

ANTI-CORRUPTION CODE OF CONDUCT

Annexed to the Internal Rules of Procedure



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A WORD FROM THE CHAIRMAN AND CEO - PIERRE-FRANCK CHEVET



The entry into force of the law on transparency, the fight against corruption and the modernization of the economy, termed "Sapin II", foresees the implementation of an anti-corruption compliance program in order to fight against corruption, influence peddling and all related offences. We have been committed to this objective since the law was published in 2016 by gradually incorporating this obligation into our management processes. These new provisions are also an opportunity for IFPEN to assert and promote its integrity and ethics in all its actions.

I firmly believe that anything that can normalize how an institution operates is likely to protect its members, which is why I wanted this anti-corruption code of conduct to be as instructive as possible. It presents the legal framework in which our activities are carried out and the situations that expose us to the risk of corruption, influence peddling or other offences such as favoritism, illegal taking of interest and misappropriation of public funds.

It is up to us, collectively and individually, to adopt these rules in our day-to-day lives because as a state-owned industrial and commercial establishment (EPIC), which is involved in the local economy as well as in international business, we must ensure that our practices reflect the highest standards of integrity, responsibility and respect.

This code of conduct upholds our irreproachable conduct and reaffirms the trust of our partners on a daily basis. It must guide each and every one of us in fulfilling our responsibilities and must be respected by all.

I expect each and every one of you to read this anti-corruption code of conduct, to adopt it as your own and to follow its principles on a daily basis. If you have any doubts about a situation that could lead to a potential violation, your superiors and/or the internal auditing, risk and quality department will always be available to advise you.

Finally, any person who is aware of a situation that is contrary to this anti-corruption code of conduct must not hesitate to raise an alert by reporting it to their superiors or by the means described in this code. Your disclosure will be treated confidentially and without fear of reprisal.

Together, we must set an example in terms of probity, in the interest of the community and for IFPEN's reputation.

The Chairman and CEO

P.F. Chevet

INTRODUCTION

This Code of conduct has been drawn up in application of the provisions of Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy, termed the "Sapin II" law.

The purpose of this code is to define and illustrate the different types of behavior to be prohibited as being likely to characterize acts of corruption, influence peddling or any other related offence and to specify the precautionary measures to be implemented to prevent them from occurring.

Failure to comply with the law and in particular, the law prohibiting corruption and influence peddling, is particularly damaging to society as a whole and represents a major source of risk for the company (heavy fines, direct economic costs, criminal proceedings, reputation and exclusion from public contracts). Therefore, adherence to the rules set out in this code must be an absolute commitment and an individual responsibility.

Everyone must know, understand and apply the principles and recommendations of this code and participate in all the training programs that are provided.

This code applies to all staff and any breach of the principles set out will lead to disciplinary action, whether the breach is committed in France or abroad.

This code of conduct contains:

- Definitions of the various offences with illustrations;
- Situations at risk and the best practices to be adopted;
- Disciplinary measures;
- The internal disclosure procedure.

Nevertheless, it cannot realistically address all the issues that confront us in our business. For this reason, in all circumstances, we remind you that everyone must act with consideration, common sense and discernment and if in doubt, seek advice from their superiors and/or the internal auditing, risk and quality department.

When an employee is confronted with actions that could be construed as corruption or influence peddling, they must not hesitate to raise an alert in accordance with the procedures described in the annex to this document. If in doubt about a situation, the hotline can also be used.

I - DEFINITION AND ILLUSTRATION OF PROHIBITED BEHAVIOR

The generic term "corruption" covers both outright corruption and influence peddling. Three other offences, which are applicable to IFPEN, are often related to acts of corruption and are also prohibited and penalized. The purpose of this section is to present the definitions of all these offences: illegal taking of interest; favoritism; misappropriation of public funds.

For the sake of completeness, this section will also include the concepts of money laundering and facilitation payments.

