



# Ethics & Compliance Policy

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# Our commitment

Founded over 30 years ago on a core set of values, we must be able to recognise and manage potential risk situations. Scalian has zero tolerance for corruption and is committed to complying with all applicable anti-corruption laws including the French "**Sapin 2**" law (no. 2016-1691 on transparency, fighting corruption and modernizing economic life), the US "**FPCA**" (*Foreign Corrupt Practices Act*) and the UK "**UKBA**" (*UK Bribery Act 2010*). The Sapin 2 law applies to all our group subsidiaries. The FCPA and UKBA also have extraterritorial effects.



As President, it is my responsibility and commitment to prevent, prohibit and punish behaviour that is contrary to Scalian's values and ethics.

The **Ethics and Compliance Program** must be a reference to guide us in our daily practices. It must serve as a guide. I invite you to read it, to adopt it and to seek advice.

If you have any questions or if you witness any inappropriate behaviour, I would encourage you to use the Incident-reporting Procedure in order to inform the "Ethics and Compliance" committee. As Chairman, I shall ensure no employee is subject to any form of reprisal for reporting an incident.

Our **Ethics and Compliance Program** can only exist through the active involvement of everyone. Scalian's credibility depends on this, as does yours.

*Yvan Chabanne - President of the Scalian Group*

# Our core principles

Our anti-corruption policy is built on three essential foundations:

- ✖ **First principle:** the Executive Committee's commitment to ensuring that Scalian's missions, skills and activities are not compromised, which requires :
  - To be exemplary in personal behaviour, both in speech and in action, in terms of integrity and probity;
  - Promote the anti-corruption system through personal communication;
  - Implementing sufficient resources to ensure the effectiveness and efficiency of the system;
  - To be responsible for the effective management of the system;
  - To comply with it when taking its own decisions;
  - Ensuring that adequate and proportionate punishment is applied in the event of behaviour that is contrary to the code of conduct or that could be considered as a breach of probity.
  
- ✖ **Second principle:** the understanding of the risks to which the organisation is exposed, through the development of a risk map;

**Third principle:** the management of those risks, through the implementation of effective actions and procedures aimed at their prevention, the detection of possible behaviours or situations contrary to the code of conduct or likely to constitute breaches of probity and the sanctioning of such breaches. This management also includes the monitoring and evaluation of the effectiveness of these actions and procedures.

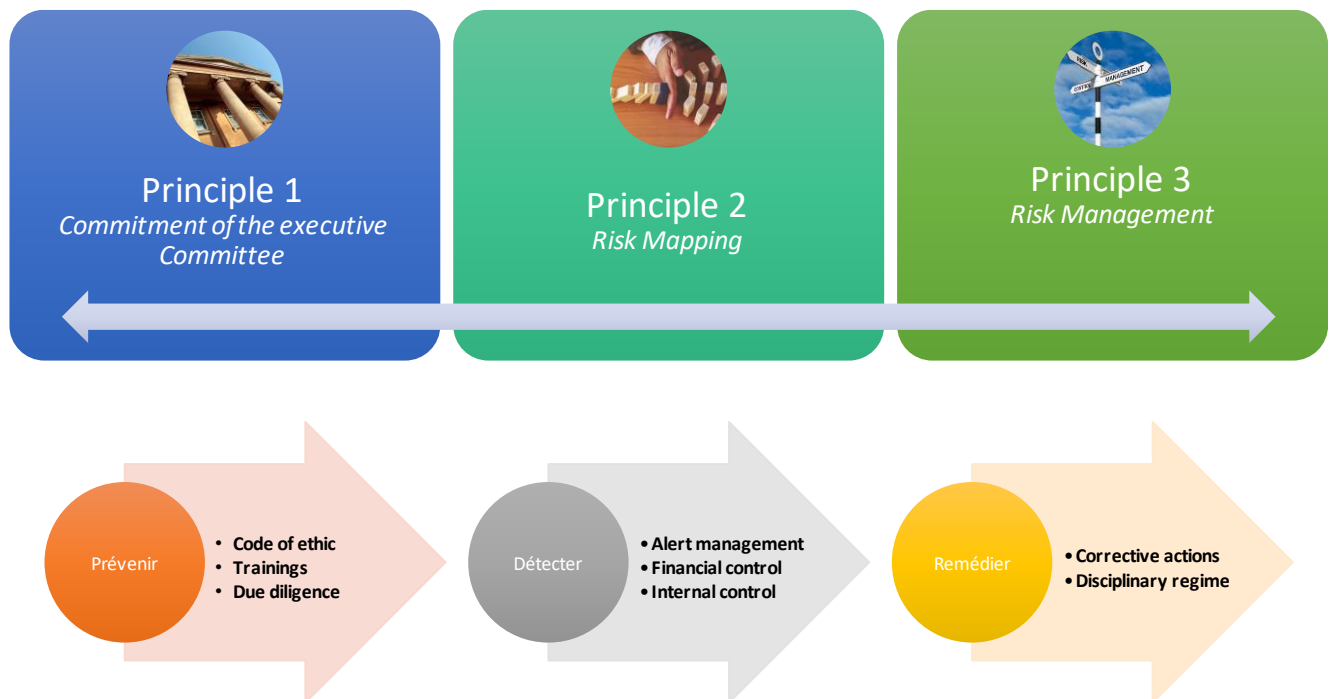
# Respecting our ethic & compliance program

