

ANTI-CORRUPTION CODE OF CONDUCT

Last updated: January 2024

Attached to the CESI internal Rules

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Good practices



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Definition



Example of a bribery situation

INTRODUCTION

The commitment of the Managing Director

The period of growth we have experienced in recent years has allowed us to considerably strengthen CESI's structure, reach and scale. Thanks to the support and involvement of each of you, the CESI engineering school has emerged stronger with a firm and recognised position in higher education.

To continue the development of our school and ensure its sustainability, ethics must be one of our guiding values.

Since 2017, with the so-called "Sapin 2" law taking effect, the fight against bribery has strengthened in France and the requirements of the authorities are ever stronger. Any act of bribery, in all its forms, could jeopardize the interests of CESI, its legitimacy as a higher education institution, its performance, its credibility with its partners, students and, more broadly, its ecosystem that includes the Commission des Titres d'Ingénieurs (CTI), France compétences, or any other organisation (certification, accreditation or research organisation, etc.).

It is essential that each employee of CESI understands the principles and rules applicable to the fight against bribery, adopts them, and strictly respects them. This Code of Conduct reflects the practical application of anti-bribery regulations to CESI and consists of good practices. It aims to foster a culture of probity and was the subject of consultation with staff representation bodies before its adoption. It is attached to the internal rules and is binding.

The principles and rules expressed in this code apply to every employee, whatever their profession, scope of activity, campus, and whatever the circumstances. It aims to allow everyone to acquire good habits in their interactions with others and offers examples of situations of bribery that can occur on a daily basis.

I thank each employee for reading this code of conduct carefully and count on everyone's commitment to making CESI an example of probity and integrity.

Vincent Cohas
Managing Director of CESI
President of CESI SAS

Presentation of the legislation

French law has put obligations in place for legal entities operating under private or public law to fight against bribery within their organisations. These include the "Sapin II" law of 9 December 2016 on transparency, the fight against bribery and the modernisation of economic life, and the "Waserman" law of 21 March 2022 aimed at improving the protection of whistleblowers.

In addition to this legislation, French law punishes certain behaviours within its Criminal Code, such as: bribery, influence-peddling, bribery, illegal taking of interests, misappropriation of public funds, favouritism, etc. (see attachment for the definition of these terms).

This Code of Conduct specifically addresses bribery.

What is bribery?

Definition



An act of bribery is considered an act by which a person, in the course of his duties, solicits or accepts a gift, offer or promise in order to perform, delay or omit to perform an act, directly or indirectly. Bribery is a crime.

Bribery requires at least two people (it can also be more):

- Person X will offer or request any benefit,
- And person Y will accept this request or benefit and show favour towards X.

Both the briber and the recipient of the bribe are violating their professional duties and criminal laws.

French criminal law distinguishes between two types of bribery: active bribery and passive bribery.

Active bribery

Corruption active



One offers, promises or grants...

... a gift or advantage of any kind for the purpose of accomplishing or not accomplishing an act entering, directly or indirectly, into the framework of our duties.

fonctions.

Example

An employee of CESI offers a bribe or advantage to a public agent in order to obtain administrative authorization to enlarge or renovate a building

Passive bribery

Corruption passive



One requests or accepts...

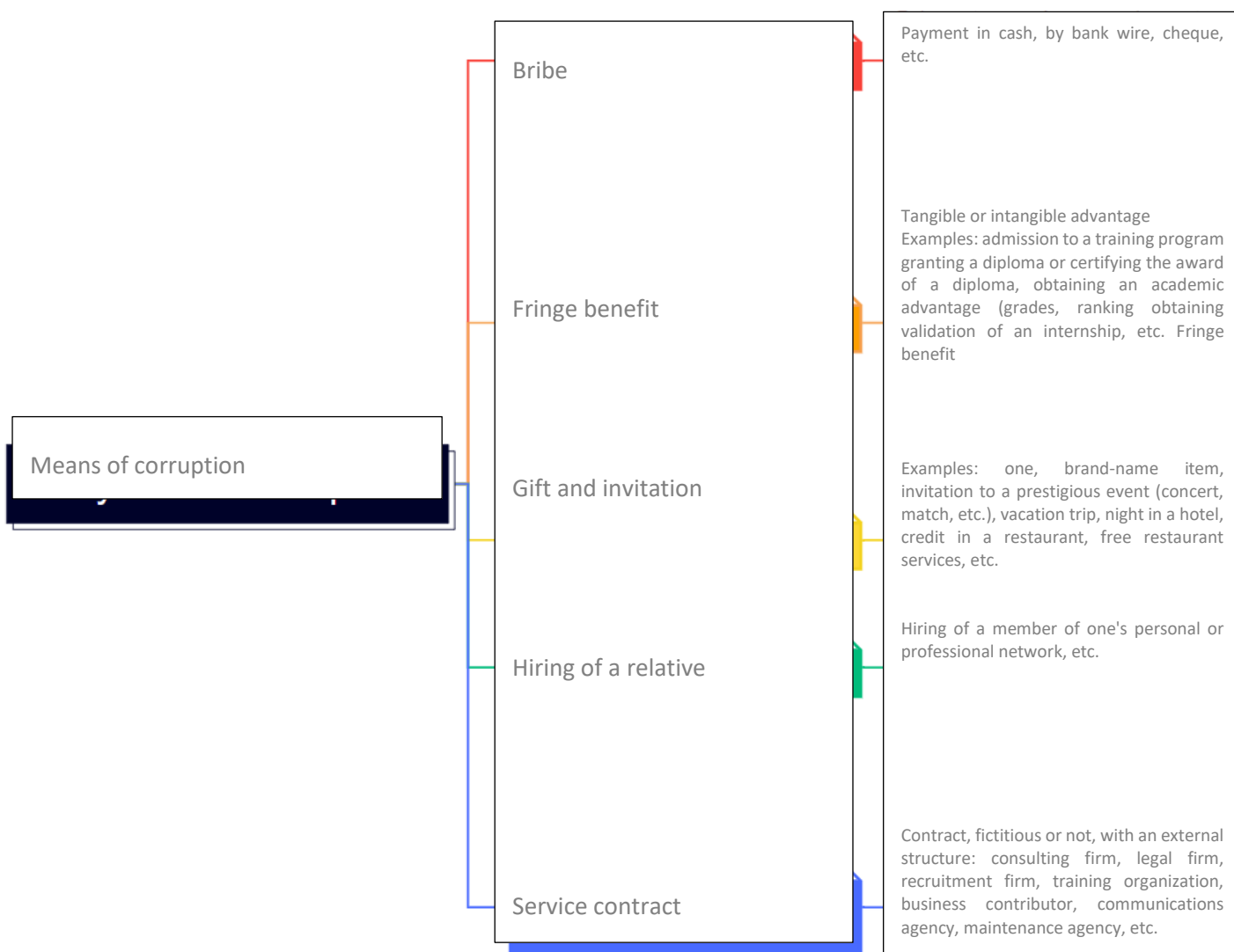
... a gift or advantage of any kind for the purpose of accomplishing or not accomplishing an act entering, directly or indirectly, into the framework of our duties.

cadre de nos fonctions.

Example

An employee of CESI is offered / requests a bribe or advantage from a candidate in order to influence his admission procedure.

Bribery can take several forms:

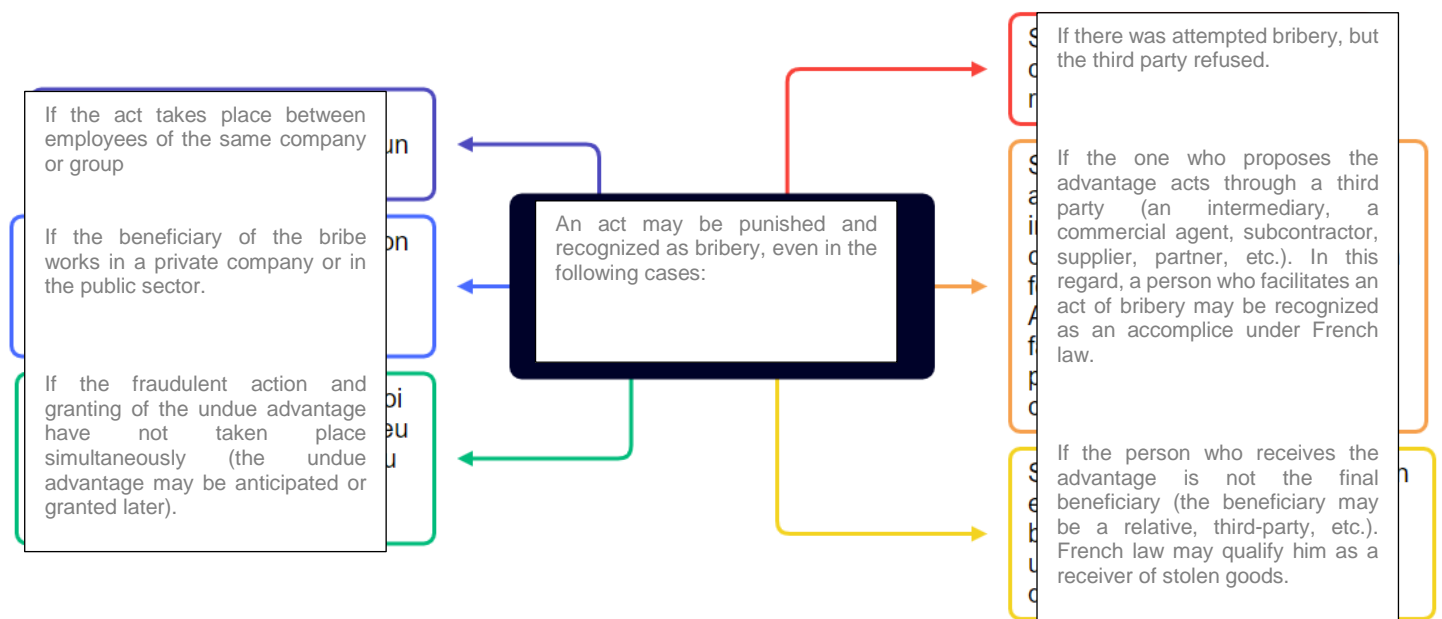


A person responsible for issuing an accreditation necessary for the validity of the training delivered by CESI asks me to enrol his child in a CESI training, in exchange for obtaining accreditation or facilitating procedures. Can I accept?

