

# PREVENTING CORRUPTION



Ethics is one of Sagemcom's fundamental principles, which requires ethical practices, whether that be at a social, environmental, societal or business level. Sagemcom has created a corruption prevention guide designed to be applied to all Sagemcom activities.



require each one of their employees and partners to respect good  
commercial level. To emphasise this commitment, Sagemcom  
applied to all its affiliates in the world.

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### **A commitment to compliance:**

Sagemcom is strongly committed to meeting regulatory requirements and promoting a culture of compliance and sound business ethics. The Group has taken strict measures as part of its compliance strategy to guarantee that all its operations abide by the laws and meet the regulations applicable to its activities.

The scope of our efforts in the realm of compliance covers:

- The prevention of corruption;
- The prevention of all forms of fraud;
- Compliance with international sanctions;
- Compliance with the rules pertaining to fair trade;
- Conflicts of interest;
- Compliance with the rules pertaining to export controls;
- The fight against corruption, money laundering and the funding of terrorism.

We continuously strive to identify and manage risks of non-compliance by integrating robust controls and ongoing training of our employees in best practices regarding compliance. These efforts are a reflection of our long-term commitment to responsible and sustainable growth.

### **Our internal compliance programme**

Sagemcom has implemented a comprehensive internal compliance programme covering every level of our organisation, in order to guarantee that our business practices are ethical and comply with regulations. This structure is topped by our Code of Business Conduct, which sets forth the fundamental principles and values that every member of our company must uphold. This code forms the bedrock of our commitment to integrity and guides our actions on a daily basis.

In addition to our Code of Conduct, we have also drawn up detailed policies and procedures for every key aspect of compliance. These documents define the specific standards that we must meet in our activities, through a coherent and uniform Group-wide application.

We have drawn up concise practical guides for each subject, to make it easier to understand and implement these policies. These guides provide a clear

overview of the key issues, the rules to be complied with and the persons to contact when in doubt, or whenever necessary. They are designed to be accessible to every employee, irrespective of their experience or their role in the company.

Finally, we have drawn up detailed practical guides for more complex subjects, or subjects that demand in-depth understanding. These documents are more than just simple directives, since they provide detailed explanations, practical examples and case studies that help guide our employees through more complex or ambiguous situations. They have been jointly drawn up by our internal experts, in order to guarantee a robust and informed approach to the most demanding challenges pertaining to compliance.

This integrated compliance programme reflects our commitment to maintaining the highest standards of ethics and legality in all our operations. It is designed to achieve compliance, reduce risks and protect the reputation and the interests of our company in the long term.

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## Prevention of corruption

The fight against corruption, and more generally for the integrity of economic life, cannot be led without the corporate sector. Furthermore, for several years now, Sagemcom has been committing itself to developing its activities through its employees and partners in a transparent, fair and honest way.

Sagemcom notably made this commitment when it joined the United Nations Global Compact in 2011.

By its international presence; the Group is particularly vulnerable to the risk of corruption, but contrary to popular belief, this risk exists in all countries, regardless of their geographical, economic or political situation.



Sagemcom is also obliged to comply with a certain number of laws and regulations in order to be able to carry out its activities completely legally. Amongst these laws and regulations, those governing the fight against corruption and fraudulent practices (whether between private companies, or between private companies and government entities) are taking on an increasingly critical importance.

The fight against corruption is therefore a major issue for companies and involves all their different staff, regardless of their level (manager, employee, commercial partner). In addition to the legal risks, corruption subjects the company to the negative impact of risks to its image and reputation and therefore commercial risks and the danger of destabilising its internal organisation (loss of market, clients, subsidiary closures, etc.).

Because of their high visibility, our customers are particularly sensitive to ethical issues, which can tarnish their reputation.

They thus require perfect control and greater transparency from all their commercial partners in this sense. Furthermore, they may be held liable as clients for ethical problems in the supply chain, without even being directly involved. This requirement is therefore extended to their partners' suppliers. Sagemcom is committed to expanding its corporate responsibility commitments to its suppliers, which resulted in particular in 2007 in the development of a "suppliers" Ethical Charter, with which its partners must comply. The close attention that Sagemcom pays to selecting and overseeing its partners, particularly by conducting audits, demonstrates both the sense of societal responsibility of our Group, and its intention to support its suppliers and to help them to make progress.



