



Clarins Partners

ANTI-CORRUPTION CODE OF CONDUCT

2023



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Introduction

Corruption or influence-peddling is a serious act which could have significant legal and financial consequences for CLARINS and its French and foreign subsidiaries (hereinafter “the CLARINS Group” or “the Group”) and could also cause lasting damage to the reputation of the Group and its brands.

In order to fight corruption effectively, ever more national and international laws have entered into force and both the scope and application of such laws have been extended.

This is the context in which the CLARINS Group has pursuant to Article 17 of the Law of 9 December 2016 (known as the Sapin 2 Law) devised and implemented a compliance programme specifically seeking to prevent and detect corruption, of which this Anti-Corruption Code of Conduct (hereinafter the “Code”) is an integral part.

More specifically, the purpose of this Code is to remind all relevant parties of the basic principles governing the fight against corruption and influence-peddling and the conduct to be adopted in such context.

This Code is applicable to the corporate officers, collaborators and employees of the Group and its external and temporary collaborators.

All of our partners (retailers, service-providers, intermediaries, distributors, agents, etc.) are also expected to comply with the principles of this Code or to enforce standards which are at least equivalent to those set out herein and furthermore to promote the principles of this Code in their dealings with their own partners.

This Code does not claim to be exhaustive and is not intended to cover all the scenarios with which Collaborators may be faced. It sets out the rules which must be applied to their decision-making. It is incumbent upon each and every Collaborator to read carefully and understand the rules set out in this Code and to show good judgment and common sense when faced with the different scenarios which may arise.



Section 1

WHAT IS CORRUPTION AND
INFLUENCE-PEDDLING ?

Corruption and influence-peddling

The generic term “corruption” covers corruption proper as well as influence-peddling.

Corruption is committed where an undue gift or advantage is offered, made or granted to any person holding public or private office, in order to procure that such person carries out, postpones or refrains from carrying out an act falling within the scope of his or her functions.

Influence-peddling is committed where an undue gift or advantage is offered, made or granted in order to ensure that the recipient of such gift or advantage uses his or her actual or presumed influence to procure a favourable decision from a public authority.

Corruption or influence-peddling involves three actors:

- the actor who provides the gift or advantage;
- the actor who makes use of the credit he or she holds on account of his or her position;
- the actor with the power to make the decision (public authority or administration, judge, etc.).

The common characteristic of corruption and influence-peddling is an abuse of office by the recipient of the undue advantage (the corrupt official) who obtains a financial benefit from the power or influence conferred by his or her office for his or her own direct or indirect personal benefit.

2 TYPES OF CORRUPTION

Two types of corruption exist:

- active corruption, where the corrupting person instigates the corruption by offering or providing something in order to obtain an undue advantage; and
- passive corruption, where the corruption is instigated by the corrupted person, namely the person who carries out or refrains from carrying out an act in exchange for value.

Corruption and influence-peddling

This “something” can take one of various forms: money (cash, bank transfer or another form of payment), where the means of payment may be concealed (false invoices, consultant’s fees, gifts, sponsoring, etc.) or advantages in kind (attendance at events, entertainment, travel, gifts, the employment of family members or friends, etc.).

The “undue advantage” may take different forms: preferential treatment, the signature of a contract, the disclosure of confidential information, “culpable” inaction in a situation where a blind eye is turned when action is required, etc.

Thus many different examples of corruption exist:

- the offering of a gift or personalised advantage with a view to obtaining an undue favour;
- paying for the favourable intervention of an intermediary with decision-making authority;
- extending a privileged invitation to the representative of a public authority in the expectation of a quid pro quo, etc.

The offence of corruption is committed by merely promising an undue advantage, even if such advantage is ultimately not received.

Many laws punish corruption involving persons who hold public office (hereinafter a “Public Official”); this is then public corruption. Such laws sanction just as explicitly the offence of corruption when it involves only natural or legal persons in the private sector; this is then private corruption.

Corruption and influence-peddling

WHO IS A PUBLIC OFFICIAL?

The concept of Public Official must be construed widely and covers any person holding a position of public authority who is charged with a public service task or holds elected public office, either personally or on behalf of another person. Any other person who is deemed to be a Public Official under the national laws of a given country must also be viewed as a Public Official.



