



FRATELLI COSULICH GROUP ANTI-CORRUPTION POLICY

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Introduction

In today's global business environment, maintaining integrity and ethical standards is essential for sustainable success. Our organization is committed to conducting business honestly and transparently, upholding the highest standards of ethical behavior. This Anti-Corruption Policy (the "Policy") serves as a **framework to prevent, detect, and address corruption in all aspects of our operations.**

Corruption not only undermines fair competition but could also pose significant legal, financial, and reputational risks to our organization. We believe that fostering a culture of integrity is crucial in building trust with our stakeholders, including employees, clients, suppliers, and the communities in which we operate.

This Policy outlines our **zero-tolerance approach to corruption**, defines key terms, and provides guidance on acceptable and expected conduct. It applies to all employees, officers, directors, and third parties acting on behalf of our organization. By adhering to this policy, we reaffirm our commitment to ethical practices and compliance with applicable laws and regulations.

Fratelli Cosulich Group (the "Group") has implemented suitable regulatory frameworks to prevent and combat corruption: primarily the Code of Ethics and, for the Italian Group companies that have adopted them, the Organizational Models pursuant to Italian Legislative Decree no. 231/2001 ("Models").

The Policy establishes the minimum standards to preventing corruption across its global operations and is intended to be supplemented by local procedures and guidelines in compliance with national laws and regulations. Each entity within the Group is required to implement detailed local policies and procedures, where applicable, to ensure compliance with specific anti-corruption laws and regulations in their respective jurisdictions.

These local policies must align with the Group's comprehensive anti-corruption principles, while also addressing any additional legal or regulatory requirements that may exist in the country or region of operation.



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Scope and purpose

The purpose of this Policy is to establish and provide to the personnel of all Group companies and all those who operate in the name or on behalf of the Group, with clear principles and rules to prevent corruption, bribery, and improper payments, ensuring that all business dealings are conducted transparently, fairly, and in compliance with local and international anti-corruption laws.

The Policy will be communicated within the Group and made available to all stakeholders (e.g., through publication on the website). A proper training will be provided to all employees of the Group, in addition to a constant communication and awareness plan to all relevant business partners, agents, and more generally to all stakeholders.

Responsibilities in applying this anti-corruption policy are as follows:

BOARD OF DIRECTORS



Oversight and Governance

Ensure the Policy is integrated into the organization's governance framework.



Culture of Integrity

Promote a culture of ethics and compliance throughout the organization, leading by example.



Resources and Support

Allocate necessary resources for training, monitoring, and enforcement of the policy.

MANAGERS AND EXECUTIVES



Implementation

Ensure the Policy is effectively implemented within their business units, teams and departments.



Training and Awareness

Provide training to employees on the Policy, emphasizing the importance of compliance and ethical conduct.



Monitoring and Reporting

Monitor for any risks or signs of bribery or corruption associated with the business operations within their teams, encouraging open communication and reporting of concerns.



Support and Guidance

Offer support and guidance to employees in understanding and adhering to the Policy, addressing any questions or uncertainties.

EMPLOYEES



Compliance

Understand and comply with the Policy, recognizing the importance of ethical behavior in all business dealings.



Reporting

Report any suspected instances of bribery or corruption through established channels <https://globaleaks.cosulich.com/#/> without fear of retaliation.



Engagement

Actively participate in training and awareness programs, and seek clarification on Policy matters when needed.



Accountability

Take personal responsibility for their actions and decisions, ensuring they align with the organization's values and this Policy.

By fulfilling these responsibilities, all levels of the organization contribute to a robust framework for preventing and addressing bribery and corruption, fostering a culture of integrity and ethical conduct.



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What Is Corruption?

For the purposes of this Policy, **“corruption” is defined as any act of offering, giving, receiving, or soliciting something of value, directly or indirectly, with the intent to influence the actions or decisions of an individual, organization, or government official in a manner that violates legal, ethical, or professional standards.**

Corruption includes, but is not limited to, bribery, kickbacks, fraudulent misrepresentation, abuse of power, and other forms of illicit conduct aimed at obtaining or granting improper business or governmental advantages.

Corruption can take many forms, including monetary payments, gifts, hospitality, services, or any other benefit intended to influence a decision or action. Different countries may have varying legal definitions and requirements regarding corruption. However, the core principle remains the same: **any conduct intended to secure an improper advantage that violates ethical, legal, or professional standards constitutes corruption.**

In this context, all entities within the Group are expected to adhere to both the overarching principles of the Group’s anti-corruption policy and the specific legal requirements of the jurisdictions in which they operate.

In general, acts of bribery or corruption are designed to improperly influence individuals in the performance of their duty and incline them to act dishonestly and in breach of their duty to their employer or principal.