No, this is considered an act of bribery that would result in the granting of a fringe benefit. Administrative procedures cannot be carried out in exchange for consideration other than that specified legally.

A member of my family does not meet the criteria for accreditation to be an occasional trainer at CESI. He asks me to bypass the approval procedure and tells me that in exchange he will lend me his holiday home in Capri whenever I'd like. Do I have the right?

No, this is considered an act of bribery intended to interfere with your professional obligations.



Sanctions for bribery

The information hereafter is given as an indication. They can evolve according to legislation.

Sanctions for bribery		
Criminal sanctions	Civil sanctions	Disciplinary sanctions within CESI
It is an offense	Action for civil liability	Sanctions listed in the internal rules of CESI
Sanctions listed below	Damages	

From a criminal standpoint, at the time of drafting this code of conduct, the statute of limitations is 6 years from the date of the corrupt pact or the last act of bribery. If the offence is hidden or concealed, the period will only run from the day on which the offence was observed and prosecuted (without this period exceeding 12 years).

Detail of criminal sanctions

Types of persons

Sanctions that can be pronounced

For legal entities such as CESI (whether corrupting or corrupted)

(see Articles 131-38, 445 4 and 131-39 of the Criminal Code)

Main penalty

Fine of up to 2,500,000 € (or fines up to double the proceeds from the offence).

The confiscation of the property resulting from the bribery for a period of 5 years or more

Ban from practicing

Placement of the legal person under judicial supervision

Definitive closure of the establishment

Exclusion from public procurement

Ban on issuing cheques

Posting and dissemination of the conviction decision

Possible additional penalties

For natural persons, individually (whether you are corrupting or corrupted)

(see Articles 445-1 et seq. of the Criminal Code, as well as Article 445-3 of the Criminal Code)

Main penalties

Up to 5 years' imprisonment

And fine up to 500,000 € (or up to double the proceeds of the offence).

Confiscation of property resulting from corruption

Ban from practicing

Posting or publication of the conviction decision

The prohibition of civic, civil and family rights

Possible additional penalties

(voir articles 445-1 et suivants du Code pénal, ainsi que l'article 445-3 du Code pénal)

Peines complémentaires possibles

L'affichage ou la publication de la décision de condamnation

L'interdiction des droits civiques, civils et de famille

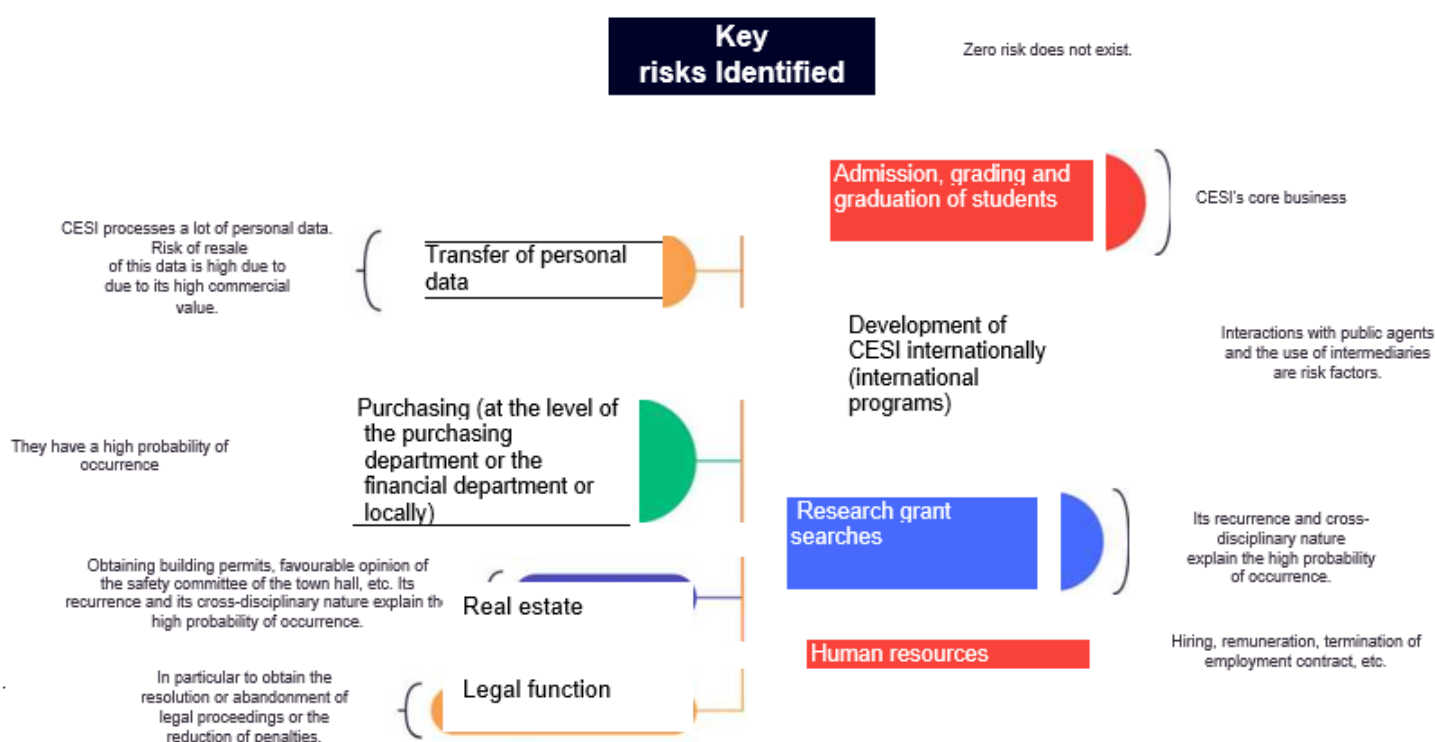
Why an anti-bribery code of conduct?

Risks of corruption at CESI

Corruption is reprehensible in most countries of the world. Among other things, it seriously harms CESI's interests, its values, its reputation and its image.

No entity is immune from bribery. Thus, even at CESI there are risks of bribery. These risks have been assessed within a mapping of bribery risk.

The main risks identified within this mapping are as follows:



Bribery may take place with a third party at CESI, but also between employees of CESI.

Under the Sapin II law of 9 December 2016, CESI is required to draft an anti-bribery code of conduct, to define anti-bribery rules and principles as well as sanctions in the event of non-application of said code.

This code of conduct is developed to raise awareness about the seriousness of possible acts of bribery among CESI employees. It aims to guide employees in their daily assignments.

This Code of Conduct offers examples of situations of bribery that may occur at CESI, and that have been identified within the risk mapping. These examples are not exhaustive due to the numerous types of situations and contexts encountered. Thus, **if you are faced with a situation not given as an example within this code of conduct, you must refer to the general rules provided below and use common sense in its application.**