Some examples of the sanctions imposed in the event of corruption or influence-peddling

In France

- Natural person: five to ten years' imprisonment and a fine of 500,000 to 1,000,000 Euros or double the proceeds of the offence
- Legal person: a fine of 2,500,000 to 5,000,0000 Euros for a legal person or double the proceeds of the offence, plus additional penalties

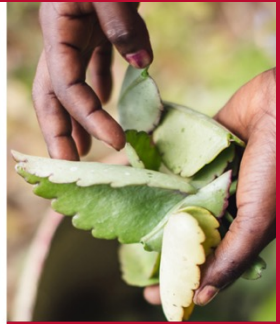
In Germany

- Natural person: up to ten years' imprisonment and a fine
- Legal person: a fine of up to ten million Euros

In the United States (FCPA - corruption of public officials)

- Natural person: up to five years' imprisonment and a fine of up to \$100,000
- Legal person: criminal sanctions of up to \$25,000,000

In certain cases, the offence may be sanctioned in several countries concurrently.



Section 2

THE RULES TO BE COMPLIED WITH

The rules to be complied with

This Section contains the information necessary to understand and implement the rules to be complied with within the CLARINS Group and by the CLARINS Group's partners, in order to prevent and fight against corruption.

GIFTS AND INVITATIONS

Offering gifts and invitations is often viewed as an act of courtesy making it possible to strengthen commercial relations.

The nature of these practices varies considerably depending on the country and its customs, the enterprise, the commercial relationship, etc.

However, anti-corruption rules prohibit the making of gifts and the issuing of invitations to a third party and the transfer of other items of value to a third party with a view to procuring an undue advantage or exercising influence over any official act.

Therefore offering or accepting gifts or invitations may be viewed as one of the more obvious forms of corruption, in particular in the context of a commercial transaction or an application for an authorisation/permit to a Public Official.



THE FOLLOWING RULES MUST BE COMPLIED WITH:

- Gifts and invitations may only be received or offered if they are not prohibited by local laws. Where they are permitted, offering or accepting a gift or invitation must constitute an exceptional event.
- The offering of gifts and invitations to or the acceptance of gifts and invitations from a Public Official are prohibited in all circumstances.
- Gifts comprised of cash or a cash equivalent, such as gift vouchers, are prohibited.
- The purpose of gifts and invitations offered or received must not be the procurement of an undue advantage or influencing the actions of any person whomsoever.

The rules to be complied with



- Gifts and invitations must be strictly professional in nature. They must only benefit the Collaborator or the commercial partner, to the exclusion of the family or other relations of the commercial partner.
- Gifts may only be offered or accepted where their value is symbolic or negligible, having regard to the circumstances.
- A Collaborator may only accept an invitation to an event if the business partner having invited him or her is present at the event.
- Gifts, invitations and benefits must be separated from the making of any material decision (for example in the context of a competitive bidding procedure). In fact, the circumstances of the gift or the invitation must not be capable of giving rise to any suspicion of corruption, even after the event. It is therefore necessary to pay attention to the context and the significance that an advantage or gift may assume, as no quid pro quo must be expected.
- Gifts and invitations which are offered or accepted must be offered and accepted in an open and transparent manner within the relevant company.

In any event, if local legislation is more onerous than the rules set out above, it is necessary to comply with the more onerous obligation.

The rules to be complied with

FACILITATION PAYMENTS

Facilitation payments are (frequently modest) sums of money sought by Public Officials in order to procure or speed up the completion of certain administrative acts (the processing of State-issued documents, the issue of authorisations or permits, etc.). Such payments are prohibited in most countries.



The following rules must be complied with:

Facilitation payments are prohibited, even in cases where they are permitted under local law.

CONFLICTS OF INTEREST

A conflict of interest arises in a situation where the personal interests of a collaborator might conflict with those of its company.

Personal interests must be construed as interests which could influence or appear to influence the manner in which the collaborator performs the functions and responsibilities entrusted to him or her by its company.

