

SEPTEMBER 2019

**ANTI-CORRUPTION,  
ANTI-FRAUD AND  
ANTI-MONEY LAUNDERING  
POLICY**

**INTRODUCTION**

Since its founding, Elanders has a long-standing commitment to govern and conduct its business by integrity, honesty, fair dealing and full compliance with all applicable laws and regulations. We do not participate in or endorse any corrupt practices and within our business, there is zero-tolerance for any types of fraud, bribes, facilitation payments or other improper benefits contrary to this policy, local laws and regulations, industry standards or ethical codes in the countries in which we operate.

The purpose of this policy is to describe the forms that corruption and fraud takes and to provide guidelines of how to handle situations involving corruption and fraud. We expect that Elanders’ employees in all their operations, understand and comply with this *Anti-Corruption, Anti-Fraud and Anti-Money Laundering Policy*, and follow the national laws in the countries where we operate.

“Elanders”, hereinafter refers to full and part-time employees, temporary workers, senior managers and Board of directors of Elanders Group companies, subsidiaries and those who works on Elanders’ behalf, which includes suppliers and vendors, agents, consultants and other third parties.

In the unlikely event of a conflict between the law and this policy, the law shall be followed and the conflict must be reported to Elanders Group.

**WHAT IS CORRUPTION AND BRIBERY?**

Corruption is defined as the abuse of someone’s entrusted power often for private gain which also includes the situation where someone is abusing its entrusted power for group benefit or advantage.

Corruption includes a wide variety of behaviours, including bribery, fraud, embezzlement, conflicts of interest and misuse of company assets. Corruption is often hidden, non-transparent, and may involve a select group of people.

Bribery is defined as the offering, giving, promising, authorizing, soliciting or accepting of something of value to/by another person or entity, either directly or through a third party in exchange for an aim to encourage or reward the receiver for a particular action, favour, benefit,

advantage to perform their responsibilities improperly and/ or to influence the decision making in different ways.

Bribes can take many different forms, such as:

- money (or other cash equivalent such as shares), for example; money is given to ensure being awarded a contract
- unreasonable gifts, entertainment, travel or unjustified allowances or expenses, for example; giving a luxury handbag or other gifts to customs official to convince her/him to permit clearance of items
- unjustified rebates or excessive commissions, for example; a commission payment of 25% of transaction value is being asked for buying land for a new facility through the real estate brokers’ connection to the local government
- kickbacks, such as a supplier who agrees to pay a purchasing manager some amount of money in exchange for the award of a supply contract by that manager. Other examples could be rental agreements and sale of fixed assets, where the payments for these might not be market value in exchange for a kickback to the manager
- facilitation payments, like for example a payment is made in order to speed up customs clearance
- inappropriate donations seeking to lead to specific benefits
- usage of company services or facilities without reimbursement
- other things of value, such as certain benefits without a financial value, e.g. memberships in clubs, prestigious awards or similar.

In most of the times, common sense will determine if a bribe is being offered or not. In doubt the following questions could be used as a help:

- Am I being asked to pay something or provide any benefit over and above the cost of the services being performed, such as an excessive commission, an unreasonable gift or a kickback?
- Am I being asked to pay for services to a different individual than the service provider?

- Are the hospitality, entertainment or gifts I am giving or receiving reasonable and justified? Would I be embarrassed to disclose them? When a payment or other benefit is being offered or received, do I know or suspect the reason behind is to encourage or recompense for favourable treatment, to change the normal way of decision-making process or to persuade an individual to do something that is inappropriate regarding performance of their job?

Elanders do not tolerate bribery or any other form of corrupt behaviour. We must never, directly or indirectly through intermediaries, offer or promise any personal or improper financial or other advantage from a third party nor accept any such advantage in return for any preferential treatment of a third party. Furthermore, we must refrain from any activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt thereof. This may not only entail disciplinary sanctions but also may result in criminal charges.

#### **GIFT, MEALS AND ENTERTAINMENT**

Giving or receiving gifts, meals and entertainment could be a significant part of maintaining and developing business relationships. However, when giving or receiving gifts, meals and entertainment there are some important rules you must follow:

- *No improper influence or special treatment* – Never give or receive anything of value to influence a decision or obtain special treatment
- *No cash* – Cash or cash equivalents (such as gift certificates and checks) are never acceptable business gifts
- *Infrequent* – Frequent gifts to the same individual, even if inexpensive, are inappropriate
- *Transparency* – The gift must be given openly, at an appropriate time and circumstance-not secretly, or through a third party
- *Understand local laws* – Examine a country's local laws prior to giving or receiving any gift to ensure compliance.

Please also see local guidelines regarding company representation, if any.

#### **FACILITATION PAYMENT**

Facilitation payments are payments, no matter how small, given to an official to secure or increase the speed at which they do their job. Examples are:

- a payment to clear goods through customs
- a payment to allow entry/exit to/from a country when all documentation is in order
- a payment to prevent delay of an order
- a payment to get some kind of benefit, e.g. a tax refund or benefit; and
- a payment made in order to get a specific permit which is part of the official normal duties.

