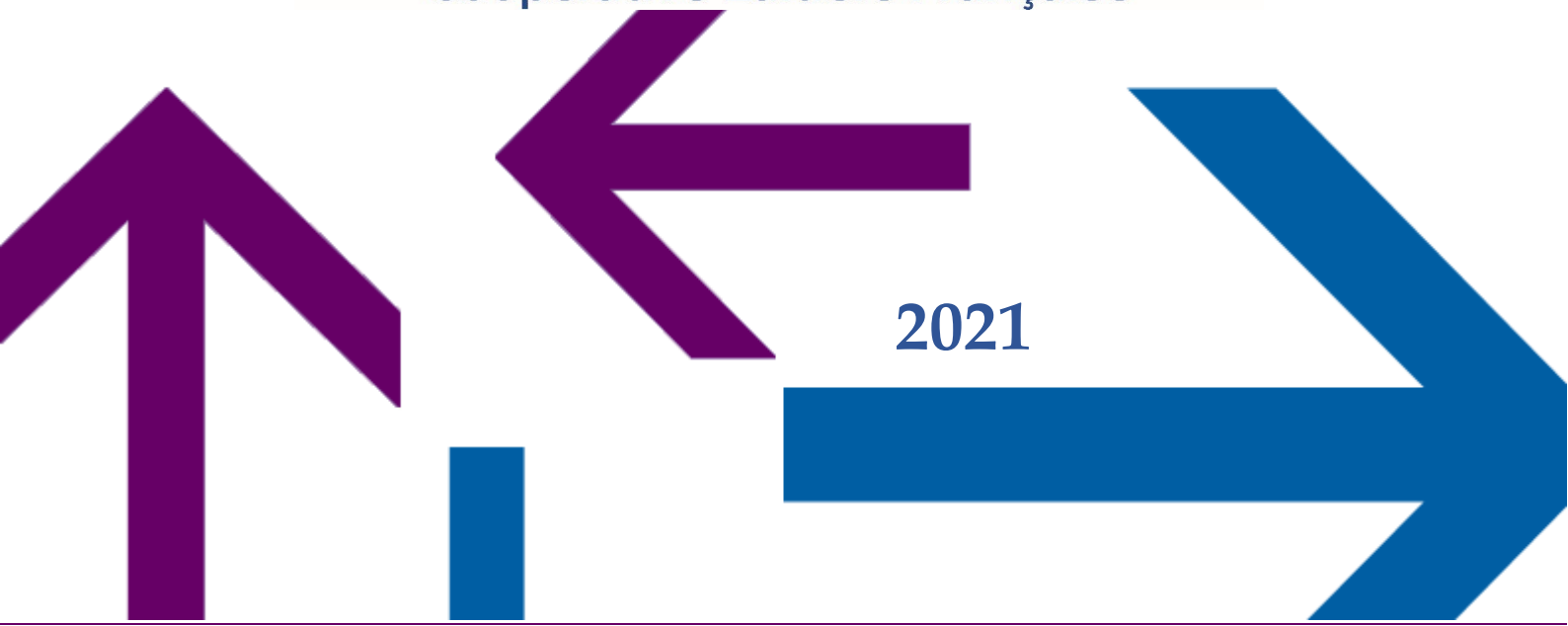


ANTI-FRAUD GROUP CHARTER

Version n°1

SODIAAL

Coopérative Laitière Française



2021

I

FOREWORD

1. GENERAL PRINCIPLES

Assuming its responsibilities as a major economic player in the French and European dairy industry, the Sodiaal Group is committed to a constant effort to ensure the sound management of its operations and activities, in accordance with the regulations in force and the ethical principles that guide its actions. In this respect, the Sodiaal Group has adopted the principle of "zero tolerance" towards fraud in all its forms.

Indeed, combating fraud is an imperative. In addition to the financial risks involved, the risk of fraud could damage the integrity of the Group, its reputation and the trust placed in it by its customers, affiliates or any other party.