The principle of prohibition of all bribery

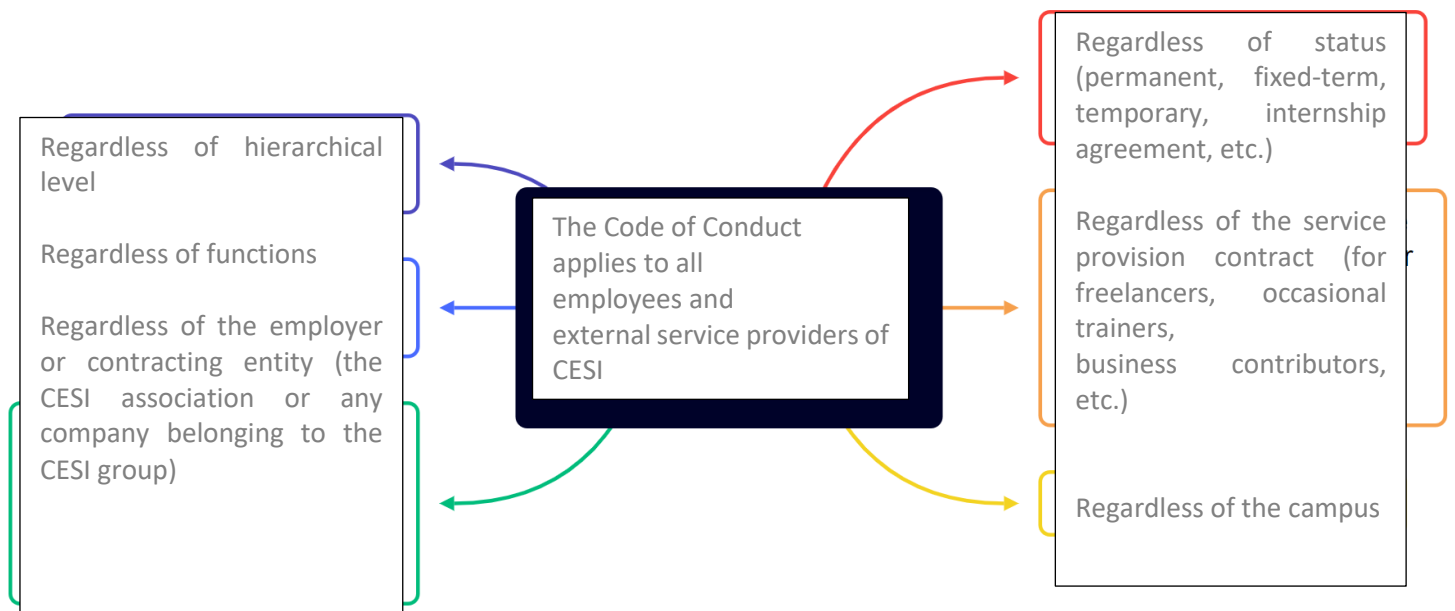


CESI does not tolerate any form of bribery, regardless of its form (0 tolerance).

This prohibition must be respected in France as well as abroad in the event of business travel.

It is the responsibility of each employee to ensure that their conduct and that of their subordinates comply with the Code of Conduct.

To whom does the Code of Conduct apply?



In the event of non-compliance with this code of conduct, disciplinary sanctions may be imposed on employees whose acts of bribery, attempted bribery or complicity in bribery are proven.

For external service providers, non-compliance with this code of conduct may lead to termination of the service contract.

When does the Code of Conduct take effect?

The code of conduct takes effect from 1 March 2024.

Each employee present within CESI at the time of its establishment must indicate that they have received it by electronic means.

For new employees, this code of conduct will be given to them at the same time as the internal rules. Upon acceptance of the internal rules, it will be deemed to be accepted.

This Code of Conduct may be updated regularly, depending on evolution of the regulations and evolution of the risks of bribery within CESI.

Each person will need to review and approve updates to them.

RELATIONS BETWEEN CESI EMPLOYEES

Each employee of CESI is remunerated for his/her duties.



No employee shall accept a bribe, or anything of value from another employee in exchange for services.



A teacher accused of sexual and/or moral harassment against a student offers a sum of money or something of value to a colleague and/or the regional director to stifle the scandal or minimise the facts and reduce the sanctions against him/her. Is it considered bribery?

Yes, it is considered an act of bribery.

A CESI employee offers a sum of money or something of value to their local or general human resources manager to obtain a bonus, a salary increase or any other advantage (company car, financing of training, etc.). Is it considered bribery?

Yes, it is considered an act of bribery.

A CESI employee offers a sum of money or something of value to one of his colleagues in exchange for the admission of a relative, the increase of his grades or to obtain a diploma. Is it considered bribery?

Yes, it is considered an act of bribery.

A CESI employee offers a sum of money or something of value to an employee of the CESI Human Resources Department in order to obtain the personal data of other employees (salary amounts, bank details, etc.). Is it considered bribery?

Yes, it is considered an act of bribery.

A colleague offers to invite me to a restaurant if we manage to negotiate a contract with a third party. Is it considered bribery?

If this proposal does not affect your assignment, and the meal planned is a meal in a small or medium-sized restaurant, it is not considered an act of bribery.

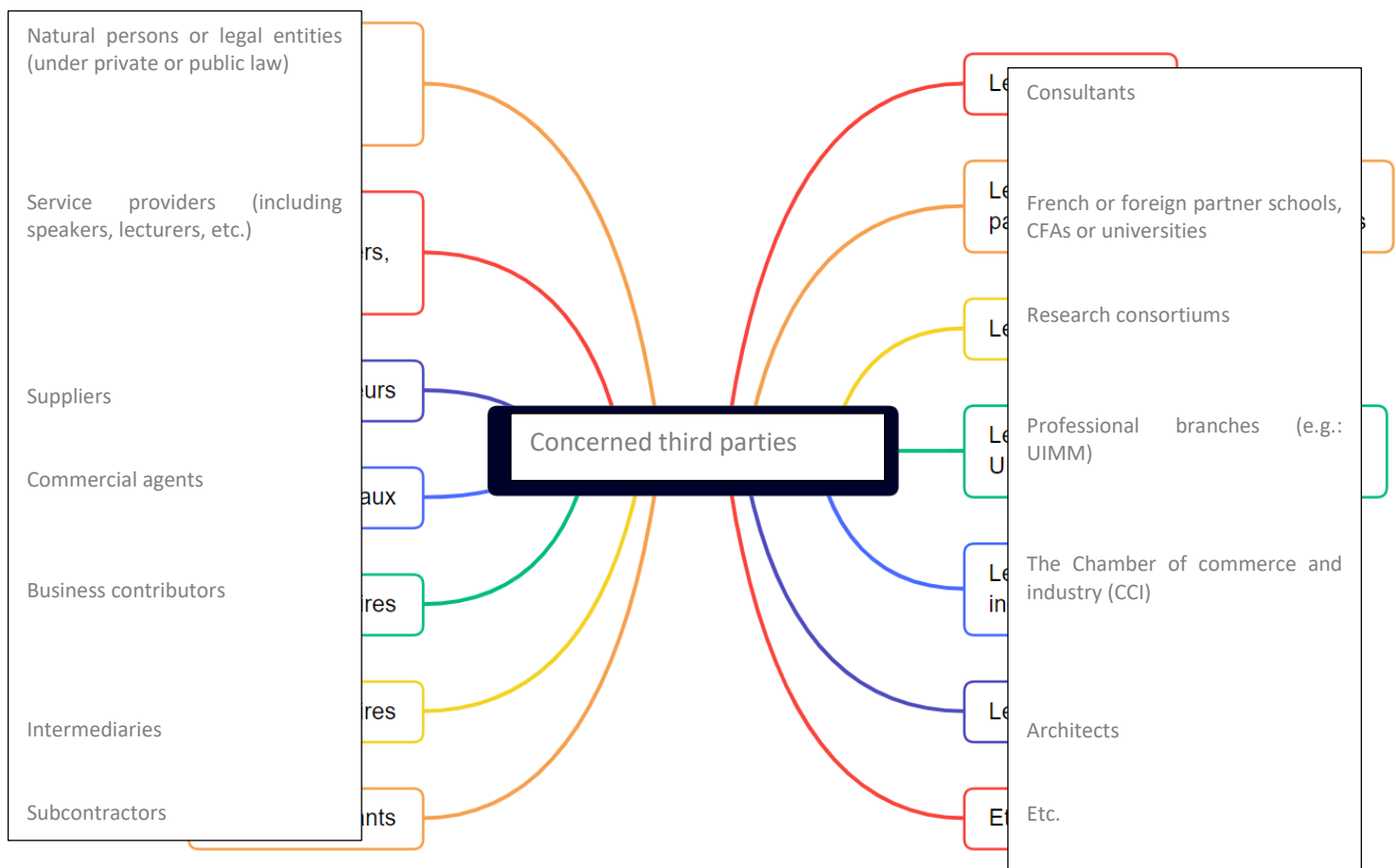
RELATIONS WITH THIRD PARTIES

Business relationships (suppliers, service providers, foreign schools or universities, consortium, etc.)

Third parties involved in business relationships



Any contractual business relationship can lead to higher or lower risks of bribery.
Zero risk of bribery does not exist.





An employee of the International Programs Directorate gives a sum of money or something of value to the Cooperation and Cultural Action Advisor of a French Embassy in exchange for preferential treatment from CESI in the local market and in exchange for information. Is it considered bribery?

Yes, it is considered an act of bribery.

In the context of a sale or rental of real estate, an employee of CESI and a third party (real estate developer or real estate agent) agree to increase the price of the sale or services of the third party with a view to a shared kick-back. Is it considered bribery?

Yes, it is considered an act of bribery.

An employee of CESI purchases operating equipment (refrigerators, microwaves, etc.) on behalf of CESI, but for his personal use in exchange for a larger sum of money from the supplier. Is it considered bribery?

Yes, it is considered an act of bribery.

A material or equipment supplier adds a free product to our order to thank us for our loyalty. Is it considered bribery?

If the product in question is of low value and is only intended to thank us for our order, it is not considered an act of bribery. On the other hand, if this gesture is made to make you feel indebted, it would be considered an act of bribery.

In the context of a dispute between CESI and a third party, the latter offers me something so that CESI abandons the procedure or to obtain a resolution of the dispute in its favour. Is it considered bribery?

Yes, it is considered an act of bribery.

At the time of a call to tender or a call for competition, a supplier gives a valuable gift to the procurement manager and asks him to choose his products in exchange. Is it considered bribery?