1. The concept of a public official

In the broadest sense, the concept of public official is taken to mean any person performing a public function. However, in this definition, three specific concepts should be distinguished:

- **persons in charge of public authority:** they are invested, by delegation of public power, with a power of decision and constraint over individuals and objects, either temporarily or permanently (e.g. chief of police, policeman, member of the military, etc.);
- **persons entrusted with a public service mission:** they are permanently or temporarily entrusted with exercising a function or performing acts that are intended to serve public interest. We then use the term public official (e.g. prefecture officer, local authority official, notaries, state-owned industrial and commercial establishment (EPIC), etc.);
- **persons holding a public elective office:** these are members of the major national bodies such as the Senate or the National Assembly, as well as members of regional, departmental or communal assemblies. (e.g. member of the municipal council, mayor of a town, deputy, senator, etc.).

Therefore, the term public official is not linked to the to the civil servant status, but has a broader meaning.

IFPEN staff are therefore considered to be public officials.

2. Corruption

Corruption¹ is defined as the act by which a person invested with a specific function, whether public or private, solicits or accepts anything of value in order to perform, delay or omit to perform an act that falls directly or indirectly within the scope of their functions.

Corruption can be passive² or active³, and the consideration can be monetary or non-monetary. In common parlance, corruption can be defined as the payment of “bribes”, i.e. the payment of anything of value outside the legal framework of a negotiation to obtain a deal or favor.

Corruption can also be direct, i.e. the briber and the bribe-taker are directly connected, or indirect, i.e. an intermediary is involved between the briber and the bribe-taker. In both cases, it is strictly forbidden and penalized.

Example 1: To be able to secure a contract with a customer, the latter asks you to employ one of their children at IFPEN. They tell you that failing this, your competitor will have a good chance of being awarded the contract.

⇒ If IFPEN were to give in to the customer's request, then IFPEN would be in a situation of active corruption. In other words, the customer is seeking an undue advantage from you in exchange for obtaining the contract.

¹ Articles 432-11, 433-1 et seq., 445-1 of the French Criminal Code

² Corruption is passive when a person takes advantage of their position to solicit or accept anything of value in order to perform or refrain from performing an act within the scope of said position.

³ Active corruption is the act of anyone, at any time, directly or indirectly offering or giving a French or foreign public official or a private person anything of value to themselves or to another person, for them to perform or refrain from performing an act of their position.

Example 2: IFPEN has issued a call for tenders and a potential supplier wants to invite you to a restaurant. They are seeking confidential information on the tenders made by their competitors so that they can adjust their own tender to match IFPEN's requirements.

⇒ The supplier approaches you in order to pay you an undue advantage in exchange for confidential information. IFPEN is then in a situation of passive corruption.

No IFPEN employee can engage in acts of corruption of any kind (public or private, passive or active). Such acts are liable to criminal prosecution and/or disciplinary action, whether or not independently, up to and including dismissal.

Criminal penalties incurred: Corruption is punishable by ten years' imprisonment and a fine of one million euros, which may be raised to twice the amount of the proceeds of the offence.

3. Influence peddling

Influence peddling⁴ is a form of corruption in which a person promises, offers or solicits - directly or indirectly - money or anything of value to a third party, so that they use their real or supposed influence to obtain a favorable decision from a public authority or administration, whether domestic or foreign.

Influence peddling implies that there are three parties involved:

- *The recipient:* provides the benefits or gifts;
- *The intermediary:* uses the credit that they have because of their position;
- *The target person:* has the decision-making authority.

There is a distinction between active influence peddling (as far as the recipient is concerned) and passive influence peddling (as far as the intermediary is concerned), which are also penalized.

The difference between corruption and influence peddling lies in the nature of the act to be committed in return: if the act falls within the prerogatives of the public decision-maker, it is corruption. On the other hand, if the act consists of using one's influence to make the public decision-maker take a decision, then it is influence peddling.

Example 1: When a call for tenders is in progress in a foreign country and IFPEN is a candidate, a member of the government comes to see you and tells you that they have the necessary influence to convince the decision-makers to award you the contract.

⇒ IFPEN finds itself in a situation of active influence peddling, where the government official solicits an undue advantage in order to use their real or perceived influence.