Bribery is a criminal offence and penalties can be severe both for the Group and the individual. In recent years, enforcement of Anti-Corruption Laws has become more intensive and the penalties significantly more severe. The adverse consequences for individuals and corporations who violate anti-corruption Laws include economic sanctions (fine, in some cases unlimited), while individuals may be sentenced to prison terms or suffer other penalties.

The Policy is aligned with international regulatory principles on corruption prevention. In some Countries, local legislative and regulatory provisions may be more stringent than the principles outlined in the Policy: in such cases, the stricter provisions of the country in question must be applied.



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What are the general principles?

The general principles that must be observed to ensure an adequate internal control system and risk management related to corruption offences can be summarised as follows:

4.1 COMPLIANCE WITH REGULATORY FRAME

Activities must be conducted in accordance with the behavioural principles outlined in the Group Code of Ethics, this Policy, the Models (where adopted) and all applicable laws and regulations.

4.2 PROHIBITED CONDUCT

The Group strictly prohibits the following actions in all its operations and relationships involving Public Official or private individuals:

- Offering, giving, receiving, or requesting bribes or kickbacks, directly or indirectly, in any form;
- Engaging in corrupt activities such as facilitation payments (e.g. small payments made to expedite routine government actions);
- Improperly influencing decisions made by public officials or private individuals to obtain or retain business or advantages;
- Engaging in fraudulent activities that misrepresent facts or falsify documents.

No questionable or unlawful practice (including “facilitation payments”) can ever be justified or tolerated on the grounds that it is carried out in the interest of the Group or is considered “customary” in the sector or countries where the Group operates.

For the purposes of this Policy, a Public Official could be:

- A public official, whether foreign or domestic;
- A political candidate or party official;
- A representative of a government-owned organisation;
- A representative of an organisation which is under government majority-ownership;
- An employee of a public international organisation (e.g. World Bank, United Nations etc.)



4.3 TRAINING OF GROUP PERSONNEL

All Group employees will receive mandatory training on this Policy, and the procedures for reporting violations. Refresher training will be provided regularly to ensure ongoing compliance.

4.4 REPORTING VIOLATIONS

The Group encourages employees, agents, and business partners to report any concerns about potential violations of this Policy. Reports can be made anonymously through the Company's confidential whistleblower channel. All reports will be investigated thoroughly, and appropriate actions will be taken when necessary.

4.5 DISCIPLINARY ACTION

Any employee or third party found to have violated this Policy will be subject to disciplinary action, which may include termination of employment or contracts, legal action, and/or reporting to relevant authorities. The Company will fully cooperate with law enforcement and regulatory agencies in any investigations of suspected corruption.



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Steps to prevent corruption

5.1 RISK ASSESSMENT

Effective Risk Assessment lies at the very core of the success of this Policy. Risk identification pinpoints the specific areas in which we face bribery and corruption risks and allows us to better evaluate and mitigate these risks and thereby protect ourselves. Each Executive/Manager of each Company must assess the vulnerability of each Company/business unit to evaluate these risks on an ongoing basis. Risk assessment is intended to be an ongoing process with continuous communication between the managing Director and the Board of Directors of each Company and ultimately, of the Board of Directors of Fratelli Cosulich.

5.2 SEGREGATION OF DUTIES

Business activities must, where possible and consistent with the organisational structure, be based on the principle of segregation of functions, whereby the authorization of an operation must be under the responsibility of a person different from the one who operationally performs or controls the operation. Segregation of duties must be ensured through the involvement of multiple parties in the same process; it can be implemented through IT systems that allow certain operations to be carried out only by identified and authorized individuals. Where segregation of duties cannot be ensured, alternative compensatory control tools must be implemented.

5.3 ASSIGNMENT AND REVOCATION OF POWERS

Authorization and signing powers must be:

1. Consistent with the organisational and managerial responsibilities assigned;
2. Clearly defined, with the indication of relevant limits and scope, and known within each Group company.

The assignment of powers for a specific type of act must comply with any specific requirements that may be required by any local legislative provisions for the completion of that act. The timely revocation of powers (and the blocking of corresponding accounts) must be ensured in the event of leaving a Group company or changing the organisational role of the beneficiary (if necessary).



5.4 TRANSPARENCY AND TRACEABILITY OF PROCESSES

Every activity must be verifiable, documented, consistent, and appropriate with respect to the activity of each Group company. Proper storage of relevant data and information must be ensured through IT and/or paper means.

5.5 ACCURATE BOOKS AND RECORDS KEEPING

Many serious global bribery and corruption offences have been found to involve some degree of inaccurate record-keeping. Each Group company must ensure that accurate books are maintained, and proper records and financial reporting within all the business units. The financial statements must accurately reflect the underlying transactions.

5.6 EFFECTIVE MONITORING AND INTERNAL CONTROL

All Group companies must maintain an effective system of internal control and monitoring of their transactions. Procedures must be developed within a comprehensive control and monitoring programme to help mitigate the bribery and corruption risks on an ongoing basis.