Yes, it is considered an act of bribery.

In order to limit the risks of bribery, prior to signing a contract, a quote or a purchase order, **a prior verification of the integrity and probity of these third parties** should be carried out. This makes it possible to maintain adequate vigilance and to assess the risk of bribery that this third party presents. This prior analysis of the context of a transaction is also called "due diligence". It is up to each employee to carry out this *due diligence*.

General rules of conduct before calling upon a third party

In general, the negotiation and execution of contracts or business relationships must not give rise to conduct or facts that may be qualified as active or passive bribery, or to any other offence referenced in the attachment.



Calling upon a third party must be legal and legitimate. This means, first of all, that the proposed contract or relationship is lawful under legislation, but also compliant with the various policies of CESI and, in particular, the procurement policy. In addition, this implies that the goods or services expected by the third party correspond to a real need for CESI or for its project.



The relationship between CESI and this third party must be clear and transparent. The products sold or the services provided must be clearly mentioned in a contract, quote

or purchase order. Their price must be clear and precise and be consistent with the services provided or products sold. The payment terms must be transparent.



Finally, relations with this third party must not be so as to cast doubt on the honesty of CESI. This is why it is important to also carry out the checks described below.

Third Party Due Diligence Procedure



CESI implements control procedures for third parties.

There are two separate procedures: one for external trainers and juries, and one for other third parties.

For external trainers, the following are notably requested: a sworn statement concerning their legal status, their CV, their highest diploma, a copy of their identity card, their RIB (bank account details), a signature of the external trainer charter, a signature of the IT charter.

For all other third parties at CESI, another procedure includes, among other things, background checks of the third party, its capabilities and reputation in order to find out if there are any possible bribery issues.

The following lines concern third parties other than external trainers.



First of all, **it is necessary to collect information publicly available on the Internet** about the co-contractor (for example, his website, the national business register, the opinions of its customers, etc.).



This collection must then be done **using a questionnaire** sent directly to the third party or completed during a meeting with him. CESI makes such a questionnaire available to its employees on its ENT, which may be updated regularly.

At the end of the questionnaire, and depending on the answers obtained, it will be necessary to:

- Initiate or continue the relationship with this third party (with or without enhanced vigilance measures);
- End the relationship or not to start it;
- Or postpone the decision (due to additional assessments, for validation with your line manager).



This questionnaire is not only used to evaluate new partners. It must be sent to all third parties already working with CESI when it is set up.



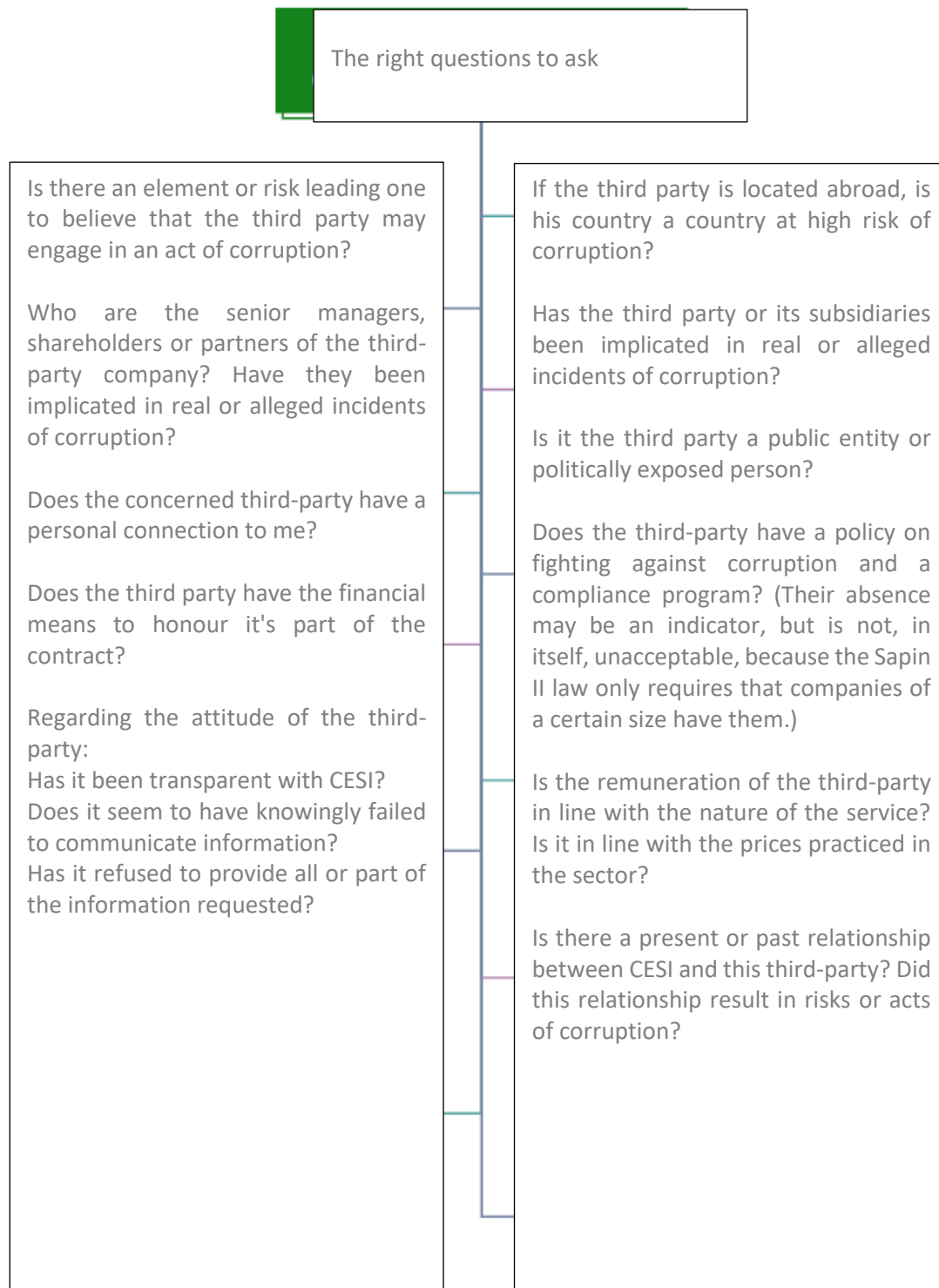
In any case, **the right to privacy of natural persons must be respected, as well as the General Data Protection Regulation (GDPR)** in the case of collection and processing of personal data.





If it involves a purchase, it will also be necessary **to comply with CESI's procurement policy**, which is readily available on the ENT.



Before establishing an agreement with a third party, a number of questions should be asked, including:



- 

The identification of risk factors does not prohibit the relationship with the third party, but should lead you to take appropriate due diligence measures during the relationship. Conversely, the absence of risk factors within the questionnaire does not guarantee that the relationship with the third party is absolutely risk-free.
- 

In case of doubt: **if, after all this research, it seems to you that there is a high risk of an act of bribery being committed, you must talk to your line manager and the legal department.**

- ✓ Third party evaluation records and questionnaires must be kept for 5 (five) years after termination of the contractual relationship.

Good contractual practices

- ✓ In order for the third-party co-contractor to agree to comply with the provisions **of anti-bribery laws, it is preferable to include anti-bribery clauses in contracts and quotes.** A model clause may be provided to you by the Legal Department.
- ✓ Special attention should also be paid if the co-contractor wishes to subcontract a service that you have entrusted to him to a third party. In the initial contract or quote, **it is advisable to provide a clause stating that the co-contractor may not subcontract all or part of its services without having obtained the prior written consent of CESI. This clause may also mention that the subcontractor must respect the compliance commitments made by the CESI co-contractor so that the commitments are "cascaded".**
If necessary, you can contact the legal department to draft such a clause.

Payment to third parties

The payment relates only to the products or services provided

The amount was agreed under a contract, quote or purchase order

Said contract or quote has been approved by a person with official signing authority, or said purchase order has been approved in accordance with the procurement policy

The third party has duly submitted an invoice to CESI




Payment must be made only to the entity covered by the contract, quote or purchase order

Payment must be made directly to a bank account held in the same country where the third party is located

**You can only
make a payment
to a third party
if:**

Relations with students

CESI is in contact with many students as part of its activities. CESI may also have to deal with the student's relatives.

-  **In any relationship with students or their relatives, employees must not obtain commitments in exchange for undue benefits or promises of undue benefits.**
-  **Conversely, employees must not issue undue benefits or promises of undue benefits to students or their relatives if this is not part of the usual procedure.**
-  If an employee is in charge of examining the application, the file or the examination of a relative for training, this employee must withdraw from the procedure as a preventive measure.



A candidate offers a bribe or something of value to a candidate-business relationship manager to get a reduction on their registration fee. Is it considered bribery?

Yes, it is considered an act of bribery if the reduction is not justified.

At the end of the year, a student or a loved one of a student offers a gift to a teacher to thank him for his lessons during the past year. Is it considered bribery?



If the gift comes without consideration or special request, it is not considered an act of bribery. On the other hand, it can become so if the exams have not yet been taken, the gift is of great value or the teacher feels "indebted" for something.

A student offers a gift to an employee of the department of studies or the reprographics department of his campus in order to obtain the examination subjects before the test. Is it considered bribery?