In practical terms, Sagemcom's employees must therefore all be particularly vigilant to:

- avoid bribing, directly or indirectly, to benefit from improper commercial advantages;
- not accept bribes, directly or indirectly, to offer improper commercial advantages.

In reality, corruption can take forms as diverse as they are unexpected or insignificant. Corruption is not limited to a simple exchange of money. The object of value intended for the bribe may be disguised as a gift or an invitation to an event. Monetary payments may be hidden in the form of fake bills, consultant fees, etc. Corruption exists therefore in numerous forms but, beyond that, there are some "grey areas" on which we need to focus. We have developed a corruption prevention guide to challenge popular beliefs and to make our company staff aware of the different mechanisms of corruption. It aims to explicitly reaffirm the standards and principles which dictate our management to respect thorough measures set up to fight against corruption.

Its aim is to guide all the Group's employees and managers in their daily activities, providing them with the necessary practical knowledge and explaining how to act in accordance with the anti-corruption rules, through a presentation of the most important rules, the situations likely to be encountered the most, and the procedures to follow.

Due to there being multiple forms of corruption, several solution outlines are offered, which take the form of examples of action to take or reaction to have. It should be noted, however, that the responses suggested are not fixed, but allow common sense, which is expected of everyone, to play a role. This is not a collection of systematically effective solutions, but a vigilance stimulation tool!

Corruption can only be prevented in the company with and for the people who work there. This means that every single Group employee must take part in this initiative every single day by adopting the principles set forth in this guide. This is why training tools have been put in place with a specific e-learning programme and in-person training for the personnel most at risk. Initially rolled out in France, these training measures will gradually be deployed in the Group's various subsidiaries.

We are aware that this involves a need for advice and support to apply this policy in all of our operations, especially for employees susceptible to being the most at risk.

Besides, some situations are likely to present difficulties in terms of ethical choices, the solution not always being immediate or obvious.

This is the reason for which the Group has developed support systems through on which staff and stakeholders can rely:



- On our hotline **ethics@sagemcom.com**
- On our professional alert system: **Whisppli**
- to our ethics referent

## Prevention of fraud

The prevention of fraud is a top priority for our Group, and we have taken a series of strict measures to detect and prevent any fraudulent behaviour. Our internal procedures are designed to identify any anomalies and suspicious transactions at every stage of our operational processes.

We also intend to implement a programme to raise the awareness of our employees who are most exposed to the risk of fraud, by providing them with the knowledge and the tools required to identify and report any suspicious activities. Confidential channels of communication are available, that allow employees to report any suspicion of fraud without fearing any reprisals.

## Compliance with international sanctions

Compliance with international sanctions is an essential aspect of our compliance programme. We are committed to abiding by all the regulations and directives issued by international organisations and governments, including the United Nations, the European Union, the United States, France and the United Kingdom. We have implemented thorough verification procedures in order to guarantee this compliance.

We conduct in-depth checks of the backgrounds of our business partners, customers and suppliers before engaging in business relations or signing contracts with them. These checks include an examination of the lists of international sanctions and warnings and unfavourable coverage in the media, to make sure that none of the parties are the subject of sanctions or restrictions, or are involved in any scandals. We use up-to-date databases and specialised surveillance tools to keep track of changes to the regulations of sanctions in real time. We react quickly to updates of sanctions in order to adapt our business practices and relations accordingly.

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The management regularly publishes a Business Restrictions Note that clearly indicates any countries subject to sanctions. This note identifies countries subject to embargoes or limited restrictions and indicates the precautions to be taken in our activities in countries subject to sanctions. These clear directives enable our teams to take informed decisions and minimise the risk of non-compliance.

These measures aim to avoid legal and financial sanctions and uphold our reputation for integrity and responsibility on the international stage.

## Compliance with the rules pertaining to fair trade

Sagemcom strives to create and maintain a free and equitable market environment, by strictly complying with the anti-trust laws and regulations in force.

We guarantee compliance with the rules in force by implementing a strict fair trade policy that is clearly communicated to every level of our organisation. Our employees follow regular training in this policy, which raises their awareness of the fundamental principles of fair trading, including the prohibition of unlawful agreements, abuse of a dominant market position and unfair practices.

