

Guideline Nordzucker Group

Compliance Anti-Corruption NZ 1.3.13-G

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1 Purpose and area of application

1.1 Purpose

Corruption is prohibited – worldwide as active and passive corruption. Not only by national and international laws, but also by regulations of the Nordzucker Group. Accepting or granting advantages of any kind, which are intended to influence a process of decision making in an inadmissible way are strictly prohibited. This does not only apply with regard to business partners, but also in respect to public officials and holders of a political office.

The Nordzucker Group's Code of Conduct was developed based on the Nordzucker Group's values. These values are the foundation of every single action of the Nordzucker Group and its employees, as well as the company's culture. In addition to the Code of Conduct, which includes basic regulations on corruption, this Guideline Compliance Anti-Corruption (hereafter referred to as "Guideline") aims to raise the awareness about corruption. In this respect, **this Guideline informs about the essentials of corruption and the right way of dealing with corruption issues.**

Nordzucker's management does not tolerate corruption. Business has to be always practiced in a fair and honest way. Doing no business is better than doing business that involves corruption.

1.2 Area of application

This Guideline applies to all companies of the Nordzucker Group (hereafter referred to as "Nordzucker").

Every single employee of Nordzucker has to ensure, within its area of responsibility, the compliance with applicable national and international law as well as the rules set in this Guideline.

The Top Management is responsible for the implementation of this Guideline and has to ensure within their area of responsibility that they themselves and their employees comply with applicable national and international law, as well as with the rules set in this Guideline (organizational and supervisory duty of managers).

In every country Nordzucker is doing business or operates, laws and regulations are in effect to fight corruption.

Should national or local law and regulations be stricter than the requirements in this Guideline, then local law and regulations prevail.

1.3 Validity Date and regular review

The Validity Date of this Guideline is 15.09.2021.

This Guideline is to be reviewed at least once every three years or in the event of major changes such as reorganizations. This periodic review is to be documented.

2 Basics of corruption

Corruption does not only harm societies. It also harms Nordzucker and has serious effects for every single employee.

Corruption has the power to distort competition in markets, increases the cost of doing business and harms stakeholder trust. Consequently, it destroys Nordzucker's reputation and can lead to massive financial damages. In all countries in which Nordzucker operates, corruption is illegal and punishable by serious fines and imprisonment.

That is why Nordzucker has a zero-tolerance approach when it comes to corruption, without regard to rank and position of the persons concerned.

Our compliance risk assessment procedures for corruption enables us to identify, evaluate, and monitor compliance risks continuously and to take appropriate measures with the aim to avoid non-compliance.

What is Corruption?

The term corruption does not have a legally binding definition. In general, corruption is the abuse of entrusted power or position for personal gains or advantages. It also includes grants for a third party, e.g. an employer, family members or other related persons.

The most common form of corruption is bribery. Bribery is defined as accepting or offering money, gifts, hospitality, other grants or inadmissible advantages with the intention to influence:

- the decision of public officials or holders of a political office (see also 3.2),
- the behaviour of a business partner, or
- one's own behaviour

in an unacceptable manner.

Your leading key questions and principle in daily business

Always consider before offering, giving, or promising, as well as accepting and receiving, anything of value to or from any person or company, if a business decision can be perceived to be improperly influenced by this. This is regardless of how small or insignificant the personal gain or advantage is.

In this context, always ask yourself what your superior or a colleague would think and say about the purpose of your (planned) action. Would you feel uncomfortable if your superior or colleagues notice your action? Would the (planned) acting be appropriate to damage the reputation of Nordzucker, yourself, or the other party involved?

If the answer is "Yes" to one of these questions, you must not proceed.

3 What are typical situations in which corruption may occur?

3.1 Gifts and Hospitality from or to business partners

Gifts and hospitality (together “**Benefits**”) are customary and legitimate means of building and fostering business relationships and strengthening business partners’ loyalty, as long as they have a clear business reference, are kept to a reasonable extent and are not inadmissible for other reasons.

However, accepting or granting Benefits can sometimes lead to conflicts of interest and must then be avoided. Benefits that may be perceived as extravagant or applying inappropriate influence must be avoided in any case.