Yes, it is considered an act of bribery.

Relations with employers of CESI students

CESI is required, for smooth running of the education of its students, to be in contact with the staff of the companies where the students do their internship, their work-study or their doctoral contract.

-  **In any relationship between students and companies, employees must not obtain commitments in exchange for undue advantages or promises of undue advantages.**
-  **Conversely, employees must not issue undue advantages or promises of undue advantages to companies or their staff.**



A company agrees to receive CESI students on a work-study or internship basis in exchange for the creation of a position for one of its employees as a permanent speaker or teacher at CESI. Is it considered bribery?

Yes, it is considered an act of bribery.

At the end of the academic year, a CESI employee receives a gift from a corporate tutor with a note "I am counting on you to send me your best students next year". Is it considered bribery?

Yes, it is considered an act of bribery. Through his written word, the person here asks for a reward in exchange for the gift: sending of the best students.

A CESI employee promises a meal in a starred restaurant to an employee of a company if it hires a CESI student. Is it considered bribery?

Yes, it is considered an act of bribery.

An employee of a company offers a gift to a member of the regional jury so that one of his apprentices can validate his year of study and avoid repeating his school year. Is it considered bribery?

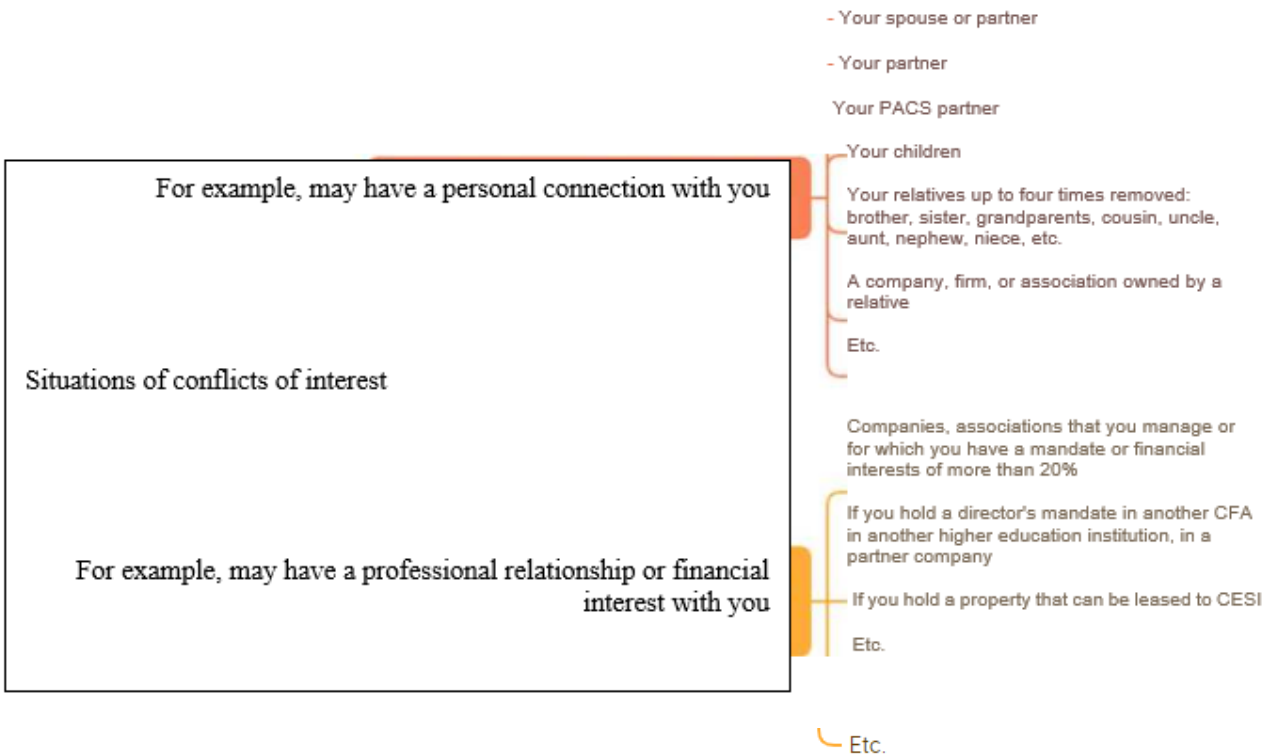
Yes, it is considered an act of bribery.

CONFLICTS OF INTEREST

Definition



There is a "conflict of interest" when an employee has a personal connection, a professional connection or a financial interest that may conflict with his obligation to act exclusively in the interest of CESI, or when an employee uses his duties within CESI to obtain personal benefit.



There may be a personal, professional or financial connection with a third party without a conflict of interest. It is only in the event of interference, proven or apparent, between these direct or indirect interests with the function exercised, that a conflict of interest may arise, along with a risk of having his personal interests prevail.



A relative of mine owns a maintenance company. The contract with our current service provider is coming to an end and I would like for CESI to establish a contract with my relative's company. Am I in a conflict of interest?

Yes, there may be a conflict of interest if you take part in the selection decision of the service provider or if you advise a colleague who is responsible for the decision on this case. It is also forbidden to charge CESI for assignments that have not actually been carried out by your relative's company.

A CESI employee offers something to one of his colleagues (recruitment department/teaching team/member of regional management) in exchange for obtaining an energy auditor certification for one of his relatives. Is it considered bribery?

Yes, it is considered an act of bribery.

The rules of conduct

- ✓ **The first step in avoiding conflicts of interest is to identify and declare potential conflicts of interest.** It is important that CESI is aware of the interests of employees that may affect the decisions they make for CESI and that may require that they not act in CESI's interest. To do this, CESI uses a form that each employee must read. After reading the entire form, if it turns out that the employee is concerned by a conflict of interest, he must complete it and send it to the legal department. This questionnaire is available on the ENT.
- ✓ **The second step is to ask oneself on a daily basis, before making any decision, about the existence of ties of any nature whatsoever, likely to have an influence on one's decision, recommendation or opinion.**

In case of doubt or risk of conflict of interest, it is advisable to talk to one's line manager and the legal department.
It is also appropriate to voluntarily step away from decision-making.

GIFTS AND INVITATIONS

Definitions

Differences between gifts and invitations



Whether gifts are given or received, it is important to distinguish between courtesy gifts and gifts of bribery. It is sometimes difficult to draw the line. The following guidelines will lead you towards the right attitude to adopt when receiving or giving a gift or an invitation.



A "gift" may consist of a physical object (a watch, a bottle of wine, a box of chocolate), **an intangible object** (membership in a club, a professional organisation), **or covering of an expense** (travel expenses, expense reports, gift certificate, voucher, other expenses of any kind) or the payment of a sum of money (in cash, by transfer, by cheque, etc.).



An invitation is an offer or a proposal to attend an event, such as a meeting, a conference, a seminar, a business lunch or dinner, a sporting or cultural event, a show, travel, a trip, an exclusive or special event, etc. An invitation is given to be pleasant and to please the one who receives it. In some cases, it makes it possible to create a special moment between the one who offers it and the one who accepts it.

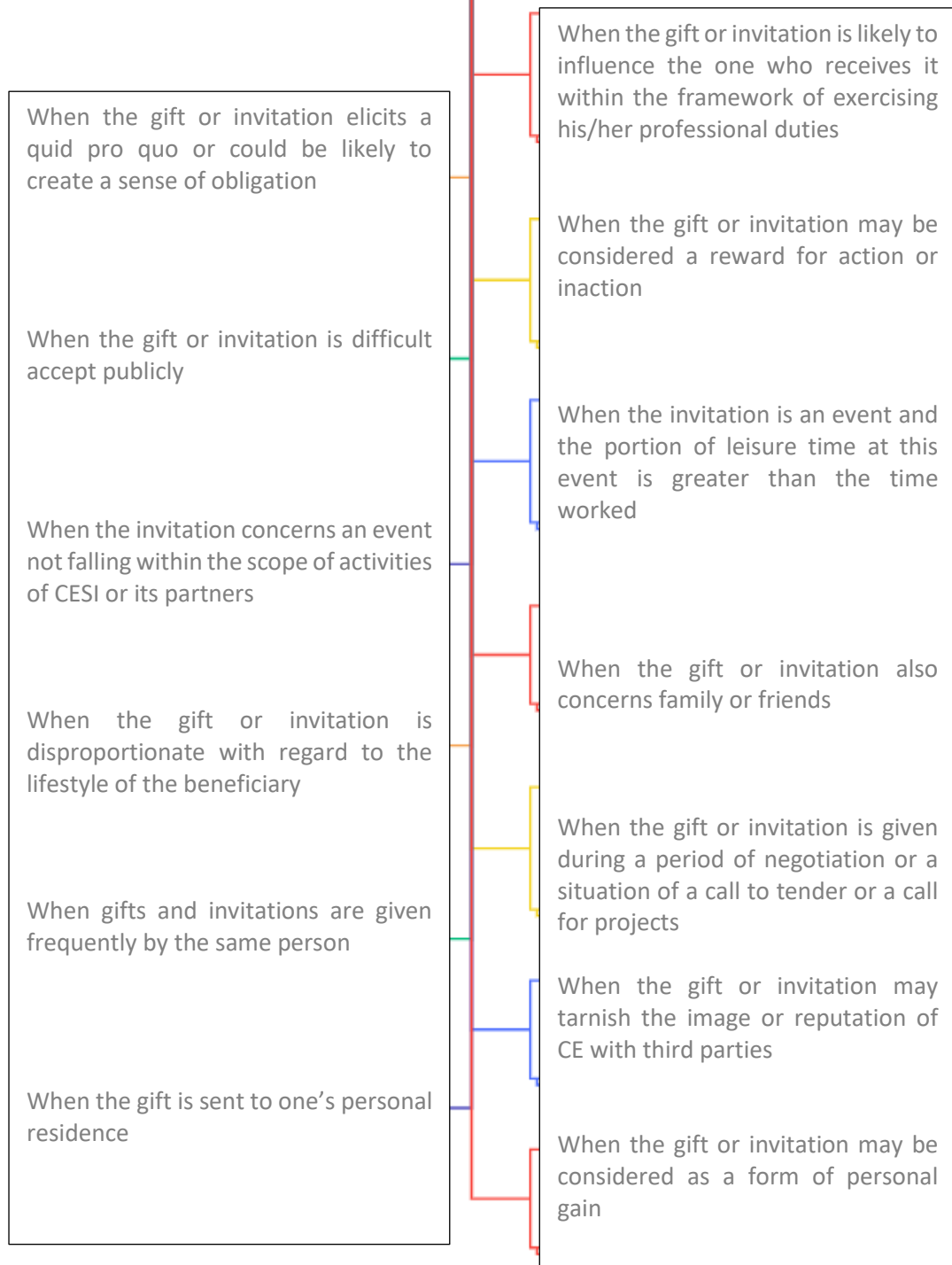
Offering or occasionally accepting gifts or invitations can contribute to a normal professional relationship. Gifts and hospitality are usually a sign of propriety or hospitality. Therefore, there is no question of banning them outright.