All facilitation payments are generally prohibited even if such procedures are accepted or common practice locally. If you have any questions or if you are being asked to pay facilitation payments please contact Elanders Group.

#### **THIRD PARTY**

You must not involve any third party in bribery or reasonably suspect of being engaged in bribery.

Appropriate due diligence should be carried out before any contract with third parties is signed. The due diligence should for example include inquiry about the third party's background, qualifications and reputation.

Be on the lookout for these red flags when dealing with third parties and subcontractors:

- the transaction involves a country known for corrupt payments
- rumours regarding the third party of, or a reputation for, offering or accepting bribes
- the third-party objects to anti-bribery representation in company agreements
- the third party has a family relationship with a government official or claims a special relation with a particular official or ministry
- the third party lacks qualifications to perform the required services
- the third party lacks transparency in its accounting records
- the third-party requests unusual contract terms or payments arrangements such as a payment in cash, payment in a third country or payment to another person/company than the service provider

- the third party is suggested by a government official, particularly one with discretionary authority over the business at issue or
- the third party's commission or fee exceeds fair and reasonable compensation for the work to be performed
- the third party insists on using a specific consultant or one who provides little or no obvious added value.

All payments and commissions to third parties must:

- be made in accordance with the Group's authorization rules and the local policies relevant in each company;
- be made via bank transfer through the accounts payable system as well as being fully accounted for;
- must be in line with generally accepted rates and business practice for the service in question and should be justifiable and supportable; and
- must be made in accordance with the terms of the relevant contract.

If you have any concerns that arrangements with a third party are not in accordance with this policy, you should ask your local Managing Director or Elanders Group for advice. All third parties should also be aware of what they need to comply with.

#### **WHAT IS FRAUD?**

Fraud can be defined as an abuse of knowledge or financial position that is done intentionally to create a financial gain for the person committing the fraud or for a related person or entity and / or cause a loss to another.

Examples of fraud are:

- any dishonest or fraudulent act,
- manipulation, forgery, falsification or alteration of accounting records,
- misappropriation of funds, supplies or other assets,
- disclosure of official activities or information for advantage,
- theft or misuse of property, facilities or services,

- accept or seek value from third parties by virtue of official positions or duties,
- use of subcontractors because of personal relationship or favour, profit from an official position; and
- impropriety in the handling or reporting of money or financial transactions.

Any engagement in fraudulent or any other dishonest conduct involving the company's assets and the financial reporting is prohibited. Elanders shall never participate, directly or indirectly through any intermediaries in any fraudulent or other misconduct practices. This may not only entail disciplinary sanctions but also may result in criminal charges.

#### **WHAT IS MONEY LAUNDERING?**

Money laundering is defined as the process to cover up illegally obtained money. The original source of the money or asset, usually a criminal action, is hidden and exchanged to appear legitimate. The organisation of money laundering can often be complex and can involve criminal actions such as drugs, people smuggling, bribery, fraud, tax crimes, trafficking or terrorist funding.

Money laundering is forbidden by law and Elanders do not support or facilitate money laundering, which is why we avoid general cash transactions as a matter of principle. Due to money laundering, it is important that business relationships are continuously monitored. Care must be taken to ensure that the information about the identity of the contracting party, the beneficial owner and the purpose of the business relationship is current and correct.

#### **TRAINING**

It is the local Managing Director's responsibility to provide appropriate training and to educate their employees and temporary workers regarding *Anti-Corruption, Anti-Fraud and Anti-Money Laundering Policy*. Furthermore, they should create procedures to prevent and detect fraud, bribery and corruption.

We at Elanders have an obligation to act with integrity and to ensure that we understand and comply with this policy.

**LEGAL COMPLIANCE**

Our basic requirement is that Elanders, in all their operations, must follow the national laws and regulations in the countries where they operate. If any local, national or international laws, regulations or rules take a more demanding position on matters contained in this policy, those shall be prevailed and complied with.

The compliance of this policy is followed up regularly and failure to comply with this policy, may lead to disciplinary action (including potential dismissal), and criminal liability for the individual involved. Breach of bribery laws can result in fines for both the company and the employee involved and in some jurisdictions may also result in imprisonment.

**REPORTING VIOLATIONS**

All Elanders' entities and employees are required to report any suspicions of improper behaviour or actions that is not in compliance with this *Anti-Corruption, Anti-Fraud, and Anti-Money Laundering Policy* to your local Managing Director or alternatively to Elanders Group using any of the following ways:

*Physical mail:*

Elanders AB  
Att. CFO  
Flöjelbergsgatan 1 C  
SE-431 35 Mölndal  
Sweden

*e-mail:*

whistleblowing@elanders.com

*Telephone:*

+46 31 750 07 50

Concerns may be raised verbally or in writing. All matters reported will be investigated.