



# Corporate Compliance

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## Dear employees,

The SARIA Group enjoys an excellent reputation internationally among customers, business partners and public authorities. It goes without saying that we should conduct our business in an impeccable manner, both ethically and legally. We also understand how essential this is to ensure our long-term success.

It is therefore imperative that all employees comply with all relevant legislation, adhere to our own internal rules and regulations, avoid conflicts of interest and respect the customs, traditions and social values of the countries in which we operate. Our business partners, the relevant authorities and the public at large all expect us to act professionally, responsibly and in accordance with the law at all times. Even a single violation can cause lasting damage to the reputation of the SARIA Group and lead to serious financial losses.

Against the backdrop of growing public debate regarding the rules of responsible corporate governance, as well as the mounting legal risks associated with non-compliance, we took the decision a number of years ago to formally set out our Corporate Compliance Principles, which remain the basis for this updated Compliance brochure. These principles are rooted in values that have been at the heart of our business for decades. It is important that we act together to implement these principles in full. They are fundamental to the long-term commercial success of our company.

The Executive Board of the SARIA Group

## What is Corporate Compliance?

Corporate Compliance means acting in accordance with laws and rules. Every employee is required to comply with the company-specific and legal rules applicable to their work activity.

The SARIA Group has built a solid reputation around its core strengths. It took many years to acquire this reputation, but the thoughtless, illegal action of a single individual could damage it in an instant, which is why prevention is so crucial. Adherence to these Corporate Compliance Principles by every employee will help to reduce the risk to the company and employees.

These Corporate Compliance Principles provide a framework for proper conduct but do not cover every conceivable situation or describe every relevant rule, regulation and law. National law often applies stricter, more specific standards, which must of course be observed. The aim of these Corporate Compliance Principles is to highlight and explain key aspects of Corporate Compliance, rather than providing an exhaustive list.

Lawful conduct is required within the SARIA Group at all times and with regard to all applicable legislation.

Breaches of legal and ethical standards can have far-reaching consequences for the company.

The possible impact includes:

- Fines
- Payment of compensation/damages
- Exclusion from contracts
- Severance of business relationships
- Exposure to blackmail
- Reputational damage
- Adverse capital market ratings

Employees who breach these Corporate Compliance Principles also face serious consequences, such as imprisonment, fines, claims for damages and employment law sanctions, including dismissal.

It is no defence or excuse for employees to claim in such cases that they were acting in SARIA's interests, because all such breaches harm the company in the long run.

Any supposed benefit is negated by the possible consequences for the company, whether viewed from a reputational or strictly commercial viewpoint.

If a business transaction is impossible without engaging in some form of unlawful or unethical conduct, we will not enter into it. An employee who refrains from such a transaction will not be penalised in any way.

Our company is exposed to public scrutiny. Strict implementation of these Corporate Compliance Principles demonstrates to business partners, the authorities, our competitors and the media that Corporate Compliance is embedded in the SARIA Group's corporate culture.

These Corporate Compliance Principles are intended to provide employees with guidance in their daily work and help to prevent improper conduct. Accordingly, they aim to highlight the issues most likely to be encountered in practice. Over and above that, they should encourage employees to familiarise themselves with the relevant rules and seek advice if in doubt. Ignorance is no protection against the potential consequences of improper conduct.

Such advice can be obtained from your supervisor/manager or a specialist function like the Legal Department or Compliance Officer.

**Internal or external support should be sought in particular where other companies could be put at a disadvantage, there is a threat to our company, a serious risk is involved, or the legal position is unclear.**

## 1. Fair competition

The SARIA Group is fully committed to free markets. Competition law plays an important part in protecting fair competition and preventing distortion.

Breaches of competition law could have severe consequences for SARIA, as outlined in the introduction. These include heavy fines, actions for damages, exclusion from public contracts and reputational damage.

The employees involved also face tough penalties, including prison sentences. In addition, SARIA will take its own action against staff who violate competition law. Even when a business gets into serious difficulties through no fault of its own, there is no justification for anti-competitive behaviour as a way out of the crisis. No matter how difficult the circumstances, the law must be obeyed at all times.

The "effects doctrine" aspect of competition law is particularly important: in certain cases, the determining factor is not the territory where the breach took place, but the negative effect of the breach on competition in another territory.