Example: Giving a mid-range box of chocolate to a partner for Christmas.

However, a gift or invitation may be inappropriate if it is given with the intention of receiving consideration in return, and it is likely to influence the objectivity of the recipient.

Indicators of bribery

Receiving and/or giving gifts/invitations may become an act of corruption in one of the following situations:





A research professor invites one or more members of the peer review committee of a scientific journal to a paid conference. Is it considered bribery?

This is an invitation of courtesy, and no consideration is expected, it is not bribery.

A research professor offers state-of-the-art scientific material to a member of the peer review committee of a scientific journal to validate their paper for publication. Is it considered bribery?

Yes, it is considered an act of bribery. This is both a valuable gift and the teacher is expecting something in return.

I would like to invite the leaders of a CFA to have lunch. I wish to set up a possible territorial partnership with them to have them market a training course sanctioned by an RNCP title of which CESI is the holder. Can I proceed with this invitation to have discussions with them in a less formal setting, or is it considered an act of bribery?

Yes, you can invite them without this being considered bribery if the purpose of this invitation is to create a cordial relationship and discuss the future partnership. It will be necessary to respect the rules of this code of conduct and not to make this invitation contingent on a promise of establishment of the contract.

A staff member from a foreign university invites me and my family to an all-expenses-paid seminar (plane, hotel, meal) at a tourist spot in his country on a weekend. Can I accept or is it considered an act of bribery?

Since the trip also includes the family and seems intended for tourism rather than work, it could be considered an act of bribery. It is appropriate to politely decline the invitation by explaining that CESI's policy excludes such invitations.

An employee of the communication/marketing department offers a case of champagne to an event organiser (trade show/forum/seminar) hoping that CESI has a better stand location or a longer presentation time. Is it considered bribery?

Yes, it is considered an act of bribery.

The rules of

conduct

The values



Gifts given or received must be of reasonable and modest value.

Gifts and invitations with a **value of less than 75 € incl. tax per person may be offered or received** without prior information or authorisation from the line manager.

From 75 € incl. tax and up to 150 € incl. tax per person, gifts or invitations received or offered are subject to prior authorisation by the line manager and must be declared in a form sent to the legal department.



Even with the agreement of the line manager, **with regard to an invitation gift received or offered, the total price must not exceed 150 € including tax per person.**

- ✔ It is possible to offer gifts or invitations to the same person within the calendar year. However, **the total amount of gifts and invitations for the same recipient must not exceed 300 € including tax per calendar year.**
- ✔ It is possible to receive several gifts and invitations in the same calendar year. However, **the total amount of gifts and invitations received must not exceed 300 € including tax per calendar year and per person.**

General Rules

- ✔ **Any gift offered or received is acceptable only to the extent that it is exceptional and is related to circumstances that justify it** (for example: end of year gift).

Exceptions to this rule are low-value promotional gifts (goodies such as pens, notebooks, bags, etc.), **invitations to trade shows, conventions, forums or professional seminars, company visits** (as long as they are not all expenses paid).
- ✔ Gastronomic products (wine, foie gras, cheese, etc.) may be offered or received within the limits of the amounts defined above.
- ✔ Invitations received or offered consisting of a cultural or sporting event or similar may be offered or received within the limits of the amounts defined above.
- ✘ **Any gift received or offered consisting of a sum of money is prohibited** (cash payment, gift card or voucher for example).
- ✔ **All gifts and invitations offered or received must be sent to or received at the business address.** No gifts or invitations may be received at or sent to a home address.
- ✘ **Any gift received or offered must be intended for the person with whom a business relationship is established.** It must not be intended for relatives of this person.
- ✘ **Any invitation received or offered must include only people related to the professional activity.** The invitation must not be intended for or include guests not directly related to the professional activity (family, friends, etc.).
- ✘ **Gifts and invitations are prohibited during the negotiation or renewal of contracts, during calls to tender, calls for projects or competitive bidding.**
- ✔ **All gifts offered or received of a value above 75 € incl. tax, whether tangible or intangible, must be declared to the legal department** using a special form available on the ENT. This form contains a detailed description of the gift or invitation, its value (estimated value if the gift was made by a third party), the date of receipt or offer, as well as the parties involved.
- ✔ **The gift or invitation must be authorised by the applicable law** (whether French law, or the foreign law applicable locally if the other person is a foreigner). They must also not be contrary to public policy or morality.
- ✔ Use your sense of reason and common sense. Gifts and invitations that common sense deems inappropriate should be avoided.

- ✔ In terms of gifts or invitations between colleagues at CESI, you must also comply with the rules stated in the fee policy, unless this gift or invitation is paid for from your own funds.
- ✔ In general, employees must comply with the procedures relating to the reimbursement of expenses, which make it possible to justify everyone's expenses and keep track of them.



**In case of excessive or
inappropriate solicitation
from a third party that offers a
gift or invitation:**

1. It's necessary to discuss it with your line manager and the legal department.

2. You must refuse and explain to the third party that the rules of this code of conduct do not authorize you to receive the gift or invitation.

3. It must also be explained to the third party that this could be considered an act of corruption punishable by law both for the one who offers and for the one who receives.

4. If the gift has already been received, it must be returned to the sender.

FACILITATION PAYMENTS

Definition



Facilitation payments (or bakchich) are sums of money or gifts offered in order to enable or expedite administrative procedures, routine decisions, or actions taken by officials, public officials, or government officials.

Facilitation payments do not include legally required administrative fees or fees to expedite a service if published in an official price list.



I wish to offer a sum of money to a town hall official for the purpose of obtaining a building permit or to accelerate obtaining it. Is this considered a facilitation payment?

Yes, it is considered a facilitation payment. Obtaining a building permit is governed by legal rules and deadlines.

I have to go abroad for my work. I applied for a visa and paid for it. I am again being asked for an additional amount of money to speed up the process of obtaining this visa. Is this considered a facilitation payment?

Yes, it is considered a facilitation payment.

I have to carry out an administrative procedure for CESI abroad. The country in question tolerates facilitation payments. They ask me to pay money under the table to obtain the right document. Can I then make this payment?

No, because French law is applicable even to acts of bribery committed abroad. Thus, you and CESI could be sought under French law. This should be discussed with your line manager or the legal department before any payment is made.

A CESI employee offers a valuable gift to a public finance officer to obtain a payment schedule. Is this considered a facilitation payment?

Yes, it is considered a facilitation payment.

The rules of conduct

The principle



**In principle,
facilitation
payments
are prohibited,**

Even if local laws allow them

Even if these payments are made through third parties (e.g. agents, brokers, business contributors, logistics providers)



In order to avoid any facilitation payment, **it is necessary to inquire before any administrative procedure about the formalities to be carried out, their costs and their deadlines.**



If an agent requests that a facilitation payment be made, this request must be politely refused and explained that facilitation payments are both prohibited by French law, but also by CESI's code of conduct, and that the completion of these formalities does not constitute privileged treatment, but performance of the work for which the agent in question is already remunerated.

In addition, you will need to notify your line manager and the legal department.

The exception



As an exception, facilitation payments may be authorised when there is a risk to the health, safety or freedom of employees.

Example: if we refuse a facilitation payment and the third party threatens our physical integrity.

- If this danger is not immediate, you should first contact your line manager for advice on what action to take.
- If, on the other hand, the danger is immediate, judgment should be used to decide what action to take. Once the danger has been removed, you must immediately report the event to your line manager and the legal department.

