

The new COCE is available electronically on our intranet portal at [www.cfaogroup.com](http://www.cfaogroup.com) CSR tab.

The Group's Compliance teams are at your disposal to help you in its correct application and answer your potential questions.

Kind regards,

**Richard Bielle**

## 2. Why? What? For Whom? How?

### a. What is it?

The CFAO Group Anti-Bribery and Corruption Policy (“**CFAO ABCP**”) aims at defining and describing corruption and influence-peddling, clearly prohibiting any act of corruption or influence-peddling under any form, providing the sanctions that will be applied in the event such prohibition is violated, and finally identifying principles and guidelines (applicable to all divisions of the Group) to be followed in order to identify risky situations and to avoid any violation.

### b. Why is it needed?

CFAO Group (the “**CFAO Group**” or the “**Group**”) is committed to conducting its business both in compliance with all applicable local, regional and international laws and regulations and in a spirit of loyalty, openness and respect for its employees, suppliers, customers, shareholders and, more generally, for all its stakeholders.

CFAO Group does not tolerate any form of bribery or corruption and is committed to upholding high standards of integrity and ethical behaviour in all its interactions.

CFAO Group is committed to working only with third parties who respect the same standards of ethical behaviour and who will comply with these principles or will implement equivalent ones.

CFAO Group will support any employee or third party which, in the implementation of this policy, will refuse to pay or accept bribes.

CFAO Group will ensure that appropriate procedures are in place to monitor compliance with this policy and that all the entities of the Group, including Joint Ventures controlled by CFAO Group, will maintain accurate records of such implementation.

This policy is also intended to be an aid to personal reflection and a basis of discussion with others on the principles mentioned above.

As an international group, CFAO needs to comply with a large variety of legal provisions in the various countries where the group and its shareholder are incorporated, including in France (Sapin II law) and in Japan (1999 Japan Act on the prevention of bribery of foreign public officials). This policy has been implemented to comply with these laws.

### c. For Whom?

All directors, officers, employees, agents, contractors, organisations and third parties acting directly or indirectly for or on behalf of a company belonging to CFAO Group are required to comply with all applicable local, regional and international laws and regulations and with the CFAO Group’s rules, including the present policy.

#### **d. How does it articulate with other sets of rules?**

##### **i. With the COCE**

The purpose of the COCE is to provide guidelines for the behaviour of all CFAO Group employees. The COCE Confirmation chart is a tool to assist employees in situations where they may have difficulties identifying which behaviour is compliant with the COCE principles.

The CFAO ABCP thus completes and clarifies, on the specific topics of corruption and influence-peddling, the COCE.

##### **ii. With the Anti-Bribery and Corruption Procedures**

The CFAO Group Anti-Bribery and Corruption Procedures (“**CFAO ABCPR**”) provides practical standard measures and processes to be implemented by any entity of the Group in order to enhance their defence system against corruption and influence peddling:

- i) Creation of a compliance organisation that will deal with compliance issues,
- ii) Implementation of procedures to tackle identified risky situations,
- iii) Implementation of a third-party due diligence before entering into a relationship with third parties,
- iv) Provision of a methodology for the risk assessment of material contracts with government or public or private co-contractors, to be taken into consideration before approval,
- v) Provision of methodology of the reporting of suspicious conduct.

Such Procedures thus are implementation measures for the principles set in the CFAO Group Anti-Bribery and Corruption Policy.

##### **iii. With local implementation documents**

Divisions’ compliance organisations, in the implementation of the global rules at division level, are in a position to seize a better granularity of the risks identified at group level. Therefore, implementation of global rules induces a complementation of these rules locally.

Subject to compliance with local laws, the abovementioned three instruments (COCE, CFAO ABCP and CFAO ABCPR) will be integrated into the internal regulations of each subsidiary and must be enforced.

The list of risky situations identified, at group level, in the CFAO Group Anti-Bribery and Corruption Policy may thus be completed, at division level, with some division-specific risky.

Similarly, adjustments to the CFAO Group Anti-Bribery and Corruption Procedures may also be performed locally.

The respect of the various rules and instruments mentioned above will be regularly controlled by the Group and Division Compliance Organisation and internal auditors.

### 3. Definitions

Bribery: To bribe means giving, offering or receiving anything of value, to or from any person whether public or private, with the intention to induce or be induced to do something improperly in order to obtain, retain or secure an advantage (either for the company – such as a business advantage – or a private advantage).

