

<b>GLOBAL ANTI-FRAUD, ANTI-MONEY LAUNDERING AND ANTI-CORRUPTION POLICY</b>
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## 1. Introduction

Ardo is committed to live up to the highest standard of integrity in its business conduct. Part of this commitment is to **prohibit all forms of bribery, fraud, trade-based money laundering and corruption** (hereafter defined as “**Financial Crime**”). Financial Crime poses serious threats to sustained economic progress, the free operation of markets and Ardo’s reputation.

Financial Crime can cover a broad range of forbidden and dishonest activities which can include offering, promising, authorizing or providing anything of value to any customer, business partner, supplier, vendor or other third party to induce or reward the improper performance of an activity connected to the business of Ardo.

The prevention, detection and reporting of Financial Crime in whatever form is the responsibility of everyone involved with the Ardo group. **Therefore, it is essential for every employee and contractor of the Ardo group to have full knowledge and understanding of this Policy and to abide by it in the daily work for Ardo.**

The purpose of this policy is to define Financial Crime and to specify the reporting line in the event of suspected, attempted, or actual Financial crime. The Policy also sets out guidelines for dealing with gifts, corporate hospitality and donations.

In case of any doubt on the interpretation of this Policy, the Group Legal department can be consulted.

## 2. Scope

With this policy, Ardo wants to outline the risks related to bribery, fraud, money laundering and corruption and to highlight everyone’s responsibilities in complying with this Policy and the relevant laws. The Policy provides the tools and support to properly identify and mitigate such risks.

The Policy is applicable to all employees, officers, directors and any external party working for or on behalf of any legal entity of the Ardo group. It is applicable to any activity connected to the business of Ardo.

A violation of anti-corruption laws can lead to severe civil and criminal penalties, both for Ardo and its employees or contractors and may lead to serious reputational damage for Ardo. Non-compliance with this Policy can result in disciplinary actions, including termination of employment/contract. It is therefore essential to fully comply with this Policy when working for or with Ardo.



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### **3. Prohibition of Financial Crime**

Ardo has **zero tolerance** for fraud, bribery, money laundering and corruption. Ardo requires all employees, officers, directors, and third parties working on behalf of Ardo to act honestly and with the highest integrity. Fraud, bribery, money laundering and corruption are ever-present threats to our assets and reputation and must be a concern of all employees, officers, directors and third parties working for or on behalf of Ardo.

**Local laws can define specific rules regarding anti-bribery, fraud and corruption and all employees, officers, directors, and third parties working on behalf of the Ardo-group must abide to the applicable local law, in addition to this general policy.**

#### **3.1. *Determination of fraud – risk indicators***

Fraud can consist of any intentional act or omission relating to (but not limited to):

- falsification of accounts or other financial information;
- gross inaccuracies in the production of forecast (due to falsification of data) for sales, production, purchasing or other planning purposes;
- the use or presentation of false, incorrect or incomplete statements or documents, which has the misappropriate or wrongful retention of funds as effect;
- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misuse of funds for purposes other than those for which they were originally granted;
- a false representation;
- abuse of position.

To have committed a fraud a person must have acted dishonestly, and with the intent to:

- make a gain for themselves or anyone else; and/or
- cause loss to anyone else or expose anyone else to a risk of loss.

#### **3.2. *Determination of bribery – risk indicators***

Bribery is where a financial or other advantage is offered as reward to another party to obtain a(n) (commercial) advantage. Bribery can happen through the offering, promising, giving, demanding or accepting of an advantage such as gifts, hospitality, fees, rewards, jobs, and so on.

Bribery can take many forms, as outlined below, and is in any case prohibited **both on the side of the person bribing and the person receiving the bribe.**

##### *3.2.1. Government bribery*

Government bribery concerns any type of bribery with government or public officials. It is prohibited to give, promise, offer or authorize payment of anything of value to any government official to obtain or retain business, to secure some other improper advantage, or to improperly influence a government official's actions.

A government or public official is any individual who holds or performs a public function (member of the legislature, judiciary or an administrative position of any kind, whether appointed or elected). It also includes any person who performs public functions in any branch of the national, local or



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municipal government or who exercises a public function for any public agency or public enterprise (for example agency for the food safety).

### *3.2.2. Commercial bribery*

Bribery can also take place in the private sector. Ardo prohibits all employees, officers, directors, and third parties working on behalf of Ardo from offering or providing corrupt payments and other advantages to or accepting the same from private (non-government) persons and entities. Such payments constitute commercial bribery (often referred to as “kickbacks”).