DONATIONS, SPONSORSHIP, PATRONAGE



These actions are not, in themselves, unlawful and are, a priori, not concerned. Nevertheless, they may be objectionable when they lead to a quid pro quo from which you or CESI can directly or indirectly benefit.

The circumstances of offering a donation, sponsorship or patronage, the amount of support and its frequency must not be of a nature to cast doubt on the honesty of the person offering it, the impartiality of the person receiving it, or provoke suspicions of any kind whatsoever.

Gifts, donations and charitable bequests

Definitions



A gift is considered an act by which a person gives money or movable property while he is alive.



A donation is considered an act by which a living person gives all or part of his property to an organisation or a person. The act may relate to movable property as well as immovable property. If it involves immovable property, the donation must be reflected in a notarial deed. In the case of movable property, the notarial deed is optional.



A bequest is a provision in a will by which a person transfers all or part of his or her movable or immovable property to another person. The bequest takes effect only upon the death of the testator.

If a CESI employee wishes to make a gift, donation or bequest



An employee of CESI may not, at his own initiative, give gifts, donations or charitable bequests on behalf of CESI and/or with the property and capital of CESI.



The prior written consent of the Managing Director is required.



In addition, if authorised, such a gift, donation or bequest must be lawful and given in accordance with applicable legal rules.

If CESI receives a gift, donation or bequest



In the same way, CESI cannot receive any gift, donation or bequest without the prior consent of the Managing Director.

Gifts and political contributions



Direct or indirect donations or gifts made on behalf of CESI to parties, political or union organisations, political party leaders, elected officials, persons holding public office or political office, or candidates for political or public office are prohibited.



It is the responsibility of any person wishing to make a donation or political contribution to do so from their own funds, and on their own behalf. The name of CESI, its reputation or its brand image must not be involved.



A candidate in an election asks me to pay him a sum of money in exchange for his support for the development of engineer networks in the region. Can I offer him this sum or is it considered bribery?

You cannot offer him this amount because it is considered an act of bribery.

A CESI employee offers a sum of money to an elected official in order to win a call for projects qualifying for a CESI grant. Is it considered bribery?

Yes, it is considered an act of bribery.

Patronage




Definition



Patronage is "material support provided, without direct compensation from the beneficiary, to a work or a person for the exercise of activities of general interest" (Order of 6 January 1989 relating to economic and financial terminology). This general interest can also extend to the fields of culture, solidarity and the environment.

The rules of conduct

There are several types of patronage:

- Patronage in cash: this is a gift of money.
 This type of patronage is subject to the rules set out above regarding gifts, donations and charitable bequests.
- Patronage in kind: this is a donation of new equipment.
 Here too, this type of patronage is subject to the rules stated above regarding gifts, donations and charitable bequests.
- Skills patronage: it consists of providing an employee or their know-how for a specific action (such as a research project for example).
 To be a patron or to be a beneficiary, prior written consent from the Managing Director is required. In addition, if authorised, this sponsorship must be lawful and carried out in accordance with the applicable legal rules and be the subject of a formal contract.

Sponsorship and sponsorship

Definition



Sponsorship or sponsoring is "material support given for an event, a person, a product or an organisation with a view to deriving direct benefit from it" (order of 6 January 1989 relating to economic and financial terminology). This direct benefit can be increased visibility of CESI, a boost to its reputation, etc. The sponsor's contribution is not understood as a donation, but as a communication expense.

If a CESI employee wishes to sponsor someone or something



Sponsorship of natural persons or legal entities is possible only with the prior written consent of the marketing department and the Managing Director.



If you become aware of anyone using CESI's image without permission, you should report it immediately to the Legal Department.

If CESI is sponsored



For its part, **CESI may be sponsored by a third party, but only with the prior written agreement of the marketing department and the Managing Director.**

THE REPRESENTATION OF INTERESTS (LOBBYING)



The Sapin II law provides for strict rules concerning representatives of interests (lobbyists). **Organisations, companies or associations that employ persons whose main or regular activity is to influence public decision-making** (including the content of a law or regulatory act, public procurement contracts, etc.) by communicating with certain public decision-makers (members of the Government, parliamentarians, local elected officials, public decision-makers, etc.) are considered as such.



At the time of adoption of this Code of Conduct, CESI does not meet the conditions set by law to be considered a representative of interests. If, however, CESI were to fit this definition in the future, this code of conduct defines the attitude to be adopted.



All employees must inform their line manager if contacts become frequent with public decision-makers, to the point of constituting a main or regular activity as intended under the law.

As such, the law considers the activity as principal or regular in two cases:

- Either when a person devotes more than half of his activity to assignments of representing interests. This criterion is assessed over a period of 6 months and also includes the time spent preparing, organising and monitoring these activities.
- Or if a person enters into communication with public decision-makers as part of a process of representing interests on at least 10 occasions during the last 12 continuous and rolling months.

Only communications initiated by the person are to be taken into account (physical meetings, telephone or videoconference conversations, sending of letters or emails, SMS, etc.).



Any employee who has an assignment of representing interests must conduct his assignment in complete transparency. He must also comply with the rules of the Haute Autorité pour la Transparence de la Vie Publique (High Authority for the Transparency of Public Life) (HATVP) as well as the ethics imposed by the HATVP. He must also avoid any conflict of interest.

He must also strictly comply with CESI's position and comply with the instructions given to him by CESI.

He should not try to influence the public decision by proposing a quid pro quo.

He must not circulate documents internal to CESI.

He must not provide false information that could mislead decision-makers.

PRACTICAL TIPS FOR COMPLYING WITH THIS CODE OF CONDUCT

What should you do in case of doubt before any acceptance or proposal?

Ask the right questions

If in doubt, you can answer a list of questions to determine whether a situation may be a case of bribery.

Although it is not possible to establish a complete list of possible situations, the following examples of questions may be useful:

Ask the right questions

Is this behaviour (mine or my interlocutor's) in line with CESI's code of conduct and internal rules?

Could this behaviour (mine or my interlocutor's) damage CESI's reputation if it were made public, for example in the press and/or on the Internet?

Is this behaviour (mine or my interlocutor's) adopted solely for the benefit of CESI? Is a personal interest interfering with my assignments?

Is this behaviour (mine or that of my interlocutor) in accordance with French law, and local, if applicable?

Is this behaviour (mine or my interlocutor's) *reasonable*?

Would I be comfortable if this behaviour (mine or my interlocutor's) was known to my colleagues? Would I be comfortable communicating publicly about this behaviour?

Have I paid after doing all the necessary checks?

Talk about it and keep written records

- ✓ As bribery in all its forms is prohibited, each employee must **act transparently and honestly**.
- ✓ As such, **you should not seek to resolve an issue or situation on your own**. If, in a particular situation or in the daily performance of your duties, you have questions or uncertainties about interpretation or application of the principles described above, you should talk to your line manager and the legal department to obtain their opinion and obtain a procedure to follow.
- ✓ **Also remember to keep a written record of any act or decision so that you can justify and document them if necessary**. If oral exchanges have taken place and have not been the subject of written exchanges, it is advisable to send an email to your interlocutor summarising the content of your discussion.
- ✓ Also, remember to **fill out gift forms when you receive or offer them and they are greater than or equal to 75 € including tax, and to update your potential conflicts of interest sheet**.
- ✓ Finally, **don't keep your business dealings secret**. Communicate about your work, including to your line manager.

What if you suspect an act of bribery has occurred (by a third party, by a colleague, by yourself)?



CESI provides its employees and any interested third party with a whistleblower platform to report any bribery and any violation of this code of conduct. This person is then considered a "whistleblower" according to the legal definition.



This whistleblower platform is accessible at the following address: **alertecorruption.cesi.fr**

The alert can be given under your real identity, or anonymously using a pseudonym. However, CESI recommends identifying yourself in order to make it easier to verify the facts reported.

In any case, the information relating to the alert, its author and the person reported are strictly confidential and are not the subject of any disclosure.

Launching an alert is a process that is not done for financial gain or compensation, and must be carried out in good faith.

As such, if the whistleblower platform is used for purposes other than reporting potential bribery or if it is used for malicious, retaliatory or abusive purposes, the whistleblower may be subject to disciplinary sanctions and/or legal proceedings for slanderous reporting (up to 5 years imprisonment and a fine of up to 45,000 €).

The alert must relate to a serious suspicion of bribery based on clear evidence. The whistleblower may report facts of which he/she was not personally aware when this information was obtained in the course of his/her professional activities. However, in the event that the person has obtained this information in a non-professional context, the whistleblower must have had personal knowledge of it.

Use of the system in good faith will not expose the perpetrator to any punishment, even if the facts subsequently prove to be inaccurate or do not give rise to any action.

Once the alert is sent, an investigation will be conducted by the Legal Department. Via this platform, you will receive information messages to follow up on your request.



I heard a colleague say that another colleague had obtained computer equipment for his personal use through an order paid for by CESI and against payment for the supplier's silence. Can I report it?

This involves a rumour. This could be true, but you must provide clear evidence to support your statements, otherwise your alert may not be able to be handled under the best conditions, due to lack of evidence.