Example 2: At a time when a law is due to be voted in parliament concerning a new tax on hydrocarbons, a leading company operating in the sector asks you to approach public decision-makers to ensure that this law is not passed, owing to IFPEN's influence and reputation.

⇒ IFPEN finds itself in a situation of passive influence peddling. The person offers you an undue advantage in exchange for your real or perceived influence.

⁴ Articles 432-11 et seq., 433-1 and 435-10 of the French Criminal Code

No IFPEN employee can engage in active or passive influence peddling. Such acts are subject to disciplinary and/or criminal penalties.

Criminal penalties incurred: Influence peddling is punishable by up to ten years' imprisonment and a fine of 500,000 euros. The amount may be increased to twice the proceeds of the offence.

4. Illegal taking of interest

Illegal taking of interest⁵ penalizes the act of a person holding public authority or invested with a public service mission or an elected official, acting for personal gain or for non-profit purposes, taking any interest whatsoever, directly or indirectly, in a matter for which they are responsible for supervising, administering or liquidating.

Participation or presence at a preparatory meeting, even without taking part in the decisions or discussions, is equivalent to supervision within the meaning of Article 432-12.

This offence continues after leaving office for a period of three years. In this case, the person is guilty of illegally taking an interest if they take or receive an interest by way of work, advice or capital in a private company over which they have, in the course of their previous duties, exercised supervision, control or concluded contracts.

Example 1: During a financial investment decision, an employee participating in the discussions insists that IFPEN should invest in a particular startup. However, this employee is a shareholder of the startup.

⇒ You are in a situation of illegal taking of interest. The employee cannot participate in the decision to invest in an entity in which they have a financial interest.

Example 2: When a decision is made to award a contract, an IFPEN employee insists that a specific company be selected. Even if it is a company that fulfils the requirements, it is still managed by the employee's spouse.

⇒ You are in a case of illegal taking of interest. The employee cannot take part in the decision to award a contract if they have a financial interest or connection with one of the candidate companies.

No IFPEN employee can engage in active or passive influence peddling. To avoid any such situation, we ask you, when the case arises, to declare any conflict of interest to your superiors and to withdraw.

Criminal penalties incurred: Illegal taking of interest is punishable by five years' imprisonment and a fine of 500,000 euros. The amount may be increased to twice the proceeds derived from the offence.

⁵Art. 432-12 of the French Criminal Code.

5. Favoritism

Favoritism⁶ refers to the act of any person involved in the process of awarding a public procurement contract (public contracts, concessions or public service delegations) of granting, or attempting to grant, an unjustified advantage to a third party in violation of the provisions that guarantee freedom of access and equality in the award of such contracts or titles (through the award criteria) This offence extends to contracts being awarded without prior formalities, also involving contracts awarded below the compulsory competition thresholds.

It is not necessary for the person concerned to have gained personal benefit for the offence to be punishable. Furthermore, any person who is aware of the offence can be prosecuted as an accomplice.

Example 1: While IFPEN is preparing to issue a call for tenders, a supplier comes to see you. They invite you and your family to go with them to see the French football cup final at the Stade de France. In return, they would like you to add some criteria in the call for tenders to make sure they can secure it. You agree to include a criterion that is in favor of this supplier.

⇒ You are looking at a situation of favoritism. It is prohibited to fix a call for tenders to accommodate a supplier.

Example 2: While IFPEN is preparing to issue a call for tenders because the amount exceeds the thresholds, a candidate comes to you and proposes to split the contract so that they can be selected without going through a call for tenders. In return, they offer you and your family an all-expenses-paid visit to their facilities in the south of France.

⇒ You are involved in a case of favoritism coupled with passive corruption.

No IFPEN employee can engage in acts of favoritism. In addition to being illegal, this practice is likely to undermine the competitiveness and quality of the required services.

Criminal penalties incurred: Favoritism is punishable by two years' imprisonment and a fine of 200,000 euros. The amount may be increased to twice the proceeds derived from the offence.