### *3.2.3. Facilitation payments*

The prohibition of bribery equally applies to all improper payments regardless of their size or purpose (“small bribes”) to facilitate routine government action. This refers to small payments to government officials to expedite or facilitate non-discretionary actions or services (f.e. obtaining an ordinary license or business permit, processing government papers such as loading or unloading of cargo).

## **3.3. Determination of money laundering – risk indicators**

Trade-based money laundering aims to exploit international trade to conceal and disguise illegal money by moving such funds through the trade system. The most used techniques to launder monies through trading are<sup>1</sup>:

- Over-and under-invoicing of goods and services
- Over-and under-shipment of goods and services
- Multiple invoicing of goods and services
- Falsely described goods and services
- Illicit cash integration
- Third-party intermediaries integrating in the supply chain by letting an unknown (criminal) third-party pay for the goods.

Some of the most relevant high-risk indicators are: shipments of commodities routed through numerous jurisdictions without economic or commercial justification, vague descriptions in trade documents and contracts, inconsistencies across trade documents, inconsistent trade activity in comparison with the stated line of business of the involved entities, transactions or trade methods inconsistent with standard business practice, unusually complex corporate structures, etc.

Trade-based money laundering can take many forms, as outlined above, and is in any case strictly prohibited. In case of doubt of trade-based money laundering, contact the Group Legal Department.

## **3.4. Determination of corruption – risk indicators**

Corruption is any type of misuse of the entrusted power for personal or private gain. Bribery, fraud and money-laundering are all types of corruption.

## **4. Treatment of gifts and corporate hospitality**

Receiving or offering gifts, cash or cash equivalents is forbidden.

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<sup>1</sup> [Source - Financial Action Task Force \(FATF\) \(fatf-gafi.org\)](https://www.fatf-gafi.org/)



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It is however accepted that some hospitality and corporate gifts are part of day-to-day business. Giving or receiving hospitality or promotional expenditure is acceptable if it is: (a) incidental to business related events; (b) given and received in good faith; and (c) permitted under local laws and customs.

All gifts received from customers and/or suppliers must be given immediately to the local HR Responsible so that these gifts can be raffled among the employees on occasional events.

#### **5. Treatment of donations**

It is not permitted to provide a donation to improperly influence a government official or in exchange for any improper favor or benefit. It may be permitted to make donations to a government or public agency (not the individual government official) for a charity or good cause. Prior approval from the Group Legal Department is needed.

#### **6. Treatment of third party management**

Any third parties acting for or on behalf of Ardo are prohibited from making corrupt payments on Ardo's behalf. This equally applies to all subcontractors hired by third parties.

Any and all payments made to third parties, including commissions, compensations, reimbursements, must be customary and reasonable in relation to the services provided and accurately documented in Ardo's books and records.

All agreements with third parties that interact with government entities or officials must be in writing and must include an adherence to this policy.

#### **7. Reporting of (suspected) violations**

Each employee, officer, director and any external party working on behalf of the Ardo group must immediately report any observation or suspicion of a violation to this policy. This reporting obligation relates to being personally offered a bribe as well as observing or suspecting another person bribing, receiving a bribe or any other matter of fraud or corruption related to Ardo's business.

The reporting is made to the Group Legal Counsel. The Group Legal Counsel will thoroughly review and investigate the reported violation and will treat the reporting confidential to the extent permitted by law.

Any reporting in good faith shall never lead to retaliation. A failure to report on the other hand constitutes an independent violation of this policy which may lead to disciplinary sanctions.
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#### **8. Communication - training**

Ardo will inform their employees regularly on the global anti-fraud, anti-money laundering and anti-corruption policy to make sure that it is well known within the Ardo Group through internal and external communication (part of the employment pack, published on the intranet,...). The policy shall be distributed to all employees by HR and a copy shall be handed over upon employment of new employees.

In addition, Ardo ensures that employees with a higher level of risk of being confronted with bribery are provided with a regular training. The training can consist of a presentation during business meetings, an online training, a web-based training course,... This will be organized by Group HR in consultation with the Group Legal Department.



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The policy will be published on the corporate website to inform third parties on Ardo's zero tolerance for fraud, bribery, money laundering and corruption.

**9. Policy review**

The policy shall be reviewed whenever necessary and at least annually by the management.