I overheard a colleague in charge of procurement asking a furniture supplier to deliver the order directly to their home. The invoice is in the name of CESI, and my colleague explained to the supplier that he would make a transfer to his personal account in exchange for his silence. I found the invoice for the furniture. Can I report it?

Yes, you have proof: the invoice and the absence of this new furniture within the premises of CESI.

How can I get help or additional information?

Training

CESI is implementing a training plan for its employees on the fight against bribery. Thus, all employees can be trained on these subjects to better understand risky situations.

Ask the Legal Department questions

You can also contact the legal department for information, whether on anti-bribery laws or on this code of conduct.

What are the penalties for non-compliance with the code of conduct?



No person from CESI can circumvent the application of this Code of Conduct.

Thus, any violation of the code of conduct and/or proven acts of bribery, would constitute fault and would be likely to result in disciplinary sanctions.

Disciplinary sanctions would be applied in accordance with the Labour Code, the applicable Collective Agreement and CESI's internal rules. They may be as follows:

- Written warning, to the employee's attention, hand-delivered to the employee against receipt or sent by registered letter with acknowledgment of receipt;
- Suspension: temporary suspension from the company leading to deprivation of the corresponding remuneration, with a maximum duration of 5 working days;
- Demotion resulting in a decrease in salary accompanied by a change of position;
- Dismissal for misconduct, termination of the employment contract at the end of the notice period;
- Dismissal for serious cause, without notice or severance pay
- Dismissal for gross misconduct, without notice or compensation.

In addition, the employee risks possible legal action (civil, labour tribunal or criminal).

RELATED POLICIES, DOCUMENTS AND FORMS

You will find on the ENT:

- The declaration of conflicts of interest form;
- The form for declaring gifts and invitations;
- The fee policy;
- The procurement policy;
- The vehicle policy;
- The explanatory note on the internal anti-corruption whistleblower alert.

ATTACHMENT: RELATED DEFINITIONS

PROBITY:

This involves a person's scrupulous respect for the values, principles, rules, laws, duties, regulations and any standards applicable to their activity or the structure in which they operate. Probity implies acting with honesty, integrity and selflessness, without seeking to pursue a personal interest.

INTEGRITY:

It is the state of a person who has remained whole, fair, honest, scrupulous and uncorrupted. Integrity implies staying true to CESI's principles, values and duties as well as its commitments.

FRAUD:

Fraud is the act of using dishonest means in order to obtain an undue advantage, consent or in order to circumvent legal or regulatory obligations.

CONCEALMENT:

Concealment is the act of concealing, holding or transmitting a thing, or acting as an intermediary in order to transmit it, knowing that this thing comes from a crime or misdemeanour (theft, bribery, etc.).

The act of knowingly benefiting, by any means, from the proceeds of a crime or misdemeanour also constitutes concealment.

Concealment is punishable: up to 5 years' imprisonment and a fine of up to 375,000 euros (Article 321-1 of the Criminal Code).

ACCOMPLICE:

An accomplice to a crime or misdemeanour is a person who knowingly, by help or assistance, facilitated its preparation or consumption. Also complicit is the person who, by gift, promise, threat, order, abuse of authority or power has provoked an offence or given instructions to commit it. The accomplice is punished as the offender

(Articles 121-6 and 121-7 of the Criminal Code).

ATTEMPT:

An attempt is the act of trying to commit an offence, even if it has failed. The attempt is punished in the same way as if the offence had been carried out. According to criminal law, the attempt is constituted as soon as, manifested by a commencement of execution, it has not been suspended or has failed to have effect only because of circumstances beyond the control of the perpetrator (Articles 121-4 and 121-5 of the Criminal Code).

INFLUENCE PEDDLING:

This is a crime very close to the crime of bribery. The difference lies in the fact that its author does not himself have the power to perform or refrain from performing the act foreseen by the third party. This extends the chain with several possible links between the person who wants to get the thing and the person who is able to provide it.

Influence peddling can be passive (the one who uses his influence) or active (the one who benefits from influence).

- Penalties for a person who exercises a public function: up to 10 years' imprisonment + a fine of up to 2,000,000 €, the amount of which may be increased to double the proceeds of the offence (Article 433-1 of the Criminal Code).
- Penalties for a person who does not hold public office:
 - For a natural person: up to 5 years' imprisonment + a fine of up to 500,000 €, the amount of which may be increased to double the proceeds of the offence (Article 433-2 of the Criminal Code).
 - For a legal entity: a fine of up to 2,500,000 €, the amount of which may be increased to double the proceeds of the offence

(Articles 131-38 and 433-25 of the Criminal Code).

Additional sentences may also be pronounced.

CORRUPTION:

For a representative of the public authority or a person responsible for a public service assignment, this involves demanding, receiving, ordering or collecting, knowingly, an amount that is not due (exemption, contribution, duty, tax, other sum of money, etc.). The offence of corruption is characterised both when the perpetrator acts for personal enrichment or when he acts for self-less purposes.

Corruption is punishable: up to 5 years' imprisonment and a fine of up to 500,000 €, the amount of which may be increased to double the proceeds of the offence (Article 432-10 of the Criminal Code).

ILLEGAL TAKING OF INTEREST:

For a representative of the public authority or for a person in charge of a public service assignment or for a person holding a public elected mandate, this involves giving priority to his private interests over those of the company in an operation for which he is responsible for ensuring the supervision, administration, liquidation or payment.

Illegal taking of interest is punishable: up to 5 years imprisonment and a fine of up to 500,000 €, the amount of which may be increased to double the proceeds of the offence (Article 432-12 of the Criminal Code).

MISAPPROPRIATION OF PUBLIC FUNDS:

This involves an illegal operation by a public official or a representative of public authority which consists in using sums or assets belonging to the community for purposes other than the public interest.

Misappropriation of public funds is punishable: up to 10 years' imprisonment and a fine of up to 1,000,000 €, the amount of which may be doubled by the proceeds of the offence (Article 432-15 of the Criminal Code).

FAVOURITISM:

This involves, for a person with public authority, providing an unjustified advantage to a third party. This can be preferential treatment concerning contracts, grants, etc.

Favouritism is punishable by up to 2 years' imprisonment and a fine of up to 200,000 €, the amount of which may be double the proceeds of the offence (Article 432-14 of the Criminal Code).

ABUSE OF COMPANY ASSETS:

It involves, for senior managers (presidents, managing directors, board members, etc.), using the assets or credit of a company or association, though they know that it goes against its interests, for personal reasons or to benefit another company or association in which they have a personal interest, directly or indirectly.

Abuse of company assets is punishable: up to 5 years' imprisonment and a fine of up to 375,000 euros fine (Article L.241-3 of the Commercial Code).

PRESENTATION OF INACCURATE ACCOUNTS:

Also called the "offence of presentation of unfaithful accounts", this is the act by senior management (president, managing directors, directors, etc.), of publishing or presenting annual accounts to the board of directors and the general assembly that do not give, for each financial year, a true and fair view of the result of the operations of the financial year, the financial situation and the assets of the company or association, with a view to concealing the true situation. Some examples of elements constituting an unfaithful image of the accounts: fictitious receivables, fictitious capital gains, hidden financial losses, etc.

FORGERY OR THE USE OF FORGED DOCUMENTS:

The crime of forgery is the act of a person voluntarily modifying a document to change the truth. The author of the forgery can

either fabricate a false document or partially modify one (the document is then not a forgery at the outset, but inaccurate written statements have been indicated). It can also involve creating a false signature or imitating a signature. Forgery is punishable when the forged item can cause actual or potential harm.

The use of forged documents is the intentional use of a document whose truth has been altered. The offence of forgery, like the use of forged documents, is punishable by up to 3 years' imprisonment and a fine of up to 45,000 € (Articles 441-1 to 441-12 of the Criminal Code). These two offences may be punished separately.

EXTORTION:

It is the act of obtaining by violence, threat of violence or coercion, either a signature, a commitment or a waiver, or the disclosure of a secret, or the delivery of funds, values or any property.

Extortion is punishable: up to 7 years' imprisonment and a fine of up to 100,000 euros fine (Article 312-1 of the Criminal Code).

ABUSE OF FUNCTIONS:

Abuse of functions occurs when a person exploits the opportunities provided by his duties to engage in an act outside his powers, for personal gain or on behalf of another person or entity.

UNJUSTIFIED ENRICHMENT:

Also called "unjust enrichment", this involves a substantial increase in a person's wealth that he cannot reasonably justify, because this enrichment does not result from the fulfilment of an obligation by the impoverished person or his free intention. Those who benefit from unjustified enrichment to the detriment of others owe, to those who are impoverished, compensation equal to the lesser of the two values of enrichment and impoverishment (Articles 1300 to 1303-4 of the Civil Code).

POLITICALLY EXPOSED PERSON:

Politically exposed persons are persons who are considered, at the international level, to be exposed to "higher risks" of money laundering. These are persons who exercise or have ceased to exercise for less than one year, political, judicial or administrative functions on behalf of France, a foreign State or an international organisation, as well as their relatives. For example, the following are politically exposed persons: heads of state, members of government, members of parliament, ambassadors, magistrates of the Court of Cassation, the Council of State, the Court of Auditors, directors of an international organisation, general and superior officers in command of an army, etc.