



# GUIDELINES TO PREVENTING CORRUPTION

**URGO**

INVENT & CARE

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# PREFACE

In its Ethical Charter, URGO solemnly confirmed its commitment to prohibiting corruption in all its forms. The Group therefore undertakes to:

- Comply with the relevant anti-corruption legislation in France and all countries in which it operates;
- Reject corruption and promote honest, transparent practices in all its activities;
- Mobilise the necessary resources to prevent the risks of corruption and punish non-compliant practices.

Today, non-compliance with national and international anti-corruption laws and regulations can expose the Group, its directors and its employees to stringent criminal and civil sanctions.

It is not simply a criminal issue: a company can also suffer commercially. It may, for example, be excluded from public tenders or be declared ineligible for public funding or private finance. Moreover, the risk to the company's reputation is very high and irreversible harm can be done as soon as the alleged malpractices are made public, even if the case has not gone to court.

Furthermore, most of our partners now require ethical guarantees before entering into any kind of commercial transaction. Among other things, this implies complying with rules on preventing corruption.

This Guide therefore deals with all these different issues.

Corruption does not only involve handing over money. It can also be found in the form of common social or commercial practices, including invitations, gifts, sponsorships, donations, etc. As a result, this Guide has an initial chapter on corruption and influence peddling, followed by a series of chapters on practices that may sometimes appear similar to acts of corruption or expose the Group to risks in light of anti-corruption legislation.

While some employees are more frequently exposed than others because of the nature of their activities, anyone could one day face an ambiguous situation, if not an actual approach. Everyone could be affected.

However, this Guide does not claim to cover every possible corruption situation that could occur during our day-to-day activities. Everyone must use his/her own judgement and act on the basis of common sense. Any employee who is unsure how to respond in a particular situation should not hesitate to contact his/her direct line manager, Human Resources department or Compliance Officer.

Moreover, the rules described in this Guide should, depending on the situation, be adjusted in light of local legislation and regulations. Finally, this Guide is not a substitute for more detailed instructions that are wider in scope, or the guides of conduct in particular areas already published in the Group.

Employees who fail to comply with this Guide will face disciplinary proceedings and may also face sanctions under the civil and criminal law (fines, imprisonment, etc.).



# CORRUPTION and influence peddling

## DEFINITION

Corruption can take different forms, in particular:

- Corruption can be **active**, when someone offers or promises an undue advantage; it can also be **passive**, when someone seeks or accepts offers, promises of money, gifts, services or advantages.
- It can be **direct**, when the advantage is given or promised to the person it is aimed at; it can also be **indirect**, when the advantage is given or promised to a family member or friend.

Its aim is make a person act in a way that his/her position makes easier.

Corruption may involve public officials or any private individual. The term “public official” means anyone who exercises public authority, is tasked with providing a public service or holds a public electoral mandate.

**Incitement** to commit acts of corruption and **complicity** in such acts also constitute acts of corruption.

**Influence peddling** refers to the actions of someone who puts a price for their real or supposed quality or influence, to affect a decision that will be made by a third party.

It involves three parties: the beneficiary (who provides the advantages or gifts), the intermediary (who uses the influence he/she has because of his/her position) and the target, who has the decision-making power (a public authority or administrative department, judge, expert, etc.).

In the rest of this Guide, the term ‘corruption’ is generally used to mean corruption in the strict sense of the word, and influence peddling.

These offences are punishable by fines or prison sentences.

## RULES AND PRINCIPLES

The **principle to apply** in the context of relationships with third parties is:

- Not to give, promise or offer to give;
- Not to receive or solicit any advantage of any kind (money, gift, invitation, trip, preferential treatment, etc.);

with the intention of influencing the behaviour of an individual, company or organisation, for the purpose of obtaining or retaining an undue economic or commercial advantage, either for oneself or someone else.

As an exception, gifts of symbolic value, offered in accordance with the rules set out in the next section, are acceptable.



# CORRUPTION and influence peddling



## ADOPTING THE RIGHT INSTINCTS

**Payment made to a third party** must always be in return for a professional service that has actually been provided. It must be reasonable and proportionate.