The acceptance or granting of Benefits (including the offering, promising, giving, receiving and soliciting) is qualified as corruption:

- if they are used to take unfair advantage to influence a business decision; or
- if they create the impression of taking unfair advantage to influence a business decision.

Key question whether Benefits are appropriate

To answer the question whether the acceptance of Benefits is appropriate, ask yourself these following questions:

- Do you think that the extent of the invitation or gift is inappropriate with regards to the job position and hierarchy level of you and the guest in your and the guest's company?
- Would you feel uncomfortable telling your superior or colleagues about the invitation or a gift?

If you answered one or more question with a “Yes”, the Benefit is not appropriate.

Please notice: A Benefit may only be sent to the business address of the invited person / presentee.

Please also be aware, that stricter company rules for the handling of benefits could apply for your business partner, which have to be respected.

The acceptance and granting of Benefits in the context of exercising the job function from and to persons with whom no business relationship exists (e.g. marital partner or children of the business contact) is impermissible.

✓ **For more information, please see Nordzucker’s [Guideline Compliance: Gifts and Hospitality](#)!**

3.2 Gifts and Hospitality to public officials and holders of political offices

Compared with business partners, the regulations regarding public officials and holders of political offices are much stricter.

The acceptance or granting of Benefits to or from public officials and holders of political offices (including the offering, promising, giving, receiving and soliciting) is qualified as corruption:

- if they are used to take unfair advantage to influence decisions of authorities or courts; or
- if they create the impression of taking unfair advantage to influence decisions of authorities or courts.

Under all circumstances, any impression that Nordzucker attempts to influence the decisions carried out by public officials and / or holders of a political office has to be avoided. That is why it is in general not permissible to give or promise Benefits to those. Thus, even small gifts like product samples or sugar baskets are forbidden, unless they are used exclusively in the context of public relations for representation purposes and the public official or holder of a political office is not in a position to make independent decisions for or against Nordzucker.

Who is a public official or holder of a political office?

Public officials are people holding a position in public service. Included are civil servants, public prosecutors, judges and all other people in a public-legal office, people who carry out public administration duties on behalf of an authority. Also defined as public officials are employees of (partly) state-owned companies, international organizations or institutions (e.g. at the European Union).

Please notice: People working for public radio or TV stations, some banks, health insurance companies, and comparable institutions and companies can be public officials.

Holders of a political office are members of international, national, local, and regional parliaments, e.g. the European Parliament, as well as local councillors and representatives of municipal associations.



For more information, please see Nordzucker's [Guideline Compliance: Gifts and Hospitality!](#)

3.3 Donations and Sponsorship

Nordzucker supports organizations, events and political parties and associations through donations and sponsorship. With these actions, Nordzucker perceives its social responsibility and is strengthening its brand if the actions are appropriate, transparent and in compliance with applicable law. Thus, donations and sponsorships are only permissible if given to legitimate organizations, are in the company's best interest and serving a legitimate purpose. In general, Nordzucker does not donate to or sponsor single persons.

What are Donations and Sponsorship?

Donations are grants on a voluntary and altruistic basis for charitable purposes like a scientific, cultural, or other charitable or non-profit purposes, with no expectation of a consideration.

Sponsorship is a marketing instrument based on an agreement and means supporting organizations or events through money, goods or services with the purpose of promoting Nordzucker's own communication and marketing objectives. The objective of sponsorship is to achieve a positive impact in terms of reputation and public perception.

Please notice: Sponsorship requires a written agreement, which clearly outlines an appropriate consideration.

The choice of donations and sponsorship shall be clear and understandable, and enhance Nordzucker's image as a company with a strong sense of responsibility, and as a reliable partner along the whole value chain and an attractive employer.

Donations and sponsorship may only take place within the scope of the relevant legal system and in accordance with the valid internal rules and regulations, which are based on a transparent selection process and stated criteria for decision making.