Such a situation might for example arise if a collaborator:

- negotiates in the name of the company a contract which furthers a current or future personal interest;
- has a financial interest, either personally or through a family member, in a company controlled by competitors, customers of the company or any other contractual counterparty; and/or
- insofar as a conflict of interest is capable of concealing corruption, it is of the utmost importance that collaborators are vigilant that a situation involving a conflict of interest does not arise.

The rules to be complied with



The following rules must be complied with:

- Collaborators must refrain from prioritising any personal, financial or family interest capable of preventing them from acting in the best interests of their companies and allowing any doubt to arise as to their integrity.
- In a situation involving a potential or actual conflict of interest, collaborators must refrain from participating in the tasks and duties entrusted to them.
- In a situation involving a potential or actual conflict of interest, collaborators must immediately report the situation to the Legal Department.

RECRUITMENT

The recruitment of a collaborator may on occasion conceal corruption.

Indeed, the recruitment of a collaborator could potentially constitute corruption if the hiring company obtains from a third party an undue advantage as consideration for the selection of a particular applicant, in particular for the purposes of benefiting from a future contractual relationship or influencing an administrative decision.



The following rules must be complied with:

- Ensure in the context of the recruitment process that future collaborators are of irreproachable character and that they do not have close ties to a Public Official or a commercial partner which would make it possible for the hiring company to obtain an undue advantage.

The rules to be complied with

INTERMEDIARIES

In certain circumstances, an enterprise may be found to be legally liable for corruption committed by an intermediary (commercial agent, etc.) acting on its behalf.



The following rules must be complied with:

- Any decision to have recourse to an intermediary must be justified and documented and must be approved in accordance with internal procedures.
- Any recourse to an intermediary must be analysed closely and prior checks must be carried out into the integrity of the intermediary (“due diligence”) which are appropriate and proportional to the specific situation of the commercial partner, in order to ensure dealings with only honest intermediaries of integrity (with such checks covering reputation and any previous or ongoing legal proceedings, the contact details of the company, shareholders, history of the company, its expertise, the economic and financial data of the commercial entity, the actual existence of commercial premises, capabilities and resources in the relevant area, previous or ongoing contractual relations with a Public Official, etc.), in accordance with internal procedures.
- In the context of such checks, the discovery of anything suspect must lead to the exclusion of collaboration with the intermediary in question. This must occur in situations where the intermediary:
 - appears to lack the requisite capabilities or personnel;
 - is appointed or recommended by a Public Official;
 - asks to remain anonymous or lacks transparency;
 - asks to be paid in cash, in advance or in a country other than the country of its residence or the country where it carries on its activity;
 - requests abnormally high remuneration having regard to the value of the services provided;
 - requests the reimbursement of abnormally high or undocumented expenses.

The rules to be complied with

- Any recourse to an intermediary must lead to the signature of a written contract. Such contracts must explicitly stipulate the expected services, the bases for calculating prices and fees, provisions certifying that the contractual counterparty is in compliance with anti-corruption rules and laws and that the intermediary has no relations with a Public Official and lastly provide for the termination of the contract in the event of a breach of such rules.
- No contract may be signed with an intermediary until any doubts subsisting in relation to such intermediary are settled or if the intermediary refuses to provide the requisite information.
- The remuneration of the intermediary must be reasonable and commensurate with the services provided and the tasks performed by the intermediary.
- No payment may be made outside the remuneration agreed for the specific stipulated tasks and otherwise than in strict compliance with the terms of the contract.
- Sales representatives must produce a monthly report on their activities.
- All the specific documents relating to the activity of the intermediary must be retained throughout the business relationship (contract, proof of the services provided, invoices, payments), in order to facilitate any subsequent checks.

SERVICE PROVIDERS AND COMMERCIAL PARTNERS

In the context of its activities, each company maintains relationships with numerous commercial partners (other than intermediaries), such as clients, suppliers or sub-contractors.

The rules to be complied with

SERVICE PROVIDERS AND COMMERCIAL PARTNERS



The following rules must be complied with:

- Before entering into a business relationship with a commercial partner, the company must carry out prior checks into their integrity (“due diligence”) which are appropriate and proportional to the specific situation of the commercial partner, in accordance with internal procedures.
- The contracts and agreement entered into with commercial partners must contain clauses containing anti-corruption undertakings.