Competition law protects competition in three ways:

- By banning cartel agreements between competitors and cartel-like mechanisms in contracts between suppliers and customers
- By banning abuse of a dominant market position
- By regulating company acquisitions, sales and mergers (merger control)

Illegal cartel agreements

The main activities prohibited by competition law are:

- Price fixing
- Market share agreements
- Capacity agreements
- Allocation of regional markets
- Allocation of customers
- Price maintenance agreements

Concerted action, informal discussions and “gentlemen’s agreements” designed to restrict competition or which could have such an effect are all prohibited. Any behaviour that even remotely suggests conspiring to act in such a manner must be avoided. Concerted action with other bidders is strictly prohibited under competition law and also constitutes a criminal offence. This applies in particular to private tendering processes and award procedures in the public sector. The Legal Department and Compliance Officer must be consulted regarding all potential or actual agreements with competitors, even if they concern areas where competition is not a factor.

Caution is necessary with regard to market information. Although market research is essential and obviously permissible, not all means of acquiring information are appropriate, such as certain organisational market information processes. The often bilateral exchange of forward-looking information with competitors regarding prices, customer relationships, terms, imminent price changes etc. is particularly problematic and must be avoided. Our own calculations, capacities and plans must not be disclosed to competitors.

Sensitive competition-related information must be anonymised so that its origin cannot be identified, thereby preventing it from affecting market activity.

Awareness of competition law is also required when drawing up contracts covering the supplier-customer relationship.

Clauses that affect resale prices, impose usage or resale restrictions or establish exclusivity agreements must always be subjected to careful legal scrutiny.

#### Abuse of market position

A dominant market position is not in itself illegal if it is based on a company's own success, for example. Patents also create temporary monopolies that are permitted in law. Market domination refers to a situation where a company faces no significant competition. The way such companies behave is strictly controlled by competition law to compensate for the lack of competitive pressures. A dominant market position must not be abused, i.e. it must not be exploited in a way that would be impossible or unrealistic under normal market conditions.

In particular, dominant companies are not permitted to undercut competitors with the aim of squeezing them out of the market. Similarly, customer contracts that make it impossible for other companies to compete for the same business on account of contract duration, exclusivity, discounts or bundling of products/services are banned.

Market domination may also not be abused in other ways, such as charging customers a price that cannot be economically justified.

**Prior legal advice must always be sought if there are grounds for believing that specific measures or terms are only possible because of a dominant market position.**

#### Compliance with merger control legislation

Company disposals, acquisitions and joint ventures above a certain size are normally subject to merger control by the antitrust authorities in Germany and beyond. Failure to notify such transactions can result in substantial fines and render the deal null and void.

**It is therefore essential that the Legal Department, and if appropriate also the Compliance Officer, is informed at an early stage so that the notification requirements can be met.**

## 2. Integrity in our business dealings

Improper conduct will not be tolerated within the SARIA Group.

Failure to ensure integrity in our business dealings, and in particular any form of corruption, undermines fair competition and damages both the company's business and its reputation. In many countries, corruption is also a criminal offence, regardless of whether it takes place there or abroad. Employees must therefore never attempt to influence business partners unlawfully, whether through preferential treatment, gifts or other advantages. This is particularly important when working with representatives of government bodies or public institutions.

Our Group will not engage in business transactions that violate legal provisions or company rules relating to giving or receiving advantages. We accept that this policy may result in us losing business, but increased sales and profits can never be a justification for illegal business activity. This applies across the entire Group, without any exceptions. Every employee is bound by this policy, regardless of the country in which they are located.

The term "advantage" refers to any form of inducement, including inducements made to friends, relatives or organisations.

**Any giving or receiving of advantages must be in accordance with the law and our own internal rules. Where stricter provisions exist, they always take precedence.**

Employees are strictly forbidden from soliciting personal inducements or offering or giving cash (or similar) inducements. This does not apply to payments made in the form of donations which follow the rules explained below.

Where business partners are concerned, advantages must not be given or accepted in connection with the acquisition, awarding or performance of contracts. Any advantage must also be judged permissible under the laws to which the parties concerned are subject.

If in doubt, you should consult your immediate supervisor/manager and the relevant Legal Department.

### Rules on donations and sponsorship by the SARIA Group

Our public standing and the trust of those around us are important factors for our commercial success. We therefore regard corporate citizenship as part of our commitment to responsible business management. This applies in particular at local and regional level, where our focus is on children and young people in education.

Although payments that clearly and expressly take the form of donations represent an advantage for the recipient, they are not a compliance issue provided they conform to the law and our internal rules.

Company regulations on signatory powers must be observed when making or approving donations.

### 3. Cooperation with the authorities

The SARIA Group is committed to maintaining a constructive relationship with all the relevant authorities while safeguarding its own interests and rights.

All employees responsible for compiling and forwarding company information to the authorities should ensure that the information is complete, correct and comprehensible and make it available openly and punctually.

In the event of contact with authorities such as the police, public prosecutor, and the tax authorities that are responsible for investigating and punishing breaches of the law, the Legal Department must be involved immediately.