The following applies to donations as well as sponsorship:

- Must not be offered or granted to obtain any unfair advantage for Nordzucker or serve any unfair purpose;
- Must not be used to obtain services provided by a public official or a holder of a political office;
- Must always take place in an appropriate, transparent manner (documentation must include recipient identity, purpose, reasons for donation/ sponsorship);
- Must not damage Nordzucker's image and must not lead into a conflict of interest (see also 3.4);
- Payments made into private bank accounts and offshore bank accounts are not permitted;
- Must be in line with Nordzucker's principles for donations and sponsorship.

3.4 Conflict of interest

Conflicts of interest are often linked to corruption. Where sensibly possible, avoid situations in which

- there is,
- there may objectively seem to be, or
- there could likely result a conflict between your personal interests and the interests of Nordzucker.

What is a conflict of interest?

A **conflict of interest** is any circumstance that could raise doubts upon an employee's ability to act, judge or decide with total objectivity regarding Nordzucker's interests, e.g. in case of decisions where another party with whom you have a (close) relation, has a particular interest conflicting with Nordzucker's interest:

- Secondary employment or self-employment e.g. a secondary employment with a Nordzucker business partner (customer, supplier) or a job as a consultant for a Nordzucker business partner (should generally be avoided).
- Private investments, e.g. with a shareholding of more than 5% or another significant financial interest in a business partner of Nordzucker.
- Certain close relationships (such as a spouse, sibling, parents, life partner ("close relative") or other close relationship) with other Nordzucker employees or with business partners of Nordzucker.
- Close relationships with auditors who are responsible for our certifications.

Please notice: Make conflicts of interest transparent. Business is dynamic and circumstances may change. Please report conflicts of interest that arise during your employment.

Example: *You are an employee of Nordzucker and you are also a shareholder of the X-GmbH, with whom a contract for the provision of services is to be concluded. Your supervisor asks you to conduct the contract negotiations with the X-GmbH.*

In situations like this, please behave as follows:

- Refuse the request.
- Make the conflicts of interest transparent and inform your superior.
- Make a record note of the incident.

3.5 Nepotism

Nepotism is often linked to corruption. This involves a person using a position of power to obtain an advantage for a family member or friend. Nepotism is prohibited.

Example: *You are in contact with a business partner regarding a possible business deal. While talking about the details, the employee of the business partner asks you to arrange a traineeship or a student job for his son (or another related person), bypassing the regular process.*

In situations like this, please behave as follows:

- Refuse the request.
- Tell the asking person that we have a transparent selection process and that we only select applicants based on their qualification and not bypassing the regular process.
- Inform your superior and the Compliance Coordinator.
- Make a record note of the incident.

3.6 Facilitation Payments

A facilitation payment is a small bribe known as a “grease payment” or a “speed payment” typically solicited to facilitate or expedite the performance of a routine transaction or service to which the person or company making the payment is legally entitled to receive. Thus, facilitation payments affect only the timing, not the legal entitlement of the actions.

As facilitation payments are bribes, they are generally not accepted in Nordzucker. Facilitation payment is a criminal offense in almost all countries and may result in prosecution.

Example: *A logistics provider, who is doing the transport and customs declarations of goods for Nordzucker, tells you that the delivery process will be quicker, if he pays a small extra fee of 500 Euros in cash to the competent customs officer. According to the logistics provider, this would save transportation costs of 5,000 Euros, because the goods would not be stopped overnight for inspection.*

In situations like this, please behave as follows:

- Refuse the request and any other comparable suggestion.
- Tell the asking person that cash payments are not in line with Nordzucker's values and internal regulations, and that only payments directly to the authorities / service provider based on an official receipt or invoice are permissible.
- Ask for the name of the person, who asks for the facilitation payment.
- Immediately inform your superior and the Compliance Coordinator.
- Make a record note of the incident.
- Continue the contact with a different official or employee of the service provider if possible.

Facilitation payments by Nordzucker might be permitted to avert a threat to your health or life, or the health or life of a third party. If such a threat situation occurs, contact the Crisis Manager and additionally the Compliance Coordinator and / or your superior as soon as possible after the situation ended. Make a comprehensive record note of the incident.

Additional administrative fees for fast-track services regulated in an official fee catalogue are not regarded as facilitation payment. In these cases, the fee must be paid directly to the authority based on an official receipt or invoice.