This Anti-Fraud Charter:

- Presents the **values and commitments** of the Sodiaal group in the fight against fraud,
- Defines the **Group's expectations of its employees** in their decision-making and in their relations with other stakeholders,
- Delineates the **roles and responsibilities** of the different parties involved in the integrated approach to combating fraud,
- Constitutes the **reference document** for all employees of the group, of which all must be aware,
- Describes all the **measures and actions** taken by the group in order to:
 - o **Prevent the risk of fraud,**
 - o **Detect fraud,**
 - o **Deal with and sanctioning fraudulent behaviour.**

2. WHAT IS FRAUD ?

According to the *Institut Français de l'Audit et du Contrôle Interne* (IFACI - French Institute of Audit and Internal Control), "fraud consists of **deliberately deceiving** others to obtain an **illegitimate benefit**, or to circumvent legal obligations or organisational rules. Fraudulent behaviour therefore requires a **factual** and **intentional** element as well as a **process of concealment** of the unauthorised act.

Internal/external fraud:

- **External fraud** is when individuals, alone or in groups, whether customers or not, act to obtain funds, documents or information that can be used for their own benefit to the detriment of a company, its customers or third parties,
- **Internal fraud** is characterised by the malicious act of an employee to the detriment of his or her company or the interests of a third party managed by the company.
- It can also be characterised by a malicious act carried out with the complicity of individuals outside the company, in which case it is known as **mixed fraud**.

Collusive fraud:

Fraud can be committed by one person, but can also be carried out with the complicity of a third party. This is known as **collusive fraud**. Collusion, defined as a secret agreement between two or more parties to the detriment of a third party, is characterised by a fraudulent manoeuvre between several persons to the detriment of someone, such as a client or an employer.

Attemptive fraud:

The Sodiaal group condemns practices of attempted fraud with the same firmness. Any individual who has engaged in conduct amounting to fraud is presumed to have harmed the interests of the group, **no matter whether the conduct was successful or not**.

Tax evasion:

Tax evasion is the act of **avoiding or reducing tax illegally**. Tax evasion concerns both companies and individuals. It may take different forms (in particular, the absence of declaration or the declaration of reduced income and/or results) and may be based on sophisticated arrangements (in particular cross-border).

Money laundering and terrorist financing:

Money laundering is the process of **concealing the nature and origin of money derived from illicit activities** (drug trafficking, arms trafficking, human trafficking, tax evasion, illegal labour, corruption, illegal speculation, etc.) by incorporating this "dirty money" into legal activities. The aim is to **give it a legal appearance and to conceal its origin and real owner** (via false invoices, shell companies, etc.).

The **financing of terrorism** is the provision of goods, services or funds that may be used for terrorist activities.

The **Group prohibits and strongly condemns** all practices of this nature. The State also condemns them through Order No. 2020-115 of 12 February 2020, which strengthens the national system for combating money laundering and the financing of terrorism.

Tax evasion in the Sodiaal group: *The fight against tax evasion is a central part of the Sodiaal Group's approach to combating fraud.*

Law No. 2018-898 of 23 October 2018 on the fight against fraud targets and strengthens sanctions against fraudsters who deliberately contravene the fundamental principles of equality before public charges and consent to taxation. The measures in the law have two objectives: to better **detect** and **apprehend** fraud, and to better **punish** it. The law therefore provides:

Article 18 of Law No. 2018-898 of 23 October 2018 on the fight against fraud provides that: "Fines or surcharges imposed on legal entities for serious breaches characterised by a minimum of €50,000 of duty evaded and the use of a fraudulent manoeuvre may be published (...). This publication shall include the nature and amount of the duties evaded and the fines and increases applied, the name of

the taxpayer and, where applicable, the professional activity and the place where this activity is carried out."

Article 16 of Law No. 2018-898 of 23 October 2018 on the fight against fraud amends Article 1741 of the *Code Général des Impôts* (French General Tax Code) and provides that: "Without prejudice to the specific provisions set out in this codification, any person who has fraudulently evaded or attempted to evade the assessment or payment, in whole or in part, of the taxes referred to in this codification, either by wilfully failing to make a declaration within the prescribed time limit, or by wilfully concealing part of the sums subject to tax, or by having organised his or her insolvency or obstructed by other manoeuvres the collection of the tax, or by acting in any other fraudulent manner, shall be liable, independently of the applicable tax penalties, to five years' imprisonment and a fine of €500,000, the amount of which may be increased to twice the proceeds of the offence.