All payments must be made **against an invoice**, validated by the payment authorisation manager, preferably by bank transfer to the partner's bank account and for the amount shown on the invoice, in accordance with the contractual stipulations.

**Payments** by or to companies that are not the direct purchasers of the products or suppliers of services, and payments to countries that are not where the purchaser or service provider are located, should be avoided or, if unavoidable, be approved in advance by your legal department.

Any **discount or bonus** must be granted on the basis of commercial interest, as defined in the commercial policy of the company concerned, in accordance with Group procedures and based on a clearly defined commercial and contractual framework (general or special terms and conditions of sale, specific sales agreement, etc.).

If someone makes you an offer, **ask yourself**:

- Is this compliant with the law and regulations?
- Does it comply with this Guide and is it in the company's interest?
- Is any personal interest involved?
- Can I make this commitment openly and speak to everyone involved in it?

If you are doubtful, don't make the decision alone, in a rush or under pressure. **Ask for advice** from your line manager or Compliance Officer.



# GIFTS and marks of hospitality

## DEFINITION

Hospitality and gifts are **marks of courtesy** that strengthen commercial relationships. Gifts and marks of hospitality can come in **different forms**: an item, meal, invitation to an event, trip or entertainment (show, concert, sporting event, etc.). The nature of these practices varies considerably depending on the country, its customs, people, their convictions, the business and the nature of the commercial activity.

Any **disproportion in the favour granted** (quality, amount, frequency, response to a personal need, etc.) compared with usual commercial practices indicates that something is wrong: it may be interpreted as an intention to influence someone or put him/her in someone's debt. Any advantage that is given or received with the aim of getting something back in breach of the law or someone's contractual or professional obligations is an act of corruption.

## RULES AND PRINCIPLES

**In principle**, gifts or invitations, whether they are sought, received, offered or given, either directly or indirectly, **are prohibited**.

However, there are **exceptions**.

For example, **gifts and invitations** can be received and offered under certain strict conditions, as follows:

- They are given as a mark of courtesy or exchanged in both directions;
- They are of moderate, limited value;
- They are not intended to influence a decision or commercial relationship (for example, invitations to group events with a professional interest, such as a visit to a Group site);



## GIFTS and marks of hospitality

- They form an integral part of the rules of behaviour and customs applicable in the country in which the URGO Group entity is operating;
- Ideally, gifts purchased should support a philanthropic effort (for example, developing local artisanship, made by disabled people, etc.);
- The number and frequency of gifts is reasonable;
- The gifts offered (other than merchandising items that carry URGO Group branding) or received do not exceed the local monetary values defined in Annex 1;
- Your line manager must always be informed in writing, in advance;
- All expenses and supporting documents related to gifts and services must be recorded in the accounts, on the basis of complete transparency.

For example, if a purchaser receives a box of chocolates, he/she can keep them it. Anything other than this kind of symbolic gift must be refused, failing which the individual concerned may face disciplinary or even criminal sanctions.

With regard to **invitations** more specifically, with or without travel, offered or received:

- They must be for business purposes only; they must therefore not be used as an opportunity or pretext for a holiday;
- The expenses covered by the person who makes the invitation must be reasonable and reflect the professional nature of the invitation;
- Non work-related activities may be offered to the recipients of the invitation, provided the time devoted to these activities is marginal compared with the main purpose of the invitation and the cost remains modest.





# GIFTS and marks of hospitality

## RULES AND PRINCIPLES

**Meals** can be accepted or offered to a commercial partner under the following conditions:

- The purpose of the meal is to exchange work-related information;
- The frequency of meals does not exceed what is required for business purposes;
- The value of the meal is reasonable, based on the circumstances and local customs, and the local monetary limits defined in Annex 1.

Finally, **entertainment** (for example, a concert or sporting event) is acceptable under the following conditions:

- It is part of a formal or informal meeting to discuss business-related topics or develop a better commercial relationship;
- Its value is reasonable;
- The commercial partner also attends the entertainment;
- It is exceptional and reflects custom and practice for business-related entertainment in this location;
- It is permitted under local law.