6. Misappropriation of public funds

Misappropriation of public funds⁷ refers to the act of a person who is a public official, a person entrusted with a public service mission or a person holding an elective public mandate, destroying, embezzling or removing a deed or title, public funds, effects or any other object that has been entrusted to them by virtue of their functions or mission. The offence exists whether it is deliberate or the result of negligence.

⁶Art. 432-14 of the French Criminal Code

⁷ Articles 432-15 et 432-16 of the French Criminal Code

The mere awareness of the misappropriation by the perpetrator is sufficient to prove complicity. It is not necessary for the person concerned to have gained personal benefit for the offence to be punishable. The fact that the damage is repaired before or during the prosecution does not make it possible to escape classification of the offence.

Example 1: As the municipal election campaign approaches, you are approached by a candidate. To reduce their campaign costs, they would like IFPEN to assign an employee to help them. They promise that once they have been elected, they will owe you a “favor” as a token of thanks.

⇒ This constitutes a misappropriation of public funds. IFPEN’s funds must not be used to finance political activities.

Example 2: While the subsidies granted by the State are intended for scientific research into new energies, IFPEN employees use them to take customers and their families on business trips, with all expenses covered.

⇒ This is a misappropriation of public funds. IFPEN’s funds must not be used to pay for trips for customers and their families.

No IFPEN employee can engage in practices involving the misappropriation of public funds. In addition to being illegal, these practices are likely to undermine IFPEN’s cash flow and reduce the budgets allocated to research, which is our main mission.

Criminal penalties incurred: Misappropriation of public funds is punishable by ten years’ imprisonment and a fine of one million euros. The amount may be increased to twice the proceeds derived from the offence.

7. Facilitation payments

Facilitation payment⁸ refers to the act of directly or indirectly, unduly paying a public official for carrying out administrative formalities, which should be obtained through normal legal channels. It is intended to encourage public officials to perform their duties more effectively and expeditiously.

French law treats the facilitation payment as an offence and thus prohibits it. Facilitation payments, regardless of their frequency or amount, in France or abroad, are subject to criminal prosecution for corruption.

We draw your attention to the fact that IFPEN prohibits facilitation payments. However, we know that it can be difficult for you to avoid this, which is why we ask you, whenever you are confronted with it, to report it to us.

An exception may be made if you are making a facilitation payment in the context of an imminent threat to your health or safety. If such a case occurs, you must directly inform your superiors as well as the IFPEN ethics officer.

⁸ Facilitation payments are included in articles 435-1 and 435-3 of the French Criminal Code

Example 1: On a trip for the school to give lessons abroad, one of the lecturers is detained when getting off the plane. To enter the country, a local police officer asks them to pay 50 euros in cash. Without this payment, they will have to wait two more days for their situation to be regularized.

⇒ This is a facilitation payment. In this example, the lecturer's safety is not at risk. Therefore, it is advisable to refuse to make this payment and wait the two days. Faced with your firmness, the police officer will probably give up and let you pass.

Example 2: In the course of conducting business with a customer, the latter invites you to visit their facilities in a foreign country. However, when you land in the country, a local guard picks you up and asks you to pay 300 euros in cash. He tells you that if you refuse, you will be placed in police custody for 48 hours because suspicious items were found in your suitcase.

⇒ This is a facilitation payment. However, there is an imminent threat to your safety in this situation. Therefore, you can agree to pay and report this incident as soon as possible.

Criminal penalties incurred: Facilitation payments are punishable in the same way as corruption, i.e. with ten years' imprisonment and a fine of one million euros.

8. [Money laundering](#)

Money laundering⁹ is the process of concealing the origin of money that has been acquired through illegal activity by reinjecting it into legal activities.

It is prohibited to facilitate, by any means, the false justification of the origin of the assets or income of the perpetrator of a crime or offence, as well as to assist in the investment, concealment or conversion of the direct or indirect proceeds of a crime or offence.

Example 1: A customer asks for your help. He would like to use your services. He offers to pay you more for some of your services. In exchange, he would like IFPEN to appoint his wife's company as a supplier for a substantial call for tenders. When you conduct your research as part of your assessment of the third party (due diligence), you also discover that there are negative press reports about their company that allege corruption involving them personally.