Corruption: The term corruption corresponds to promising, giving, offering (active corruption) or soliciting and receiving (passive corruption) from a third party directly or indirectly an undue advantage for oneself to facilitate, accomplish or refrain from performing an act of one's function.

Company: Covers any company of the CFAO Group, including your company.

Compliance Organisation: the Compliance Officer ("CO") and/or Compliance Committee ("CC") in your company.

Division Compliance Organisation: the Division Compliance Officer ("DCO") and/or Division Compliance Committee ("DCC") in your division.

Employee: Any director, officer, manager or employee, whether designated or hired by the company, either for a limited duration or an indeterminate period, to work for the company.

Government: Generally refers to the governing body(ies) of persons in any state, country or territory. For the sake of completeness, it is hereby clarified that such term can also cover indistinctly:

- a. any ministry, body, department, agency, or any part of the government;
- b. any instrumentality of the government, public agency or public entity including but not limited to:
  - (i) any commercial entity of which a majority of the shares or the voting rights is directly or indirectly owned by the government;
  - (ii) any commercial entity of which a majority of directors and officers or the key director or officer is nominated or appointed by the government;
  - (iii) any commercial entity of which the government is entitled to permit or veto any or all substantial matters; and
  - (iv) any other commercial entity directly or indirectly owned or controlled by the government;
- c. political parties; or
- d. international institutions

Government Official: any individual who is a candidate for or holds a legislative, administrative or judicial position of any kind, whether appointed or elected, who exercises a public function for a country, a territory, any public agency or public company of that country or territory, who acts as an official or agent of a public international organisation (including agents and consultants), who works in public institutions which are owned, controlled and/or run by the government.

Group Compliance Organisation: the Group Compliance Committee ("GCC") and the Group Compliance Officer ("GCO") at group level.

Influence peddling: is characterised by a gift or undue advantage offered or granted to the beneficiary in exchange for the use of his/her influence in order to obtain a favourable decision.

Third party: any service provider, supplier, customer, agent or consultant acting for or on behalf of the company, or supplying or selling any good or service to the company.

## **4. Description of the prohibited behaviours**

### **a. Corruption**

The act of corruption occurs when one person promises, gives, offers to (active corruption) or asks and receives from (passive corruption) a third party directly or indirectly an undue advantage for in the objective of facilitating, accomplishing or refraining from performing an act of that belongs to the corrupted person's function.

Examples: Pay an amount to obtain a bid, speed up an importation process or obtain a tax exemption linked to an investment process.

### **b. Influence-peddling**

The act of influence-peddling is characterised when a person offers or grants a gift or an undue advantage to a third party in exchange for the use of his/her influence in order to obtain a favourable decision.

Examples: Sponsor a charitable organisation which is managed by a close relative of a person that will decide to attribute a bid, contract with an unqualified service provider on request of a client to obtain business.

## **5. Applicable principles and Sanctions**

Corruption, influence-peddling or any assimilated behaviour are not acceptable in the conduction of a respectable and ethic business such as the one the CFAO Group is promoting.

Moreover, such illegal behaviour induce an unacceptable risk for both the employee and the Group, in the form of criminal sanctions and irreparable damage to reputation for both the company and the people involved.

Thus, the CFAO Group will apply a zero tolerance policy with respect to these behaviours.

This zero tolerance policy is demonstrated through the affirmation of COCE principles, the provision of clear Procedures (please refer to the CFAO ABCPR) and the application of strict sanctions to any infringing person.

**a. Applicable principles**

**i. Reminder of COCE principle**

**Principle 2) of COCE states: “We will comply with all applicable laws, including anti-corruption, competition and trade laws”.**

This means that we must familiarise ourselves with all laws (including international laws) governing our scope of responsibility and strictly abide by them in all circumstances.

**Principle 5) of COCE states: “We will act with integrity, honesty and transparency and establish a relationship of trust between all stakeholders”.**

This means that the level of requirement that we apply to ourselves should be extended to all the people we work with.

**ii. Zero tolerance against corruption, influence peddling or any associated behaviour**

Although such prohibition is clearly stated in local, regional and international laws and regulations, CFAO Group is willing to clearly reaffirm the prohibition and condemnation of any act of corruption, influence-peddling or any assimilated behaviour, as previously described, in the present policy.

Payments may be performed, in spite of their clear prohibition, in the sole exceptional event of force majeure where the health or life of a person is at risk. Should such case arise, never act alone: immediately contact your Compliance Officer.