LOBBYING

Lobbying is any activity intended to influence the decisions or guidelines of a government or institution in favour of a particular cause or in order to achieve a desired result. More specifically it constitutes a constructive and transparent contribution to the elaboration of public policies in relevant areas linked to the activities of a group. Such a contribution seeks to provide more detailed information to public decision-makers.

The line between lobbying and corruption is sometimes blurred. In fact, lobbying becomes corruption in situations where the person engaging in lobbying offers an advantage to a Public Official in order to encourage the Public Official to support legislation or activities favourable to such person.



The following rules must be complied with:

- Display integrity, intellectual probity and transparency in all relations with Public Officials, irrespective of the situation or the interest being defended.

The rules to be complied with

LOBBYING



The following rules must be complied with:

- Provide reliable and objective information without seeking to procure any information or decisions by applying any pressure.
- Do not seek to procure an undue political or regulatory advantage.
- Ensure that persons who are representing given interests carry on their activities in compliance with this Code and the applicable regulations.

GIFTS, CORPORATE PHILANTHROPY AND SPONSORING

Each company may find it appropriate to make financial gifts and to engage in corporate philanthropy, in particular in its dealings with charities or foundations in all the regions where it is active.

It also engages in sponsoring activities.

These gifts and corporate philanthropy and sponsoring activities may in certain cases be engaged in with a view to obtaining an undue advantage; such practices may in such a case be found to constitute corruption.



The following rules must be complied with:

- Gifts and corporate philanthropy and sponsoring activities are permitted subject to compliance with the applicable laws and regulations and must undergo a detailed analysis and prior checks, in the context of the procedures laid down by the relevant company.
- Gifts and corporate philanthropy and sponsoring activities must not seek to procure an undue advantage or to influence any decision unduly.

The rules to be complied with

FINANCING OF POLITICAL ACTIVITIES

The financing of political activities means any direct or indirect contribution seeking to support a political party, candidate for election or elected official.

Such a contribution may consist of a payment of money or any other advantage, such as a gift or the provision of a service, publicity or any other partisan activity.

The financing of political activities may be used to conceal an undue advantage in order to procure or maintain business or a commercial relationship. In other words, the financing of political activities may be viewed or construed as direct or indirect corruption.



The following rules must be complied with:

- Any direct or indirect financial contribution or contribution in kind by the company or its collaborators in its name to any political organisation, party or personality is prohibited.
- Collaborators must separate their personal political activities from their duties within the company, in order to avoid any situation capable of giving rise to a conflict of interest.
- Collaborators must not use the property and resources of the company for personal political purposes.



The rules to be complied with

ACQUISITIONS, EQUITY PARTICIPATIONS AND JOINT VENTURES

On the acquisition of a company, assets comprising an entire business division or an equity participation or on a merger or the setting up of a joint venture, it is necessary to ensure that the target or partner is not and has not been conducting itself in a unacceptable manner having regard to the applicable anti-corruption laws and is in compliance with the legislation in force in this area.



The following rules must be complied with:

- Include an anti-corruption component in the due diligence procedure in the context of the acquisition of any company or equity participation or the setting up of any joint venture.
- Include an anti-corruption provision in the contracts and agreements entered into in the context of the acquisition of any company or equity participation or the setting up of any joint venture.

MAINTENANCE AND ACCURACY OF BOOKS AND REGISTERS

Books and registers mean in this context all accounting, financial and commercial entries and records in a paper or electronic format. These include accounts, correspondence, summaries, books, databases and other documents relating to accounting, financial and commercial matters.

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The rules to be complied with

MAINTENANCE AND ACCURACY OF BOOKS AND REGISTERS



The following rules must be complied with:

- No entry in the books and registers of the relevant company may be unjustified, incorrect, falsified or factitious.
- The books and registers of the company must faithfully and accurately reflect transactions as completed and must be drawn up and certified in accordance with the accounting standards and guidelines in force.
- All audits and approval procedures provided for within the company must be carried out and implemented.
- It is therefore necessary to retain documentation demonstrating the appropriateness of the relevant services and the corresponding payments.

DISCERNEMENT



ETHICS



PRINCIPLES

The logo for Groupe Clarins, featuring a red curved line above the text "GROUPE CLARINS".

GROUPE
CLARINS