The penalties are increased to seven years' imprisonment and a fine of €3,000,000, which may be increased to twice the proceeds of the offence, where the acts were committed in an organised gang or carried out or facilitated. The court shall order the posting of the decision and its dissemination."

3. FRAUDULENT PRACTICES

Fraud can manifest itself in different forms, some examples of which are described below.

1. Corruption and non-ethical behaviour:

| Conflicts of interest: | Fraudulent commissions: | Illegal gifts: | Extortion: |
|---|---|--|---|
| A Sodiaal employee solicits a member of his family working in the commission studying applications for regional, national or European subsidies in order to increase the chances that Sodiaal will be subsidised. | A Sodiaal employee undertakes, for example, to support the offer of a partner or prospect in exchange for a commission. | A Sodiaal employee offers/accepts gifts (dinner, invitation to a sporting event, trip, etc.) to a customer, supplier or prospect in return for benefits (a contract, for example). | A Sodiaal employee threatens to divulge confidential information to a competitor or the press in order to obtain payment of a large sum from Sodiaal. |

Corruption in the Sodiaal group: *The rules relating to corrupt practices are detailed in the Sodiaal Code of Conduct, which forms part of the Group's Internal Regulations. These rules derive directly from the provisions of law no. 2016-1691 of 9 December 2016 pertaining to transparency, anti-corruption and the modernisation of the economy, the so-called "Loi Sapin II" (Sapin Law II). For more information on the practices prohibited by the Group with regard to corruption, we invite each employee to refer to the Sodiaal Code of Conduct.*

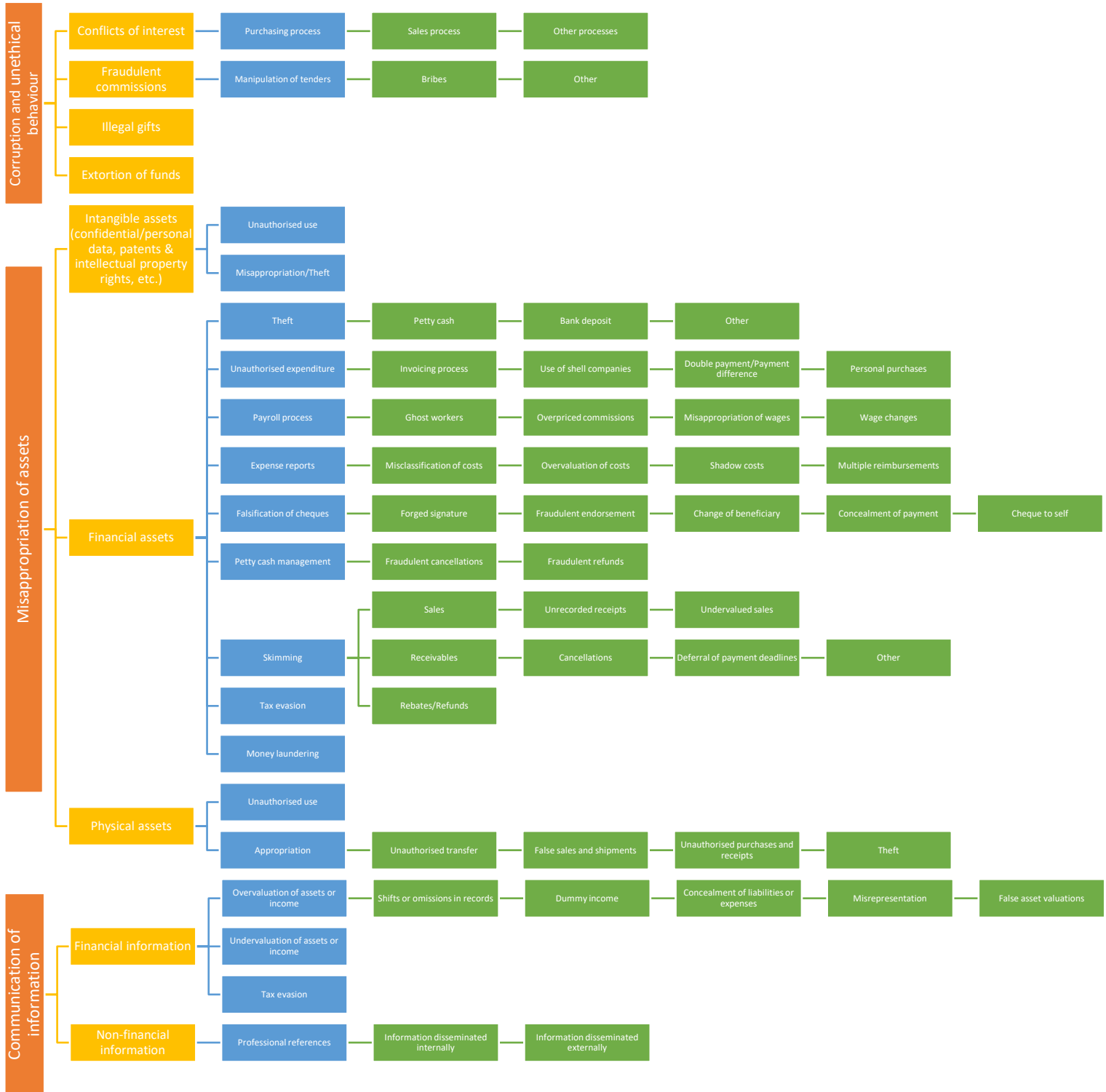
2. Misappropriation of assets:

| Misappropriation of intangible assets: | Misappropriation of financial assets: | Misappropriation of physical assets: |
|---|--|---|
| An employee steals or uses data essential to the group's activity (confidential data, personal data, patents, etc.) without the required authorisation. | A Sodiaal employee steals, misappropriates or uses the group's financial resources without the required authorisation. <i>Examples:</i> <ul style="list-style-type: none"> • Recruitment of ghost employees, • Making false expense claims, writing a cheque to oneself, multiple reimbursements, • Forgery of signature, • Tax evasion: failure to declare/amend results in order to avoid or illegally reduce the payment of tax etc. | An employee steals or appropriates the company's physical resources (stock, work computer, machines, etc.). |

3. Communication of confidential information:

| Disclosure of confidential financial information: | Disclosure of confidential non-financial information: |
|---|---|
| A Sodiaal employee makes a false assessment/declaration of financial information relating to a group entity. <i>Examples:</i> <ul style="list-style-type: none"> • Omission of records, • Dummy tax return, • Tax evasion: failure to declare/amend results in order to avoid or illegally reduce the payment of tax. | An employee disseminates falsified information (such as professional references) for personal gain. |

4. TYPOLOGY OF FRAUDULENT PRACTICES



II

EMPLOYEE GOOD PRACTICE IN THE FIGHT AGAINST FRAUD

1. PRINCIPLES OF ACTION OF THE SODIAAL EMPLOYEE

- **Implementation of the anti-fraud scheme:**

Fraud prevention and enforcement actions must be integrated into all aspects of the Group's operations.

The employee shall participate, within the context of his or her tasks, in the prevention and detection of acts of fraud by complying with the anti-fraud measures in place.

Any person who fails to put in place the appropriate system or fails to respect it in order to allow fraudulent acts to take place may be held personally liable.

The same applies to anyone who tolerates or knowingly endorses potentially fraudulent behaviour.

- **Duty to warn:**

Furthermore, if an employee notices or suspects a fraudulent act, he or she must report it to his or her superiors and/or to the dedicated bodies set up by the Group. Any situation reported under this whistleblowing scheme will be treated impartially and confidentially.

The Sodiaal Group undertakes to protect its employees who signal an alert via this system against any reprisals, provided that they act in good faith. However, if the warning system is used with the intention of harming others, the whistleblower may be sanctioned by the Sodiaal group or may be subject to legal proceedings.