**iii. General Dos and Don'ts**

Dos	Don'ts
<ul style="list-style-type: none"><li>• Justify, act in good faith, with prudence and transparency;</li><li>• Comply with all internal procedures of the company for transactions identified as risky;</li><li>• Inform our partners (customers and suppliers) and service providers of our ethical principles so that they commit to respecting them;</li><li>• Cooperate in the event of an audit by the competent authorities.</li></ul>	<ul style="list-style-type: none"><li>• Accept, promise or offer any benefit or illegal payment to influence a business decision;</li><li>• Accept or pay in cash any amount of money that is not justified or recorded.</li></ul>



## **b. Applicable sanctions**

### **i. Legal sanctions**

Corruption and influence-peddling are subject to heavy criminal sentences. For example, in France, there is a maximum offense of ten years' imprisonment, €1 million for employees and €5 million for companies.

### **ii. Disciplinary sanctions**

According to the message from our CEO Jun Karube (COCE)

*"Any breach of our code of ethics and conduct is absolutely unacceptable even for the purpose of meeting our customers' requirements or in order to generate significant profits ..."*

The same rule applies to any violation of the CFAO Group Anti-Bribery and Corruption Policy.

Therefore, beside any criminal sanction that the infringing person would face, the CFAO Group would systematically apply strict sanctions to illegal behaviours such as corruption and influence-peddling.

In the event of violation, the employee will be subjected to disciplinary action which would, as the case may rise, lead to disciplinary sanctions.

## **6. Risky situations and corresponding rules**

### **a. Gifts and Hospitalities**

The term "**gifts**" includes anything of value, such as cash or equivalent and corporate products, vouchers, services, loans, prizes or any other advantage granted as a sign of friendship or appreciation without expecting something in return.

The term "**hospitality**" refers to any meal, accommodation, trip, seminar and invitation or ticket to a social event or entertainment.

It is very important to have a good working relationship with third parties and, there may be occasions, in the course of this professional relationship, to exchange gifts or provide hospitality. However, it is crucial that any gift or hospitality given or received by any Employee be legitimate, reasonable and proportionate and may not be construed as a bribe or inducement.

#### Applicable rules

As a principle, nothing of value may be offered, promised, given, requested, accepted, directly or indirectly, to or from a third party, under any circumstances.

Exceptionally, gift or hospitality can be given, received or promised if:

- The gift is **not cash** or cash equivalent;
- Its value does not exceeds a threshold that is been defined locally based on the recipient's geographic location and standard of living ;

- It is part of normal business relationships;
- It is granted outside tender periods if applicable;
- It cannot be construed as undue influence or a bribe.

In case the value of the envisaged gift or hospitality exceeds the defined threshold, such gift or hospitality has to be approved by the Employee's N+1 (please refer to the Procedure).

When gift or hospitality is given, received or promised to or from a Government Official, such gift or hospitality shall be authorized by the Employee's N+1 and by the Compliance Officer (please refer to the Procedure).

*Dos and Don'ts*

Dos	Don'ts
<ul style="list-style-type: none"> <li>• The gift or invitation is not offered with the intention of obtaining an undue advantage;</li> <li>• The gift or invitation is reasonable in value and frequency and is consistent with local regulations or third-party rules;</li> <li>• The gift or invitation is appropriate, in particular with regard to cultural and social customs.</li> </ul>	<ul style="list-style-type: none"> <li>• Trying to obtain a benefit from the receiver;</li> <li>• Creating an obligation for the receiver;</li> <li>• Providing gifts the amount or frequency of which is (are) inappropriate or inconsistent with local rules or local social customs;</li> <li>• Providing cash gifts or equivalent.</li> </ul>

**b. Conflict of Interest**

A **conflict of interest** is a situation in which the personal interest of an employee (or that of a close natural or legal person) may enter into conflict with the interest of his employer or group. For example, an employee who in charge of a negotiation between his employer and a company owned and directed by its brother has a conflict of interest.

Conflicts of interest can lead to or hide acts of corruption.