In particular, information and access to files may only be provided after consulting the Legal Department.

### 4. Correct payment of taxes and duties

In accordance with applicable legislation, the SARIA Group fully complies with its obligation to pay taxes and other duties while also protecting its own interests.

The SARIA Group has a presence in many countries and is a stakeholder in the local economies in which it operates. The payment of taxes is essential for the stability and infrastructure of an economy, and therefore also has a direct impact on factors that are important for our success. Declaring and paying taxes and duties in time and in accordance with legal requirements is a social responsibility that we take very seriously.

We aim to fulfil our tax liabilities on time, to pay the appropriate amount due and always act fairly in our dealings with the tax authorities in the countries in which we operate. To achieve this aim, we have put in place an internal control system that can prevent or detect material errors.

Any breach of current tax law detected internally or externally must be reported immediately to the person responsible for tax matters within the local company. It is essential that failures are adjusted immediately by way of full and transparent cooperation with the tax authorities.

We regard tax inspections as a mechanism for guaranteeing fair taxation. By working together constructively on an equal footing with auditors and the tax authorities, we are able to validate our financial structures and modify them as necessary.



We reject tax structuring that has no proper business purpose. All of our employees are required to behave in a professional and honest manner when doing business and dealing with tax-related matters.

The international nature of our activities means that we have contact with many market players in both sales and procurement all over the world. SARIA believes it is important to be aware of its responsibility in this context to help combat money laundering of all kinds and thus to implement appropriate internal control measures. To this end, cash flows are monitored and irregularities investigated.

SARIA pursues a “know your customer” approach and process. By implementing this approach within our internal control system, we ensure that transactions where there is potential for money laundering are identified as early as possible and addressed appropriately.

Unusual transactions involving cash or near cash must be notified immediately to your supervisor/manager or the local company manager and head of finance. They will consult the relevant authorities, if necessary, and work with them to resolve the issue. In our collaboration with the authorities, our behaviour remains completely transparent and we make every effort required to resolve issues quickly.

## 5. Processing and using our products in accordance with the law

Compliance with legal regulations on the production and use of our products is essential.

The SARIA Group specialises in the recycling of animal by-products and other materials of organic origin. These raw materials are often subject to statutory requirements governing both their processing and future applications.

All processing of materials by the SARIA companies is carried out in strict compliance with this legislation, without any exceptions. Our Group is careful to ensure that the products we supply to our customers are used solely in accordance with their legally defined specific purpose.

If you have reason to believe that our products are not being used for their proper purpose by customers, inform your manager or the Compliance Officer.

It is the Executive Board’s strong belief that business relationships with customers are only acceptable if all parties comply with legal requirements. If we have reason to believe that the products we supply to our customers are not being used in accordance with the law, the business relationship must be terminated immediately.

## 6. Separating business and private activities

All employees must always keep their private interests separate from those of the company.

Any actual or perceived conflict between corporate and private interests must be strictly avoided. Potential conflicts of interest should be resolved by submitting the matter to your supervisor/manager.

Examples of conflicts of interest include:

- Personnel decisions: These must not be influenced by private interests or relationships.
- Business relationships with third parties: These must be based purely on objective criteria, such as price, quality, reliability, technological merit, product suitability or the existence of a harmonious long-term business relationship. The signing of a contract or the continuation or termination of a business relationship must not be influenced by personal relationships, interests or tangible or intangible advantages. The relevant supervisor/manager must also be informed if Group employees or their close relatives establish a supplier or service relationship between a company of their own and our Group.
- Obtaining goods or services from suppliers or other business partners as a private individual: If an employee is able to exert direct or indirect influence on the business relationship between a Group company and a supplier or

other business partner, the employee must notify and obtain approval from their supervisor/manager before placing an order with the supplier or other business partner as a private individual.

- Deployment of SARIA employees for private purposes: Supervisors and managers are not permitted to abuse their authority by deploying Group employees for private purposes.
- Use of company property (e.g. equipment, stock, vehicles, office supplies, documents, files, data media): Employees are not permitted to use Group property for private purposes or to remove it from the company's site without the express approval of their supervisor/manager or explicit permission under relevant company policies (such as the use of vehicles and mobile devices). Similarly, data resources, software and business documents may not be copied or removed from the company's premises without permission.
- Taking additional employment: Any intended additional employment (including freelance work) or entrepreneurial activity must be approved by the employee's supervisor/manager. This applies in particular to employment in companies with which our Group has or could have a business relationship or with which it is or could be in competition.
- Private activity on behalf of parties or other political or social institutions: The SARIA Group welcomes the civic and charitable commitment of its employees, but this activity must be compatible with the obligations arising from their contract of employment.
- Personal opinions expressed by employees in public: The employee must not give the impression that the opinion expressed is that of the company.