This publication supersedes previous versions of our Ethic and Compliance Program in each country where the Group operates, after translation and integration into our internal rules in accordance with local law.

It is communicated to all employees via the GMS Intranet and available on Scalian's public websites. All employees must read, understand and comply with it. Compliance is a condition of employment. Violation of the Anti-Bribery Policy by an employee may result in disciplinary action, up to and including dismissal, without prejudice to possible civil, penal and/or administrative proceedings and sanctions, regardless of the company or jurisdiction involved.

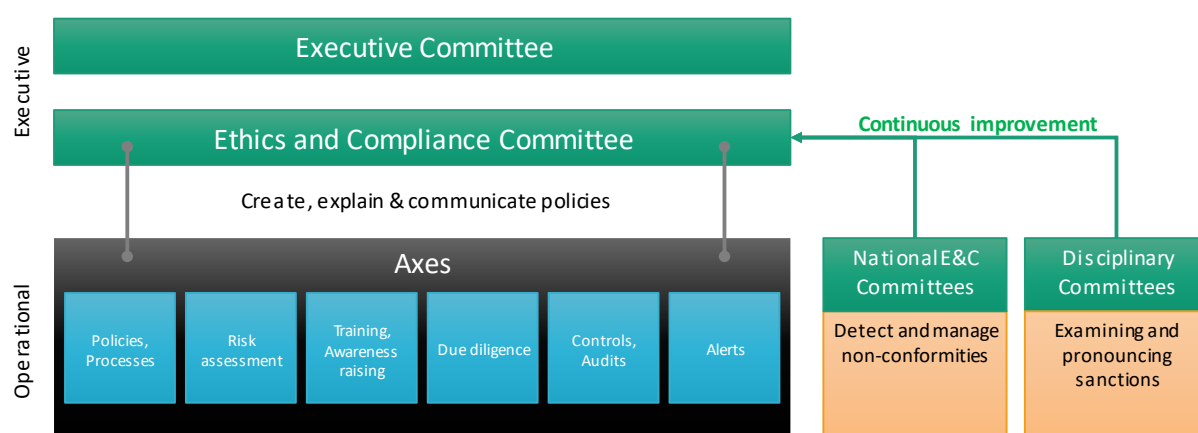
Our Anti-Bribery Policy will be reviewed and updated to take account of legislative and regulatory changes and, at a minimum, every three years

# Global overview



# Our organisation

Reporting directly to the President and the Executive Committee of the Scalian Group, the *Ethics & Compliance Committee* initiates the anti-corruption system, validates its design and ensures its deployment and control.