Our internal procedures are designed to assess the competition-related risks incurred by trading for every transaction or business partnership. We conduct in-depth analyses before entering any agreements to check that

they do not breach anti-trust laws. When in doubt, we refer to legal experts specialised in fair trade law for their opinions and advice.

### **Management of conflicts of interest**

The prevention and management of conflicts of interest are crucial aspects of our commitment to ethical and transparent governance. We acknowledge that conflicts of interest can jeopardise our integrity and the trust that our stakeholders place in us. This is the reason why we implement strict policies and procedures to proactively identify, prevent and manage these situations.

We have drawn up clear guiding principles for all our employees that identify the types of situations likely to create conflicts of interest, including personal or financial relationships that could influence professional decisions. All our employees are regularly informed of these guidelines, which are also included in our training programmes.

In addition, we foster a culture of integrity, in which employees feel empowered and are encouraged to report any concerns, without fear of reprisal.

The management plays a key role in the oversight of these policies, and makes sure that corrective actions are taken quickly in all instances of non-compliance. These measures strengthen the belief of our customers, partners and investors in our ability to operate ethically and transparently. The strict management of conflicts of interest is essential to maintaining the integrity of our operations and to underpin our commitment to responsible governance.

### **Compliance with the rules pertaining to export controls;**

We are committed to complying with all international, domestic and local laws and regulations pertaining to export controls, to ensure that our products, technologies and services are not used to illegal ends.

Before exporting, we conduct checks to make sure that the recipients, destinations and end uses of our products meet all the legal and regulatory demands. These checks include the verification of the lists of embargoes, sanctions and restrictions specific to certain countries, entities or individuals.

We also raise the awareness of our employees, so that they are able to understand the regulations in force. These awareness-raising programmes cover subjects such as the identification of products subject to restrictions, the classification of articles and the procedures to be followed to obtain the necessary licences. Our employees are kept informed of the latest changes to regulations, so that they possess the knowledge required to comply with the applicable rules.

We also work with external consultants and specialised legal advisers in order to stay up to date with any changes to the regulations that apply to export controls. This collaboration enables us to quickly adapt our policies and practices to legislative changes, in order to guarantee continual compliance.

### **Combating money laundering and the funding of terrorism**

We implement robust policies and procedures to prevent, detect and report any suspicious activities with regard to money laundering and the funding of terrorism, in accordance with international and domestic laws and regulations.

The effectiveness of our AML/CFT programme is guaranteed by thorough Know Your Customer (KYC) processes. These processes include an in-depth

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verification of the identity of our customers, an assessment of their risk profile and the continuous monitoring of their transactions.

We provide regular training for our employees exposed to this risk in order to make them aware of the potential signs of money laundering and the funding of terrorism. These training programmes cover subjects such as the identification of suspicious transactions, the procedures used to declare suspicions and the legal obligations pertaining to the fight against money laundering. By maintaining a high level of vigilance, we can improve our capacity to detect and prevent illegal activities.

## Goals

Our main goals in 2023 consisted of re-deploying the anti-corruption training module for our employees in France, and migrating our alert channel to the Whispli solution. We achieved both of these objectives.

Our goal for 2024 consists of deploying our e-learning in our subsidiaries in order to cover 20 % of the headcount.

## Operational results

	2021	2022	2023
Rate of anti-corruption e-learning	7.6 %	9.3%	10.5 %
Number of alerts received	0	2	2
Number of proven cases	0	0	0

*(Group-wide scope)*

## Close-up on the alert channel

In 2023, Sagemcom reviewed its ethics alert system in order to meet the corresponding legal requirements, and to provide a simpler and more intuitive environment for anyone wanting to inform the company of an ethical problem.

To this end, Sagemcom opted for the Whispli solution.

Anyone, whether they are a member of the organisation or not, can use this secure solution to communicate with Sagemcom's ethics team in complete confidentiality, and the whistle blower can even remain anonymous, if they so wish.

This tool can also be used to manage alerts and queries, and to store and archive evidence that comes under scrutiny, in every case.

Use our dedicated compliance alert channel on Sagemcom's website, in the "Contact us" section, or directly on our Whispli platform:

<https://sagemcom.whispli.com>