*Rules*

We must disclose any conflicts of interest related to our responsibilities within the company and must not place our personal interests above those of the company (please refer to the Procedure)

*Dos and Don'ts*

Dos	Don'ts
<ul style="list-style-type: none"> <li>• Inform your superior of a potential conflict of interest in a case entrusted to you;</li> <li>• Notify your manager when you hold an elected office or a corporate office with someone other than your employer;</li> </ul>	<ul style="list-style-type: none"> <li>• Conclude a contract with a company in which you or a relative of yours has an interest;</li> <li>• Conceal conflict of interest situations;</li> <li>• Influence the hiring of a family member or one of your relatives.</li> </ul>

<ul style="list-style-type: none"> <li>• Withdraw from a decision procedure if you have a conflict of interest.</li> </ul>	
--	--

**c. Sponsorship**

The term **sponsorship** covers the payments in the form of donations, patronage, or charitable contributions to civil society actors (charities, etc.) acting for social, charitable or educational causes.

For example, a payment made to a humanitarian association is a sponsorship.

The CFAO Group is committed to the development of socially and environmentally positive initiative and is willing to support them. It will therefore always engage in legitimate and appropriate sponsorship. Yet, it may happen that sponsorship opportunities are derived from their official goal or hide fraudulent schemes benefiting private interests, thus be associated to corruption schemes. Therefore, we must all be highly vigilant when engaging in sponsorship proposals.

*Rules*

Any sponsorship must be made directly by the company and only to official, recognised organisations.

Sponsorship must be made in line with all CFAO policies and procedures. When making sponsorship, it is important to ensure that it is for legitimate business purposes and not to gain improper business advantage, to avoid such donations being considered as inducements.

*Dos and Don'ts*

Dos	Don'ts
<ul style="list-style-type: none"> <li>• Check compliance with laws and regulations;</li> <li>• Respect the rules and procedures in force within the group or your company;</li> <li>• Act in perfect transparency in all circumstances.</li> </ul>	<ul style="list-style-type: none"> <li>• Try to obtain an undue benefit;</li> <li>• Infringe the group or internal process for approval and/or book record-keeping;</li> <li>• Provide funding to political activities which is prohibited by the Group rules.</li> </ul>

**d. Offshore bank account payments**

**A payment on an offshore bank account** corresponds to the situation where the company is requested by a provider of goods or services to pay an invoice by transfer to a bank account belonging to the provider but not located in the country where the company is incorporated or where the provider is incorporated.

*Rules*

Any offshore bank account payment **is strictly prohibited** and any violation of this principle shall be reported to the CO.

**e. Payment to a third party on behalf of the principal**

**Payment to a third party on behalf of the principal** occur when the company is requested by a provider of goods or services to pay an invoice by transfer to a bank account which does not belong to the provider, regardless of whether it is located in the country where the company is incorporated or where the provider is incorporated.

*Rules*

Any payment to a third party on behalf of the principal **is prohibited** save as priory authorised by the CO and in compliance with the rules and conditions provided in the Procedure. Any violation of this principle shall be reported to the CO.

**f. Payments in cash**

Payments in cash are **prohibited**.

**g. Relationship with third parties (suppliers, distributors...)**

The CFAO Group is working constantly with third parties. The relationship it has with such third parties is therefore of paramount importance. Yet, the level of trust and reliance on third parties the CFAO Group has achieved overs years and continues to develop should not hide the risks it exposes the group to. Every employee should remain as vigilant and demanding, with regards to compliance requirements, with the third parties as the CFAO Group is with itself and its employees.

As a matter of fact, third parties acting on behalf of the CFAO Group or on their request happen to represent the Group and are associated to its image. Any reprehensible action or situation imputable to the third party could immediately lead to judicial consequences on the Group or tarnish the Group's image.

Most obviously, we must not enter into any negotiations with anyone directly or indirectly related to any criminal organisation or illegal activity. As the illegality of the activity of the third-party is not always directly acknowledgeable, it is necessary to (i) require from the third party that it abides by the CFAO Group's compliance rules (please refer to Procedure) and (ii) perform a due diligence on the third party before entering into relationship with such party (please refer to Procedure).

*Dos and Don'ts*

Do	Don't
<ul style="list-style-type: none"><li>• Follow the integrity check procedure in effect in your company;</li><li>• Inform the third party of the principles in force within your company and the group;</li><li>• Ensure the conclusion of a contract that defines precisely the role and mission of each person.</li></ul>	<ul style="list-style-type: none"><li>• Engage in a contractual relationship in violation of the integrity check rules;</li><li>• Infringe the group or internal process for selection of suppliers, subcontractors and third parties.</li></ul>

## 5- The anti-corruption toolbox at your disposal

### a. Training

Training on the prevention of corruption is provided either face-to-face or through web tools. It is intended to detail the serious consequences for you and your company in the event the rules mentioned above are violated. Contact your CO or CC for information on the training available.