It is co-managed by the **Secretary General** and the **Quality Director** with the support of the **Legal Department**.

It participates personally in the operational implementation of certain actions and procedures that contribute to the anti-bribery system, such as the validation of the risk map of integrity violations, the decision-making process following the evaluation of some third parties or when it comes to determining the sanctions to be imposed in the event of a violation of the code of conduct or of facts that could be qualified as an integrity violation.

It communicates about its anti-corruption system internally as well as to third parties with whom it is considering entering or remaining in a relationship. It firmly reiterates its unwavering commitment to ethics and integrity.

Following the management of an alert by the Ethics and Compliance Committee, the Disciplinary Committee determines, if necessary, the sanctions for serious breaches of the internal regulations in order to ensure fairness and consistency of sanctions. It is chaired by the Director of Human Resources.

# Our ethics & compliance programme



**This integrated approach aims to protect and promote our ethical values in the long term.**



## Prevention

### *Tone set by senior management and directors' responsibility*

Ethics is one of our managers' key values and the issue does not just concern setting an example. All our managers must behave in an ethical manner in accordance with the Scalian Group's internal policies. As such, they must ensure that decisions taken within their sphere of responsibility, and within the spheres in which they are involved, are always in line with the values and policies of the Scalian Group.

Managers must ensure that the messages about ethical conduct are properly communicated to their teams. This communication is established through specific Ethics and Compliance sessions during the various management and/or steering committee meetings.

Our managers have certain responsibilities in terms of the Code of Ethics since they promote a strong ethical culture and workplace environment in which people are treated with dignity and respect. The general management expects everyone to set an example through their actions.

The Ethics & Compliance Department, supported by the Communications Department and the Human Resources Department, develops various tools and initiatives to raise awareness among all our employees about combating corruption and to train them in how to conduct themselves in an ethical manner in all circumstances, while ensuring their physical safety.

### *Policies and Procedures*

Under the responsibility of the Ethics & Compliance Department, Scalian implements several policies to consolidate the governance framework of the Scalian Group around the world.

When joining the Group, members of Scalian receive the Code of Ethics and the various policies and follow a mandatory training course. All these elements can be accessed on Scalian's intranet. Messages are sent out when any updates are made.

Based on the recommendations of Transparency International and the United Nations Global Compact (of which Scalian is a signatory), our anti-corruption policy sets out the following guidelines:

- ✖ Scalian forbids any form of corruption in both the public and private fields;
- ✖ Scalian forbids any use of funds or other assets for illegal or improper purposes;
- ✖ Scalian's staffs are required to comply with all anti-corruption laws in force.

Any violation of anti-corruption laws is a serious offence that can result in heavy sanctions for both Scalian and its staff.

Scalian's anti-corruption policy covers the following key points;

## Reporting

Members of the Scalian Group have a duty to report any past, present or potential, known or suspected violation of the Code of Ethics and the related policies and procedures, as well as any violation of the anti-corruption laws and regulations in force and any attempts to compromise Scalian's integrity and ethical standards.

Scalian has put in place an external incident-reporting platform for all members of the Scalian Group and people outside the Group. It guarantees the anonymity of the whistleblower, subject to local regulations and regulations on access to personal data.

Scalian shall not tolerate any form of reprisal against a person who reports an incident in good faith or who expresses their concerns in the interest of Scalian.

## Gifts & invitations

This policy defines the rules that members of Scalian must comply with concerning any gifts and invitations they receive or are offered.

## Donations and Sponsorship

Scalian has a coherent approach to social and community investment and ensures that the funds made available are in line with the philanthropic objectives of Scalian.

## Political contributions

The use of Scalian funds, assets, services or resources to contribute to a political party or to support a candidate seeking a position in government or public office is prohibited.

## Facilitation payments

Scalian forbids any group member from:

- ✗ Making facilitation payments,
- ✗ Authorising such payments,
- ✗ Proposing them, either directly or indirectly, or
- ✗ Promising to make them.