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Where does corruption risk typically arise?

6.1 BUSINESS PARTNERSHIPS

The definition of a business partner is broad, and includes customers, suppliers, agents, brokers, distributors, Joint Venture partners or partners in the Group's supply chain who may act on behalf of the Group. Whilst the use of business partners can help the Group reach its goals, it is necessary to be aware that these arrangements can potentially present an organisation with significant risks.

The Group shall conduct sufficient due diligence on all business partners to satisfy ourselves that they are unlikely to engage in bribery and corruption. In addition, the services that such a business partner provides must be for legitimate business purposes only, documented clearly and remunerated at a rate which reflects their market value.

Business partners who act on behalf of the Group must be made aware of our expectations and be advised of the existence of and the need to operate at all times in accordance with this Policy.

Where risk regarding a business partner that acts on behalf of the Group has been identified, the Group shall ensure a written agreement is in place which acknowledges the business partner's understanding and compliance with this Policy. This agreement will entitle the Group to terminate the agreement immediately if bribery or corruption took place or the Group reasonably suspects that this is the case.

The Group is ultimately responsible for ensuring that business partners acting on our behalf are compliant with this Policy as well as any local laws.

6.2 GIFTS, ENTERTAINMENT AND HOSPITALITY

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings. These kinds of activities are acceptable provided that they fall within reasonable bounds of value and occurrence. Therefore, the giving and acceptance of gifts and entertainment can be a legitimate contribution to good business relationships, but it is essential that they do neither influence, nor that they be perceived as influencing business decision making. Depending on their size, frequency and the circumstances in which they are given, they can constitute bribes.



Therefore, the giving of gifts to third parties is discouraged but may be appropriate in limited circumstances. We must all consider whether the giving or receiving of a gift or hospitality is appropriate. **It is prohibited to offer or receive gifts or hospitality that could influence, or be perceived to be capable of influencing, the outcome of transactions or decisions relating to the Group's business. In determining whether the giving of a gift is appropriate, consideration should be given to the circumstances of the recipient, the value of the gift and the reason for it.**

If you feel uncertain at any time regarding the acceptability of a proposed gift or provision of entertainment or hospitality, you should decline the offer. Nothing should be accepted which could bring the Group into disrepute.

Save for gifts of low value and which are mere tokens, the Group does not permit employees to receive gifts from third parties. Those gifts should be returned to the third party with an explanation that it is not Group's policy to accept gifts.

6.3 FACILITATION PAYMENTS

Facilitation payments are relatively minor amounts paid to public officials to expedite routine governmental actions. Examples of such payments are as follows: granting a permit, licence or other official document, scheduling inspections, loading and unloading cargo, providing telecommunications services, power or water, etc.

The official will often have no discretion as to whether or not to grant the consent but the payment prevents it remaining at the bottom of an in-tray whilst other applicants who have paid have their documents expedited. The issue here is not paying to be advantaged, but paying not to be disadvantaged, and there is generally little or no element of dishonesty or corruption in the payer's mind.

Nevertheless, anti-corruption Laws criminalises the making of all facilitation payments, wherever paid and no matter how small. Such corrupt behaviour is also likely to be an offence in every jurisdiction in which the Group operates.

Facilitation payments as defined above are against Group policy and it is Group policy to refuse to make any type of facilitation payment unless the payment is necessary to protect the health and welfare of an employee.



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How to raise a concern?

The Company encourages employees, agents, and business partners to report any concerns about potential violations of this Policy. The Group is committed to ensuring a safe, reliable and confidential way of reporting any suspicious activity.

If you have a concern regarding a suspected instance of bribery or corruption, please speak up using the Whistleblowing Cosulich Group - Ethical Channel:

<https://globaleaks.cosulich.com/#/>

All employees are assured that no retaliation of any kind is permitted against the employee for complaints or concerns made in good faith. No Group Personnel shall be dismissed, demoted, suspended, threatened, harassed, or discriminated against in any way for refusing to violate the Policy.

In the event that an incident of bribery, corruption or wrongdoing is reported, the Group Ethical Committee will act as soon as possible to evaluate the situation, investigate and act to determine the appropriate action.

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Implementation of local policies

The Group recognizes the diverse legal environments in which it operates and **requires that all local subsidiaries and affiliates, where necessary, adopt anti-corruption policies and procedures that reflect the specific requirements of local laws and regulations.** The local management teams are responsible for ensuring that these policies are effectively enforced and regularly updated to reflect changes in local anti-corruption legislation.

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Conclusions

This Anti-Corruption Policy represents the Group's commitment to conducting business with integrity and to complying with all applicable anti-corruption laws. It is the responsibility of all employees and partners to understand and follow the principles and procedures set out in this Policy and to take action to prevent corruption and bribery within the organization.



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