### b. Compliance team

In each of the group's companies there is a compliance organisation (CO or CC). Please contact your human resources manager to identify it. This organisation is at your disposal to ask questions, gain advice or report a difficulty in implementing the principles outlined in this policy.

### c. Alert system

All employees must report any event which could be qualified as misconduct or a breach of this policy or any legal provision either:

- to their line manager or,
- to the Respect Ethical Alert System at the following address: [respect@cfao.com](mailto:respect@cfao.com) and/or
- turn to the CO or CC.

Third parties are asked to use the same reporting procedure to report any breach or misconduct that could be qualified as corrupt practice.

Any notification will be treated internally by the DCO or DCC which will investigate any reported misconduct or breach and report to the GCO and GCC. An appropriate traceability process will be implemented to document any reported event and its relevant solution. For any information relating to the process applicable to the alert see Appendix 1.

### d. Audit

Internal auditors of the Group as well as the Compliance Organisation (at company, division and group level) will be in charge of the monitoring and systematic controls of the Anti-Bribery and Corruption Policy and of checking the implementation and efficiency of the Anti-Bribery and Corruption Process defined in the Anti-Bribery and Corruption Procedures.

## Appendix 1: Information on the Respect Ethical Alert System in CFAO Group

### ***Information to employees about setting up a whistleblowing system ("Respect Ethical Alert System") within the CFAO group***

To meet the legal obligations of the CFAO group (Sapin 2 law) as well as commitments entered into with certain suppliers, a professional alert system (called "Respect Ethical Alert System") is set up within the CFAO group. Its purpose is to enable its employees to report malfunctions of the company and / or behaviors that they consider contrary to the applicable rules as set by the COCE, the ABCP and the ABCPR. Any such report can be made via the "Respect" e-mail address. : [respect@cfao.com](mailto:respect@cfao.com).

Please take a moment to read the following information on such system :

#### ***ETHICAL ALERT SYSTEM: WHAT YOU NEED TO KNOW***

- *Whos is responsible for the system?* The Group Compliance Officer (Pierre-Henri Legrand).
- *Is it the only reporting channels?* The Respect Ethical Alert System is complementary to the usual internal alert modes (hierarchical channel, HR etc.), it is optional and concerns restricted areas (see below). CFAO group invite its employees to preferably use the usual internal alerts modes but underlines the fact that the use of the Respect Ethical Alert System in lieu of any other alert mode is of no consequence for the person performing the alert.
- *What should it be used for?* The Respect Ethical Alert System should be used for alerts to concern only the areas covered by the COCE, the ABCP and the ABCPR.
- *Who receives my alert?* The Group Compliance Officer (Pierre-Henri Legrand) and the Compliance lawyer (Sonia Doubin). They are bound by a strict obligation of confidentiality.
- *Who can use the Respect Ethical Alert System?* Any person, whether inside or outside the group, can launch an alert.
- *What are my rights with respect to this alert system?*
  - The person launching the alert, the whistleblower, is entitled to confidentiality and is protected against retaliation.
  - The person target by the alert, if any, is entitled to the presumption of innocence and, to a certain extent, to confidentiality.
  - Any person identified within this system has a right of access and rectification of its personal information, in accordance with French law no. 78-17 dated January 6, 1978 on information technology, data files and civil liberties (also known as "**Loi Informatique et Libertés**") and the European General Data Protection Regulation (EU) 2016/679 (also known as "**GDPR**") .

- *Are my data collected and preserved?*

- The collection is strictly limited to what is necessary to process the alert (identity, function and contact details of interested persons, facts reported by the issuer, elements gathered in the context of the verification of facts, reports in the form of alleged facts etc.)

- Data retention is limited: out-of-field alerts are removed. The others are kept for a period of 2 months after closure of operations, except in specific cases, or archiving.

- *Can my data be transferred outside the EU?* For alerts covered by this system, no data transfer to a non-EU Member State is foreseen. Should such an operation subsequently prove necessary, a transfer agreement based on the standard contractual clauses issued by the European Commission in its decisions of June 15, 2001 and December 27, 2004 will be concluded prior to the data transfer with the recipient legal entity.

- *Are bad user sanctioned?* Any person issuing an alert in good faith will not be exposed to any sanction, , even if facts subsequently prove to be incorrect or give rise to no action. Conversely, possible sanctions (disciplinary or judicial) may be taken against a person issuing an alert in bad faith.

The Group Compliance team is at your disposal to provide you with any additional information explanation you may need.