In the event a member of Scalian has no choice but to pay a sum of money to protect himself/herself from an imminent and serious threat to his/her health or safety, this sum of money would be considered as extortion and this act would therefore be tolerated as long as it were reported to the Ethics & Compliance Department.

## **Public officers**

Scalian prohibits the recruitment of a public officer, or any member of his/her family with whom Scalian has business relations.

If the case should arise, the Human Resources department must be consulted.

## **Conflicts of interest**

The Conflict of Interest Declaration Form must be completed whenever a member of Scalian (or one of that person's relatives) is involved in activities that may constitute, or be perceived as, a real or potential conflict of interest.

New managers must complete the form when they join the Group or when a change of situation places them in a position of real, potential or apparent conflict of interest.

## **Business partners**

Scalian expects all third parties with whom it does business to respect our principles, culture and values and to comply with the laws and regulations in force.

## **Antitrust & competition issues**

This policy aims to promote and ensure compliance with antitrust and competition laws and regulations, while maintaining ethical behaviour that ensures fair competition.

Since it is impossible to cover every aspect of the requirements of the antitrust laws and regulations in force, the policy aims to ensure compliance with legal and ethical antitrust requirements, and to help members of Scalian understand the types of conduct covered by antitrust and competition legislation.

## **Accounting practices**

It is crucial that Scalian's accounting records are accurate, complete and reliable since they serve as the basis for decision-making and strategic planning. Consequently, all our records are maintained in accordance with the laws and regulations in force, and with Scalian's standard operating processes and procedures for accounting and reporting.

### ***Training and communication***

Based on annual risk analyses and surveys, Scalian gives mandatory ethics and compliance training to its employees. All members of Scalian must read each new version of the Code of Ethics. The Code covers all our values, policies and anti-corruption principles. It is periodically updated and establishes a framework to guide our decisions in situations where it is sometimes difficult to decide on the right course of action. It is designed to help us make the right decisions in various situations.

The training modules are constantly being improved and integrated into the global knowledge management system, which includes training courses designed specifically for certain target groups and optional training open to everyone.

It is essential that all information provided on compliance-related topics is clear and consistent. With this in mind, we use all possible communication channels to deliver information to our employees and ensure that we frequently publish clear messages on ethical and compliance issues.

### ***Intranet site devoted to Ethics and Compliance***

Scalian provides its employees with the following:

- ✕ The Ethics & Compliance Programme
- ✕ The Code of Ethic
- ✕ Training
- ✕ A confidential, external incident-reporting platform
- ✕ Reference documents concerning the aforementioned points.

### ***Compliance of our partners***

Scalian is committed to being transparent and truthful in its relations with others. We systematically seek to work with third parties who share our values and culture of integrity. Therefore, before entering into an agreement with a business partner, we take certain steps to properly assess the business relationship and mitigate any potential risks. Scalian may terminate a business relationship with a third party whose conduct is not in line with our values and practices.

The business-partner qualification process – which is part of our Global Management System – enables us to base our decisions on an assessment of risks and liabilities linked to our relations with third parties. The qualification process raises awareness among our partners and encourages them to adopt principles and practices that are similar to ours. Our business partners fill out an anti-corruption compliance certificate, which confirms their commitment to applying certain standards of conduct in their relations with Scalian.

## **Integrity risk management**

Integrity risk mapping is the key pillar of the anti-corruption system, as it is the foundation on which other prevention and detection actions are defined. It is based on the identification, evaluation and prioritisation of the risks of integrity violations specific to each department and service. It takes the form of regularly updated documentation, designed to enable Scalian to know the risks of integrity violations to which it is exposed.

Each Department and Process Sponsor must participate in an annual review of their compliance and risk assessment to establish the effectiveness of the compliance programme and decide on any new risk-mitigation measures that may need to be implemented.

The Compliance Officer coordinates workshops during which the following information is essential to ensure that discussions are based on recent factual reports.