Regardless of these exceptions, **the following are prohibited in all circumstances:**

- Gifts in cash or cash equivalents, loans or securities;
- Gifts and invitations that are subject to conditions (in exchange for...) or "solicited" (requested by a third party);
- Gifts and invitations sent to or received at a home address;
- Gifts and invitations in the context of a tender or contract award procedure;
- Gifts and invitations in the form of services (for example, promising to hire a friend or relative).

Gifts and invitations aimed at public officials are prohibited under all circumstances.





# GIFTS and marks of hospitality



## ADOPTING THE RIGHT INSTINCTS

Before you accept or offer a gift or invitation, **refer to the limits** set out in Annex 1.

**Refuse and politely explain** the Group's rules to any customer or supplier who solicits or offers a gift, where the value or nature of the gift does not comply with the aforementioned rules or in circumstances that the Group does not allow.

**Be attentive** to the context and how a gift or advantage could be interpreted. There must not be any expectation of getting something in return.

**Anticipate**, so that you don't find yourself in an impasse, where refusal would create a physical or commercial danger or threat.

**Be wary** of abnormal situations, unusual demands or complex processes.

**Endeavour** to avoid using a chain of intermediaries.

**Respect** the separation of decision-making and payment functions and the traceability of payments.

Before you offer or accept a gift or invitation, **ask yourself:**

- Does the commercial partner have a doubtful reputation?
- Will I get an advantage in return if I make a favourable decision?
- Do I have any doubt about the legality of the operation?
- Does the legislation in effect in the country allow gifts or does it set any limits on the amount?
- Could this gift change my behaviour towards the person or company? Or the behaviour of the person towards me or my company?
- Can I talk about the gift I have given or received with my colleagues without embarrassment?
- Would my line manager agree with my offering/receiving this gift?

If, for reasons of protocol or courtesy, you need to accept or offer a meal that falls outside the rules set out in this Guide, you must **inform** your line manager in advance and **consult** the Compliance Officer if there is any doubt about the justification for the invitation.



# FACILITATION payments

## DEFINITION

Facilitation payments are **unofficial payments** (compared with legitimate, official taxes and duties) paid to a public official or intermediary to facilitate or accelerate administrative formalities, for example, issuing permits or licences, visas, customs clearance, etc.

Unlike bribes, they do not result in an undue or unmerited advantage for the person who pays them; they are designed to accelerate or facilitate a transaction.

## RULES AND PRINCIPLES

Although practices of this kind are allowed in certain states, facilitation payments are viewed as an **act of corruption** in most countries, including France.

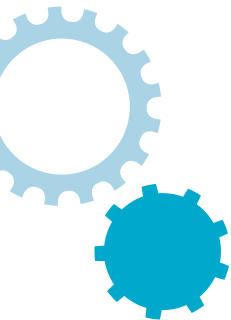
As a consequence, URGO **strictly prohibits** facilitation payments.

However, an **exception** may be made in situations where the payment of a small sum is the only solution that will guarantee an employee's health, safety and/or physical integrity.

It must be reported as soon as possible.

For example, payments are **permitted** if someone needs to be admitted to hospital in an emergency.

Conversely, unofficial payments aimed solely at speeding up the issuance of a visa that is certain to be authorised are **prohibited**.





# FACILITATION payments



## ADOPTING THE RIGHT INSTINCTS

Ask for invoice-like **evidence** of all payments you make.

As a minimum, **exchange emails** with the person requesting the payment, in order to keep a written record of the request, and remind him/her that it is contrary to the Group's Ethical Charter.

If you have to make a facilitation payment, keep a **detailed dossier of events** and, if possible, have witnesses who can identify and explain the payment.

Report the incident immediately to the Compliance Officer.

If you are faced with a request for payment, **ask yourself:**

- What is this payment for?
- What is its purpose?
- Is the payment necessary to guarantee my health or safety, or that of one of my colleagues or staff?

If you think that local services, such as customs, are intentionally delaying a procedure to the point that it represents a contractual risk, **report** the problem to your line manager and the Country Manager affected by the shipment. Don't try to manage the situation by yourself.



## DEFINITION

**Contributions and donations** are advantages offered in the form of money and/or contributions in kind. They are given for a specific purpose, such as research, training, the environment (sustainable development), charitable or humanitarian aims, etc. **Political contributions** – monetary or otherwise – are designed to support political parties, leaders or initiatives.

