

# COMPLIANCE STATEMENT

## 1. What is compliance at NITERRA?

Compliance means adhering to statutory requirements and self-imposed rules. The aim of this is to avoid the risks of liability as well as other legal disadvantages for the company, its management boards and also for its employees. The internationalisation and globalisation of the markets along with the applicable laws have meant that compliance is becoming an increasingly important and complex task for companies, including Niterra France.

In times where society's trust in companies is waning, important principles such as ethics, sustainability, social responsibility and compliance with national and international laws are essential in order for us to be able to preserve, ensure and justify the future success of Niterra .

This is why compliance is about more than just avoiding liability: it serves as the foundation for good business management.

However, compliance also serves to prevent rules from being broken by means of organisational measures as well as to uncover misconduct and impose fair sanctions as a result.

In practice, mechanisms and instruments – so-called compliance management systems – have evolved which ensure compliance within the company. These vary greatly depending on business sector, size and structure as well as on company-specific risks.

In order to meet the ever-growing compliance requirements, Niterra France SAS has implemented such a compliance management system.

## 2. Compliance organisation

The Compliance organisation has been set up in accordance with the individual requirements of Niterra , with the appropriate human resources and with the powers required. This is important in order to find individual compliance solutions for the relevant operating business models and processes of Niterra France.

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### 3. Preventive elements

#### a) Creation of a compliance culture

It has to be possible to deduce the commitment to compliant behaviour based on set values from the corporate culture and in particular, that commitment is expressed in the so-called “commitment to compliance” of the management. At the same time, compliance is

anchored in middle management. This makes a broad impact because middle management is the “first line of defence” as well as a direct role model for compliant conduct and employees will turn to their superiors first of all.

#### b) Identification of compliance risks

Basically, the risk of compliance violations cannot be underestimated. The possible consequences can be far-reaching for companies and employees.

The potential consequences of compliance violations are:

- prison sentences for managers and employees
- fines for companies
- claims for damages against companies, managers and employees
- being blacklisted in connection with procurement procedures
- damaged reputation
- loss of competitiveness
- labour law-related sanctions
- risk in the case of integrity checks
- loss of employees and “know-how”

A key element for successfully avoiding compliance violations is the compliance risk assessment. Depending on the business model, the first thing that this will involve is establishing the risks that could arise and the risks that the compliance management system should address.

The concrete threat with regard to each risk will be defined, along with what has already been done to reduce the risk. If necessary, further measures will be developed in order to reduce the risks to a reasonable level in accordance with the risk strategy. The central Compliance organisation will help colleagues by providing a suitable methodology toolbox and will advise the operating units. The Compliance department will aggregate the group compliance programme and monitor the implementation of the measures resulting from the compliance risk assessment which will constitute the compliance program for the following year.

#### c) Implementation of guidelines, training and advice

Because of the need to comply with international and national law as well as different cultural values in different countries, NITERRA has introduced numerous compliance-related group guidelines of its own, based on these requirements. They include anti-bribery regulations and regulations relating to gifts, invitations and events, donations and sponsoring activities as well as dealing with consultants, agents and competitors.

The introduction of group guidelines is always the responsibility of the management of the group company and is accompanied by communication and training measures. In cases of doubt, employees can contact the Compliance department directly. For us, it is important for employees to receive a prompt response which gives them the confidence to act and opens up the scope for legally admissible actions to be taken.

#### 4. Repressive elements

Despite the best prevention measures, violations of the law and serious breaches of duty can still keep occurring within the company.

In the Compliance department, we depend on collaboration with employees and external consultants in order to detect “non-compliant” behaviour.

NITERRA (France) has set its own clear rules for (internal) investigations and verifies all information consistently and in accordance with the law in order to find out whether a violation of statutory or internal requirements has occurred. If information is confirmed by the investigation, the necessary action will be taken. This includes not only appropriate and fair sanctioning under labour law but also the elimination of any weak points in the internal control system.

Possible sanctions include:

- warning
- caution
- transfer
- ordinary/extraordinary termination
- criminal charges
- release

#### 5. Continuous reporting, monitoring and improvement

The status of the compliance organisation, the implementation of training, the results of the risk assessment, any incidents and suspected cases, measures initiated and the suitability of measures from previous audits are all covered in a report regularly submitted to the management.

The compliance management system is checked for appropriateness and effectiveness and continuously improved.



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