<b>Risk review</b>	Risk mapping methodology
	Results of the risk review from the previous year. List of risk mitigation measures to be implemented.
	Recommendations and conclusions from external compliance surveys.
	Recommendations and conclusions from internal verification reports.
	Completion and implementation rate concerning the anti-corruption training programme.
	List of business partners

The risk analyses are compiled and supplemented by surveys to enable us to determine the situations that expose us to risks. The situations that expose people to a risk of non-compliance are constantly analysed in light of our programme to identify any gaps and the appropriate adjustments that need to be made to our Global Management System. Our policies, procedures, communication campaigns and training materials are developed to correct risk situations.

At the end of this review, mitigation measures are implemented through specific action plans to be adopted by those in the positions concerned.

### *Verification of mergers and acquisitions*

Scalian may acquire other companies, or be involved in investments and strategic partnerships or joint ventures. All such agreements with third parties must reflect and comply with Scalian's integrity and compliance standards.

The verification carried out before entering into an agreement or a business relationship with a third party is crucial for ensuring that the company is not exposed to significant legal or financial risks, or situations that may damage its reputation.

The measures taken include:

- ✖ Analysing the ethics and compliance standards in the target company using a specific process to check ethics and compliance issues beforehand ;
- ✖ Assessing the current situation of the target company in relation to Scalian's programme;
- ✖ Reviewing all relevant documents and information available at the time of the assessment;
- ✖ Auditing the integrity of the executive managers and directors of the target company, and auditing its ownership structure;
- ✖ In-depth private interviews with members of the target company's management (CEO, Executive Committee, Supervisory Committee, key directors, etc.).

## Detecting non-compliances

This covers the measures taken to detect defects in the programme, acts of misconduct and non-compliance through inspections, audits, periodic and ad-hoc monitoring of the programme and non-compliance risks.

### Compliance monitoring

Compliance monitoring is carried out by the Ethics and Compliance department and the Quality Department, as part of its auditing programme. It is based on the following framework:

Policies and procedure	The tone set by the management. Management communication and commitment to the ethics and compliance programme.
	Presentation of compliance during the Annual Scalian Seminar.
	Monitoring of files.
	Training and communication concerning the programme. Assessment of the performance of the programme.
	Business partners: Verification of the field of expertise, due diligence, validation and monitoring.
	Bids and contracts: Review and approval of compliance clauses.
	Gifts and Hospitality/Donations and Sponsorship.
	Finance and accounting – Expenses report, petty cash, hierarchy of signature authority or power of attorney, segregation of responsibilities.
	Integration into personnel management processes – Background checks for sensitive positions, recruitment of public officers, disciplinary measures.

### Duty to report incidents

Scalian personnel must keep their eyes open to identify any situation involving potentially illegal or unethical conduct, and act promptly and appropriately to prevent or identify any improper conduct.

## Responsibilities of Scalian employees

As a Scalian employee, you must set an example in terms of ethical conduct and compliance with rules by:

- ✕ Taking on board all the points addressed in the Code of Ethics;
- ✕ Keeping informed of updates to the Code of Ethics;
- ✕ Understanding Scalian's procedures and instructions relating to your position;
- ✕ Contacting your manager or the Scalian ethics correspondent if you have any questions or doubts;
- ✕ Understanding how to use Scalian's "incident reporting platform" and any other reporting method, in accordance with the laws and regulations in force in your country.

## Responsibilities of Scalian managers

Our managers set the tone in terms of ethical conduct and compliance with rules. As a manager, your responsibilities go beyond those of an employee. You must define strict requirements in the area of ethics and respect your commitments. Your role covers several aspects:

- ✕ Having a thorough understanding of all the points addressed in the Code of Ethics;
- ✕ Giving information about the Code of Ethics to employees;
- ✕ Ensuring your teams receive training concerning Scalian's Code of Ethics and policies;
- ✕ Identifying and reducing the risks linked to your activity;
- ✕ Promoting the incident-reporting platform;
- ✕ Immediately informing the Scalian ethics correspondent about any incident reported;
- ✕ Establishing and implementing any corrective measures to solve the problems, in collaboration with the competent persons.