**Sponsorship** means financial or practical support provided for an event, in exchange for various kinds of visibility at the event.

The URGO Group uses patronage or sponsorship when it wants to provide financial or practical support to a piece of work or a social, cultural or sporting initiative to **communicate and promote its values**.

A **contribution is illegal** in relation to corruption rules if it aims to influence an official action or provide an undue advantage.

## RULES AND PRINCIPLES

**Contributions may be made** under the following conditions:

- They are given to individuals or organisations whose aims are compatible with the principles enshrined in the Group's Ethical Charter and this Guide;
- They are handled on the basis of complete transparency: payments must be recorded in the accounts; cash payments or payments to private accounts are prohibited;
- They must comply with the **following procedure**:
  - Any patronage or sponsorship is subject to a prior written request, describing the identity of the beneficiary, the nature of the operation, the total amount concerned and the purpose of the transaction;
  - The request must be approved by two people, in writing: the General Manager will approve it once he/she has received agreement in writing from the Operations Director he/she reports to.

**Contributions to the following organisations are prohibited:**

- Organisations in which an URGO Group employee has a direct or indirect, personal, financial or tangible interest (among other things, sponsoring the football team in which an employee's child plays is prohibited);
- Organisations whose past activities, reputation or references create a legitimate suspicion with regard to doubtful or unethical practices;
- Organisations whose activities result in funding for a political party or trade union.



# PATRONAGE and sponsorship



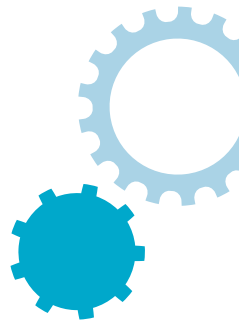
## ADOPTING THE RIGHT INSTINCTS

If you are approached for URGO to make a donation or sponsor an event, **apply** the procedure described above and set out in Annex 2.

Before offering or agreeing to make a donation, ask yourself:

- Does the beneficiary organisation have a good reputation and are its objectives legitimate?
- Do the beneficiary's activities align with URGO's values?
- Does the planned contribution comply with local regulations?

If you are unsure, **check** with your line manager or the Compliance Officer.



# ANNEX 1

## AUTHORISED LIMITS

*Following rules apply only to people invited by URGO's employees and invitation of URGO's employees by third parties. For internal expenses of URGO's employees, please refer to your Travel or Expenses Policies which remain applicable.*

### Whatever may be the country:

- **Accommodation:** Up to 4 stars' hotel, except for specific cases duly documented and previously agreed by General Manager or Country Manager. In no case, you could use Resort hotel or hotel with SPA
- **Air Travel:** Economy class under 5 hours' Flight / Business class if more than 5 hours
- **Train Travel** (in countries where trains exist): Prefer second class
- **Lunch - Dinner** (per person/ drinks included): Maximum 50€
- **Gift** (market value per gift/ VAT included): Maximum 50€

### Exception:

In **Singapore**, it is strictly forbidden to invite business partners, to offer them gifts and to accept any gifts or invitations from them.



# ANNEX 2

## PATRONAGE AND SPONSORSHIP VALIDATION PROCEDURE

This procedure applies to all patronage or sponsorship operations, regardless of:

- The nature of the contribution: financial contribution or donation of products,
- The aim of the operation,
- The country where it is taking place,
- The beneficiary, even if it has already received contributions through patronage or sponsorship.

Patronage or sponsorship operations must be approved in writing by two people (an exchange of emails is sufficient).

**Step 1:** The individual initiating the patronage or sponsorship proposal must submit a written request to his/her General Manager, describing:

- the precise identity of the beneficiary:
  - if it is an individual: last name, first name, address and profession,
  - if it is a legal entity: the company name, registration number on the Companies Register (or equivalent), address, names of legal representatives, name and job title of the contact within the business,
- the nature of the operation,
- the total amount involved,
- and the aim of the operation.

**Step 2:** If the General Manager approves the request, he/she must seek agreement in writing from the Operations Director he/she reports to.

**Step 3:** If the Operations Director approves the request, the General Manager will return both approvals to the individual who submitted the proposal, who must file it to provide evidence of compliance with this procedure at any time.



  
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