⇒ This is a potential money laundering situation. Agreeing to take on his wife's company as a supplier can also be considered as an act of corruption.

Criminal penalties incurred: Money laundering is punishable by five years' imprisonment and a fine of 375,000 euros.

⁹Art. 324-1 of the French Criminal Code

PART 2 - ILLUSTRATION OF SITUATIONS AT RISK AND THE BEHAVIOR TO ADOPT

The risk analysis carried out during our risk mapping exercise has identified some of our activities as potentially being diverted from their original purpose for corrupt purposes - or being perceived as such.

The purpose of this part is to illustrate the situations at risk that can result from our activities and to inform you of the behavior to adopt in order to address them. The following points will be discussed here:

- Gifts, business meals and other freebies;
- Political activities, donations and sponsorships;
- Prevention of conflict of interest situations;
- Relations with officials and intermediaries;
- Openness between interest representatives and public authorities;
- Prevention of money laundering situations.

This anti-corruption code of conduct describes the most common activities, which although not prohibited, can be misused and therefore, pose a risk of corruption. It provides guidance on how to identify these often hybrid situations and how to react to prevent and stop the potential problem immediately.

The situations described below are not exhaustive, so if you have any doubts or questions, please contact your superiors or the Internal auditing, risk and Quality Department.

1. Gifts and invitations

In the course of our work, we are required to maintain relations with companies and with French or foreign public administrations. Giving and receiving gifts and invitations can be a simple sign of courtesy and contribute to cordial relations. Although such acts are not illegal, IFPEN has established strict rules to avoid any appearance or perception of active or passive corruption.

Therefore, any gift or invitation must be strictly related to the professional activity, comply with the thresholds established in this Anti-corruption Code of Conduct, adhere to IFPEN's values and must never be offered with the aim of influencing a decision or obtaining an undue advantage. As soon as they could be considered as corruption or a form of influence peddling, gifts or invitations are in principle prohibited.

To clarify the situation, several rules have been established concerning gifts and invitations.

Business gifts: They refer to any item of value, object, entertainment or service that benefits the recipient personally. It may involve giving a material object (a box of chocolates, a bottle of wine, a watch, a pen, a book, etc.) or paying for an expense for the recipient (personal travelling expenses, tickets to shows or sporting events, expense accounts, other expenses of any kind).

- **Offering:** The threshold tolerated for business gifts offered by IFPEN employees is limited to 70 euros (including tax) per recipient and per year. If the amount exceeds 70 euros (including VAT) per year, it must be authorized in **advance and in writing** by the direct supervisor.
- **Receiving:** The tolerated threshold for a received gift is 70 euros per person per year. Any received gift that exceeds this threshold must be reported in writing to your superiors within 10 days of receipt. This person will decide what to do with the gift (accept it/return it/qualify it as a formal gift, etc.).

Promotional gifts: These are goods with a low individual value that bear the identity of IFPEN or the third party that offers it. These gifts are usually referred to as “*goodies*”. For example, pens, mouse pads, keyrings, etc.

- **Exception:** These goods generally have no market value. They can be received or offered freely. However, we would like to draw your attention to the fact that these objects are of limited value and are used for advertising purposes. If their value reaches the thresholds applicable to the business gifts above, they are then considered as such and must follow their procedure.

Formal gifts: These are gifts that are generally exchanged between public authorities. Of symbolic value and scope, they are a demonstration by IFPEN or the third party to honor the recipient. In this case, the threshold does not apply.

- **Offering:** Within IFPEN, only the General Management and the International Relations Division are authorized to offer formal gifts. They keep a record of them.
- **Receiving:** Formal gifts that are received are the property of IFPEN and must be handed in to the General Management within 10 days of receipt of the gift. They are recorded in a register.

Business meals: These are meals in restaurants, refreshments, etc. linked to discussions or professional events attended by an IFPEN employee in the company of a third party.