3.7 Due Diligence of Business Partners

Nordzucker occasionally uses third parties (business partners), e.g. external advisors, agents, subcontractors and suppliers, to perform work or provide services for Nordzucker or on behalf of Nordzucker.

Example: *Nordzucker wants to develop new business in a foreign country. Because the sales department has no experience in doing business in the target country, an external advisor is assigned to develop customer contacts. Or: An intermediate trader is buying products from Nordzucker after he acquired an order from a customer. Nordzucker is paid by the intermediate trader but delivers directly to his customer.*

Nordzucker may be liable for corruption committed by such business partners. Possible corruption risks could be:

- A business partner could claim bribes.
- External advisors, agents, subcontractors, suppliers, and intermediate traders could use a portion of their compensation to make a bribe on behalf of Nordzucker – even without informing us.
- A business partner may employ or associated with a person, who could be possibly influenced by Nordzucker, resulting in a conflict of interest that must be identified and managed.

The before mentioned business partners must not perform any actions or encourage any actions which are prohibited for employees of Nordzucker. That is why a due diligence of new, as well as existing business partners, is essential. Nordzucker employees, which are responsible for contracting with a business partner, must perform a business partner due diligence. You must make sure you know exactly who your business partner is before you enter into a contract with him.

3.8 Hidden commissions or kickback payments

Hidden commission charges can facilitate bribery and they are absolutely forbidden. A synonym for such payment arrangements are so-called “kickbacks”. A kickback payments involves two parties, which agree that a portion of sales, profits, bonus or provisions will be improperly given, rebated or otherwise returned to one of the parties (or someone else designated by that party) in exchange for making the deal.

Example: *A previously contracted agent pays a part of his excessive service fee back to the employee's or companies account. Usually, these repayments are kept secret.*

In situations like this, please behave as follows:

- Decline the offer.
- Ask for the name of the person, who asks for the kickback payment.
- Immediately inform your superior and the Compliance Coordinator.
- Make a record note of the incident.
- Continue the contact with a different employee of the business partner if possible or end all business relations with this business partner.

4 Cooperation duties of all employees

All employees are obliged to comply with this Guideline and to report any violations or hints immediately to one of the following contact partner:

- Superior
- Compliance Coordinator
compliance@nordzucker.com
- Ethics Committee
Ethics.Committee@nordzucker.com
- Anonymously via SpeakUp!
<https://www.bkms-system.net/nordzucker>

5 Contact Partner

Please contact Nordzucker's Compliance Coordinator in case of questions regarding the interpretation of this Guideline or in all cases of doubt regarding corruption relevant matters.

6 Training obligations

To ensure that all employees are aware of corruption risks while doing their business, the training for anti-corruption is part of the regular Code of Conduct training. We perform an online training in regular intervals.

Specific and recurring anti-corruption awareness measures (e.g. training, information event) are mandatory for higher risk functions.

7 Definitions and control of documents

7.1 Definitions and terms used

Document:

Policies, guidelines, process descriptions, work instructions, Nordzucker Inhouse Standards and manuals are all summarized under the generic term "document". Other examples of documents are templates, checklists, reports, minutes etc.

Gifts:

Voluntary transfer of property to another person without reciprocation.

Hospitality:

Request or offer that a particular person or group of people can participate in an event (e. g. meal, football match), meeting or celebration. This particular person or group of people can be third parties (external persons e. g. business partner) as well as employees belonging to the Nordzucker Group.

7.2 Other applicable internal rules and regulations

The following internal rules and regulations (policies, guidelines, process descriptions, work instructions, Nordzucker Inhouse Standards, manuals, workers council agreements or others) are to be considered:

- NZ-1.2-P.08 Code of Conduct
- NZ-1.3.10-G Guideline Gifts and Hospitality
- NZ-3.4-G Guideline Crisis Management
- NZ-1.3.12-G Guideline Nordzucker Speak Up system
- Compliance anti-corruption: An overview about the essentials of corruption and the right way of dealing with

8 Change history

Version number	Date	Content: what was changed, reason for change*	Who (made the changes)
1.0	06.09.2021	Establishment of the new guideline	Tina Runge

* Please mark your changes "blue" in the document.