## 7. Appropriate working conditions

The company respects human rights and local employment law in all relevant countries, without exception.

The SARIA Group respects human rights in strict accordance with the European Convention on Human Rights (ECHR). We reject all forms of forced or compulsory labour. Equally, we are opposed to all forms of child labour. The minimum age for admission to employment shall be as set out in the respective national legislation or collective bargaining agreements – provided these comply with the Minimum Age Convention adopted by the International Labour Organisation (ILO).

The company promotes equal opportunities and equal treatment of employees, rejecting all forms of discrimination on any ground whatsoever, e.g. race, ethnic origin, gender, religion, political or other opinion, disability, age or sexual identity. The company recruits and promotes employees solely on the basis of professional qualifications and performance.

The company operates in many regions and markets around the world and is therefore subject to multiple jurisdictions. In each of these jurisdictions, we ensure that – at the very minimum – our employees are treated in accordance with the relevant employment legislation in the respective country, e.g. with regard to working hours, wages and benefits.

### Health and Safety

The promotion of high standards of health, safety and welfare at work is a prime objective for SARIA Ltd companies and its employees.

The Board of Directors therefore affirm the company will do all that is reasonably practicable to protect the employees and other people who come into contact with the company or its products from personal injury or hazards to health, arising from any foreseeable risks.

In particular, the company undertakes to:

- Provide and maintain the highest standards of safe and healthy working conditions, taking relevant statutory requirements as a minimum standard.
- Ensure appropriate safe systems of work are provided and maintained.
- Maintain plant, equipment, buildings and grounds in a safe condition.
- Provide appropriate information, training, instruction and supervision to enable employees to perform their work safely and efficiently.
- Have arrangements in place for the safe use, handling, storage and transportation of any articles and substances which are potentially hazardous to health.
- Make available, free of charge, all necessary safety devices, equipment, training and personal protective equipment, and to supervise and control their use.
- Ensure that all environmental issues arising from its processes are minimised.
- Maintain a constant and continuing interest in health and safety applicable to its activities and arrange effective consultation and communications with its employees.
- Ensure all members of the management team and employees understand their responsibilities for their personal safety and that they must take reasonable care for the wellbeing of all others whilst at work.

For further details please refer to the SARIA Ltd Group Health & Safety Policy.

## What do these principles mean for employees in their day-to-day work?

The Corporate Compliance Principles both bind and protect every employee. They create a secure framework for SARIA Group employees that benefits the individual employee and helps ensure the success of the company as a whole.

All employees must ensure that their own conduct conforms to the criteria set out in the Corporate Compliance Principles. Compliance forms part of every employee's performance assessment without any special agreement to this effect being required.

All issues addressed in these Principles are covered in more detail in the corresponding legislation and internal regulations. Employees must familiarise themselves properly with the legal provisions and internal regulations relevant to their duties and take them into account during their daily work. In the event of any doubt, clarification must be sought. The company will provide advice and make all the necessary information resources available to prevent laws being violated or rules broken. If an employee's supervisor/ manager gives instructions that conflict with these Corporate Compliance Principles, the herein defined principles have priority. In addition to support from their supervisor/manager, employees have access to the Internet for information purposes and can obtain advice from specialist departments within the company.

All supervisors and managers must take the required steps within their area of responsibility to ensure adherence to the Corporate Compliance Principles and legal provisions. This includes communicating, monitoring and implementing the rules applicable to their area. Any non-compliance must be actively addressed and resolved.

Every supervisor/manager must set an example within their area by demonstrating personal integrity, thereby ensuring that Corporate Compliance is embedded in the corporate culture.

All employees must immediately report any breaches of the Corporate Compliance Principles to their supervisor/manager, the appropriate Compliance Officer or the Legal Department. Improper conduct can also be reported anonymously if desired. Suspected property offences, ie all offences that are directed against assets belonging to the SARIA Group or third parties, or corruption relating to the company's business activities, such as embezzlement, fraud, breach of trust or bribery, must be immediately reported directly to the relevant Compliance Officer.

Internal investigation and disclosure can often prevent more serious damage or sanctions, but it is vital that such disclosure is made to the entities named above. Only they can take the appropriate legal action.

The company will ensure that no employee is penalised as a result of reporting a suspected violation of these Principles in good faith. If the reporting employee was involved in breaches of the Corporate Compliance Principles, any action taken by the company against the employee will take into account whether they averted damage either by making the report or by assisting with investigations when required.

Your local Compliance Officer:

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