## Reporting platform

Scalian has set up an independent platform for reporting any acts of corruption. The report system covers corruption, influence peddling, criminal offences or frauds, notably as regards accounting, trade, management control and auditing. The platform can be accessed via Scalian's Internet and Intranet sites.

In accordance with the legislation in force, the incident reporting platform guarantees total confidentiality as regards the identity of the person or persons who report an incident, as well as the identity of the persons targeted by the report and of the data concerned.

No member of the Scalian Group shall be sanctioned or discriminated against for having reported an incident in good faith and not motivated by self-interest via the Scalian Group's reporting system or any other reporting platform.



Reports can be made using the secure website (<https://scalian.integrityline.app/>) or by email at [ethic.compliance@scalian.com](mailto:ethic.compliance@scalian.com).

## Taking action

This last aspect is part of a process designed to implement corrective and, notably, preventive action in order to remedy any reprehensible behaviour.

### *Consequences of misconduct & disciplinary system*

Scalian applies coherent and significant disciplinary measures in the event of unethical behaviour. Sanctions are quick and appropriate; the consequences are objective, regardless of the person's position in the company or performance.

### *Improvement of processes*

After examining the root causes of the offences, we take all necessary measures to improve our process and to prevent such a situation from occurring again. In this way, we mitigate the risks and tighten control.

### *Independent verification*

The Quality Department is directly responsible for verifying compliance. This independence enables us to have an external assessment of our ethics and compliance programme. Through its audit programme, the Quality Department examines the implementation and effectiveness of the ethics and compliance programme by comparing it with the Group's integrity guidelines. It then presents its recommendations for further improvements.

# Annual report

Scalian reports the following information yearly:

- ✕ Key trends and developments over the past year
- ✕ Our continuous improvement programme
- ✕ Key facts of the past year
- ✕ The following performance indicators:
- ✕

## Operations assessed for risks related to corruption

Scalian communicates on:

- ✕ **IEC01.1** – Total number and percentage of business areas assessed for risks related to corruption;
- ✕ **IEC01.2** – Significant risks related to corruption identified through the risk assessment.

### Objectives

- ✓ *IEC01.1 - 100% of business areas assessed according to the three-year audit plan*
- ✓ *IEC01.2 - 100% of processes and associated directions assessed annually*

## Communication and training about anti-corruption policies

Scalian communicates on:

- ✕ **IEC02.1** – Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to;
- ✕ **IEC02.2** – Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to;
- ✕ **IEC02.3** – Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to;
- ✕ **IEC02.4** – Total number and percentage of governance body members that have received training on anti-corruption;
- ✕ **IEC02.5** – Total number and percentage of employees that have received training on anti-corruption.

**Objectives**

- ✓ *IEC02.1 – 100% of managers at 7 months*
- ✓ *IEC02.2 – 100% of employees at 7 months*
- ✓ *IEC02.3 – 100% of business partners registered in the Provigis database*
- ✓ *IEC02.4 – 100% of managers at 7 months*
- ✓ *IEC02.5 – 100% of employees at 7 months*

**Confirmed incidents of corruption and actions taken**

Scalian communicates on:

- ✗ **IEC03.1** - Total number and nature of confirmed incidents of corruption;
- ✗ **IEC03.2** - total number of confirmed incidents in which employees were dismissed or disciplined for corruption;
- ✗ **IEC03.3** - Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption;
- ✗ **IEC03.4** - Public legal cases regarding corruption brought against the organization

or its employees during the reporting period and the outcomes of such cases.

**Acknowledging and processing an alert**

Scalian communicates on:

- ✗ **IEC04.1** - Total number of reports made via its alert platform. It should be noted that all other reports are recorded in the alert platform by the "Ethics and Compliance" committee;
- ✗ **IEC04.2** – The average time taken to acknowledge the alert;
- ✗ **IEC04.3** – The average time taken to process the alert.

**Objectives**

- ✓ *IEC04.2 – Average discharge time is set to 5 days over a rolling year*
- ✓ *IEC04.3 – The Average Discharge Time is set at 60 days over a rolling year.*