- **Inviting:** It is recommended to invite your contacts preferably to the company's club restaurants and if this is not possible, to choose a restaurant of an equivalent standard. In all cases, invitations to a business meal outside IFPEN sites comply with the rates published for meals in the mission regulations. If the rates are exceeded, **prior written authorization** from the director of the entity concerned is required. If more than two invitations are extended to the same person within a one-year period, **prior written authorization** from the director of the entity is also required.
- **Being invited:** An employee may accept an invitation to a business meal up to a limit of 70 euros (including tax) per guest. Above this threshold, **prior written authorization** from the director of the entity is required. If more than two invitations are extended by the same contact within a one-year period, **prior written authorization** from the director of the entity is also required.

Invitations to events and entertainment events: These are any public or private relations operation aimed at inviting the recipient to enjoy a moment or an event that is solely or partially business related. These may include sports or cultural events, entertainments or shows, which are sometimes attended by employees and invited third parties.

- **Inviting:** It is authorized to invite professional contacts to events organized by IFPEN, the individual value of which is limited to 70 euros per year and per recipient. If the rates are exceeded, **prior written authorization** from the director of the entity concerned is required. If more than two invitations are extended to the same person within a one-year period, **prior written authorization** from the director of the entity is also required. It is **strictly forbidden** to purchase tickets and/or seats for these entertainments for family members or close friends or relations of the third party.

- **Being invited:** It is **strictly forbidden** for IFPEN employees to accept invitations that are not related to the exercise of their mission. These invitations must be primarily for professional activities. The threshold is also 70 euros including VAT for the invitations that can be accepted. If the rates are exceeded, **prior written authorization** from the director of the entity concerned is required. If more than two invitations are extended by the same contact within a one-year period, **prior written authorization** from the director of the entity is also required. It is **strictly forbidden** to accept such an invitation for a family member or a close friend or relative.

Trips and travelling: These cover all travel, transport (planes, trains, taxis or chauffeur-driven passenger vehicles) and accommodation costs (hotels, bed and breakfast, etc.). It can be a fee to visit a service provider's facilities, or to host a speaker for an IFPEN event or for a presentation at the school.

- **Inviting:** IFPEN's payment of travel expenses must be **authorized in writing in advance** by the direct supervisor. The expenses incurred must comply with the "mission regulations" applicable to IFPEN personnel.
- **Being invited:** It is forbidden to have travel expenses paid for by a third party, except with the **prior written approval** of the direct supervisor.

Freebies: These cover all services granted to employees on a personal basis, such as financial loans, undertaking work free of charge, lending equipment or premises free of charge, hiring a close friend or relative, etc.

- **Giving or receiving:** It is **strictly forbidden** for employees to accept any freebies from a third party or to give them on behalf of IFPEN.

Please note that all of these rules do not apply during a tendering period. Indeed, it is strictly forbidden for all IFPEN staff to offer or receive gifts or invitations during tendering periods. The tendering period is understood to include the preparation period prior to publication and extends for a few weeks after the contract is awarded.

We would also like to draw your attention to the fact that the recipients must be identified and that all receipts related to gifts, invitations, business meals and trips, whether they are offered or received, must be kept to guarantee the utmost openness on our practices in this matter.

Measures to be implemented:

- Before accepting a gift, check that it complies with the acceptance criteria and that it does not give the impression of being indebted;
- if in doubt, seek the advice of the direct supervisor;
- never offer or accept a gift in cash or cash equivalent (for example, gift voucher or coupon);
- do not offer/receive gifts to/from a potential customer/supplier's representative during a tendering process;
- gifts must not be repeated;
- the invitation must not include the guest's spouse or family members;
- invitations or gifts contrary to public morality are strictly forbidden;
- ask the contact about the customer's policy on invitations or gifts;
- do not use intermediaries to offer or accept bribes indirectly (this practice does not alleviate individual responsibility and the seriousness of the act committed);
- refuse to give or receive any personal benefit, whether financial or otherwise.

Example 1: At the end of the year, a supplier who has been working with you for more than ten years offers you a bottle of champagne to thank you for your trust. However, this supplier is also a candidate for a government contract for which you have just launched a call for tenders.