**Alert telephone number: 0800 94 16 50
Alert email address: conformite@groupesodiaal.fr**

2. GOOD PRACTICE AND PROHIBITED BEHAVIOUR

TYPES OF PRACTICES AND BEHAVIOURS THAT ARE PROHIBITED

| Fraud: | Tax evasion: |
|---|--|
| <ul style="list-style-type: none"> ✗ Taking advantage of information that would enable me to carry out a fraudulent act to my advantage or to that of a third party; ✗ Passing on information to a third party that would enable them to carry out a fraudulent act; ✗ Replying to an email from an unknown sender asking me to perform an unusual operation or to bring to his or her attention information relating to the activity of the Sodiaal group or one of its subsidiaries; ✗ Give anyone my passwords or lend my access badge; ✗ Leaving confidential information or documents on my desk or in the sight of other employees (meeting rooms, photocopier, etc.) ; ✗ Discussing sensitive matters relating to the business of the Group or any of its subsidiaries in public places; ✗ Using unauthorised external media (USB stick). | <ul style="list-style-type: none"> ✗ Voluntarily evading Sodiaal's tax obligations; ✗ Participating, with a third party, in a financial arrangement with the aim of circumventing tax rules; ✗ Suppressing or concealing information to hide the link of a transaction to tax havens. |

GOOD PRACTICE AND PERMITTED BEHAVIOUR

| Fraud: | Tax evasion: |
|---|---|
| <ul style="list-style-type: none"> ✓ In the event of suspicion of fraud or in case of doubt, alert my manager or the Internal Control and Compliance Department without delay. My anonymity is guaranteed by the group. ✓ If I am a manager, enforcing the rules of good conduct within my team; ✓ Requesting an in-depth assessment from the Internal Control and Compliance Department when designing new products or activities with fraud risks. | <ul style="list-style-type: none"> ✓ Ask the Internal Control and Compliance Department before signing any contract with an entity in a foreign state or territory at risk; ✓ Remain attentive, identify and report without delay to the Compliance Officer any action aimed at directly or indirectly circumventing tax rules; ✓ Inform myself about my partners, to guarantee transparency and full traceability of the exchanges and transactions carried out with them, especially if they are located in or linked with a foreign territory at risk; ✓ If in doubt, contacting the Compliance Officer. |

III

ANTI-FRAUD MECHANISM

I

1. PREVENTING THE RISK OF FRAUD

- 1. Assess the risks of fraud and develop an action plan.** This action plan aims to limit the occurrence and consequences of the most important risks. It is steered by the Internal Control and Compliance Department and validated by the Management Committee.
- 2. Raise awareness of the risk of fraud among employees and train managers.** The Internal Control and Compliance Department provides training on the scope and risks associated with each entity.

2. DETECTING THE RISK OF FRAUD

- 3. Implementing the alert system.** This system is accessible to all and allows for an efficient collection of alerts. The Internal Control and Compliance Department can handle alerts confidentially and within a reasonable timeframe.
- 4. Implementing a control plan.** Business/cross-functional processes are assessed against the identified risks and the specific risks of each entity.

3. DEALING WITH AND SANCTIONING FRAUDULENT BEHAVIOUR

- 5. Graduate the treatment of fraud according to the risks involved.**
 - Level 1 risks are characterised by a deviation from standard procedures, a low degree of severity and an assessment that does not require complex research. They are handled by the managing officer.
 - Level 2 risks are characterised by a limited impact (although subject to criminal sanction), beyond the scope of the manager's responsibility, requiring in-depth research. They are dealt with by the Internal Control and Compliance Department, in close collaboration with the Entity's General Management and the departments concerned by the fraud.
 - Level 3 risks are characterised by a significant media impact, the disclosure of which is likely to harm the Group's interests, corroborated by credible factual elements that could be exploited by third parties. They are handled by the Internal Control and Compliance Department in close cooperation with the Management Committee.
- 6. Securing the legal framework for processing.** Particular attention will be paid at each stage of the process to:
 - Carry out the necessary research and investigations to deal with the alert,
 - Respect the Code of Conduct and the rights of those involved,
 - Protect the bona fide whistleblower.
 - Protect the information exchanged, through secure exchanges limited to authorised persons. The availability, integrity, confidentiality and traceability of information must be preserved.
- 7. Take appropriate sanctions in the event of proven fraud .**

Any amendment to this Charter is subject to prior approval by the Group's Executive Committee and then communicated to stakeholders, in particular through the institutional websites of the Group's companies.

The Charter was validated at the Comex meeting on 2 November 2021 and included in the Sodiaal Group Code of Conduct. The Charter as published in this edition takes effect on 2 January 2022. The French text is the only authoritative version.