- ⇒ You must not accept gifts from a supplier during a tendering period. This could be seen as corruption. Even if the gift has been refused, you must declare the situation to the ethics officer.

Example 2: To discuss your business relationship with a customer, you want to invite them to a restaurant. However, you realize that the price of the menus exceeds the allowed threshold.

- ⇒ You must obtain prior approval from your superiors. Without it, you are not allowed to invite this third party to this restaurant. Choose another place.

2. Political activities, donations and sponsorships

The financing of political activities refers to donations or gifts to parties, political or trade union organizations, political party officials, elected representatives or candidates for political or public office. This may concern directly financing a party or candidate, providing premises for campaign meetings, reimbursing travel expenses related to a political campaign, or carrying out activities during working hours for the direct benefit of a political party.

In all circumstances, IFPEN maintains strict political neutrality and prohibits any financing of political candidates, elected representatives or political parties.

Patronage or charitable donations refer to financial, expertise or material support provided without seeking direct economic compensation, given to an organization engaged in a non-profit activity in order to promote an activity of general interest (art, culture, science, humanitarian and social projects, research, etc.). Unlike sponsorship, there is no effective advertising in return, even if the sponsor may appear discreetly on the promotional media of the event in question or display their support on their specific promotional media.

Sponsorship is a promotional technique that involves the sponsor making a financial and/or material contribution to a social, cultural or sporting event for the purpose of obtaining a direct benefit in terms of image and reputation. The sponsor's contribution represents a promotional expense with clear commercial intent behind it.

Given the potential risks inherent in donations, patronage and sponsorship, any such action must be formally approved by the director concerned for donations and be requested using the **form** available on Prisme (scientific management section) for sponsorship.

Example 1: As the campaigns for the municipal elections are approaching, a candidate without political label running for mayor of Rueil-Malmaison asks you to make a financial contribution to their campaign. In exchange for this financial support, they promise to support IFPEN, namely by promising to authorize your project to extend a building.

⇒ You must refuse. IFPEN prohibits all political activity and consequently, all campaign financing.

Example 2: For the next Vendée Globe yacht race, a skipper approaches you to ask for financial support from IFPEN to build a boat that will run 100% on renewable energies. He asks you for 100,000 euros and indicates that your name will appear on the hull of the boat.

⇒ This is sponsorship. An application must be made via the "sponsorship application" form available on Prisme.

3. Prevention of conflict of interest situations

As IFPEN employees, we must all act with integrity and impartiality on a daily basis. We must act solely in the interest of IFPEN and exclude any personal interest, whether direct or indirect. We must stop any actual or potential conflict immediately by reporting it and withdrawing from any conflicting situation or decision.

A conflict of interest consists of any situation involving interference between an IFPEN interest and public or private interests liable to influence or appear to influence the independent, impartial and objective exercise of a function. It may result from economic interests, political or national affinities, family or sentimental ties or any other common interest or relationship.

It should be noted that a **conflict of interest is not an offence** but a situation that could lead to certain offences being identified, in particular illegal taking of interest or favoritism. As this notion is complex, everyone must be particularly vigilant and speak to their superiors in case of doubt.

The following are examples of situations that may be considered at risk:

- An IFPEN employee or a close friend or relative has family ties to an IFPEN customer, partner or supplier;
- An employee has some influence on the recruitment, job evaluation or compensation of a close friend or relative;
- An employee or one of their close friends or relatives has made financial investments in the capital of an IFPEN customer, supplier or subcontractor.

If you encounter a situation involving a conflict of interest, we ask you to report it immediately to your superiors. All statements made must be traced by the superiors and be available on request.

Example 1: An employee needs research materials as part of their daily work. If several companies are likely to offer the equipment in question, the employee wishes to contract directly but one of the companies turns out to be their partner's company.

⇒ There is a conflict of interest in this situation. This situation must be reported to the direct superior and the employee must not be the only person involved in the selection process

Example 2: At a meeting at IFPEN, the decision was made to invest in a start-up working in renewable energies. One of the companies selected is run by the brother of one of the employees with decision-making powers.

⇒ The employee must declare the conflict of interest and cannot participate in this decision because of the conflict of interest.

4. Relations with third parties

Salespeople and other intermediaries

In accordance with standard industry practice, we use commercial intermediaries, or "officials", to help us market our services and technologies in markets in which we are not established, where we lack commercial resources or where local language, culture or legislation so requires.

This practice is legal but requires greater vigilance. We must ensure that the selected intermediary shares our values regarding ethics, integrity and business practices.

Consequently, we have introduced strict procedures to justify the use of intermediaries, to evaluate them (due diligence) and to select them. The forms and procedures are available on Prisme on the "anti-corruption law" page.

Service and consultancy service providers

When we work with suppliers and subcontractors providing consulting services, the substantiality of the services rendered may be more difficult to prove. Therefore, the expected services and deliverables must be described in detail in the supplier's contract and/or purchase order, in full compliance with applicable laws.

Example 1: IFPEN is seeking to expand its business in China, and local legislation requires that an official of Chinese nationality be involved in the transaction. Therefore, IFPEN decides to hire a local official to conduct the negotiations. The official tells you that in order to close the deal, they will have to pay a sum of money to a policy maker. This is the only way to conclude this contract.

⇒ Using officials is permitted, but it must not be a means to engage in acts of corruption. This is a situation of indirect corruption.

Example 2: When negotiating a contract in Mexico, an official tells you that they can make an influence in your favor. They ask you to purchase intellectual services to "understand local culture" amounting to 100,000 euros.

⇒ It is a very large sum. Therefore, you need to make sure that the service you receive corresponds to the amount spent and that the money is not used for corrupt purposes.

5. Openness with interest representatives and public authorities

Lobbying, or interest representation, refers to any direct or indirect communication with public officials to influence a public decision. It can be carried out by independent consultants, a trade union, a public relations agency, a lawyer, etc.

IFPEN frequently engages in relations and dialogue with national, regional and local institutional figures (members of the government, parliamentarians, central administration), especially when it comes to defending its public service grant (SCSP) or on scientific and technical matters of interest to the public authorities. IFPEN can also call upon a specialized firm to support it in this mission. IFPEN's actions are not aimed at influencing laws in its fields of activity, but simply at sharing its scientific and technical expertise, as well as its energy vision, with the public authorities.

Furthermore, IFPEN has registered on the digital directory of interest representatives, published on the website of the French High Authority for Transparency in Public Life (HATVP) by forwarding the identification documents. This declaration of interest representation activities will be made annually.

Example 1: As the time to vote on the IFPEN grant comes around, a Member of Parliament comes to you and asks you to give him an all-expenses-paid trip for him and his wife on your next mission to Brazil, in exchange for his vote and that of his peers.

⇒ It is strictly forbidden to offer such a gift, especially due to the desire to monetize one's vote.

Example 2: As a law that would undermine IFPEN's current business is due to be voted on, a public relations firm offers to work on your behalf to convince MPs to change their vote. To do this, they tell you that an amount of 50,000 euros will be charged.

⇒ It must be ensured that the funds paid are in return for the work done and therefore, not intended to bribe public officials.

6. Prevention of money laundering situations

Money laundering situations can be detected either by making careful enquiries, before signing any contract/order, as to the origin of funds we may receive, or by checking the legitimacy of the destination of payments we may make.

If there is any doubt, the employee must contact the finance division, which can carry out in-depth checks.

It should be noted that some countries are subject to international sanctions prohibiting all financial transactions or severely limiting their scope.

Some of the measures to be implemented are given below:

- Contact the finance division if you have any doubts about the origin of the funds we may receive or about the legitimacy of the destination of the payments we may make;
- Do not accept commission or any other type of payment to be made in a third country or to a name other than the actual recipient.

Example 1: A customer asks for your help. He would like to use your services. He offers to pay you more for some of your services. In exchange, he would like IFPEN to appoint his wife's company as a supplier for a substantial call for tenders. When you conduct your research as part of the due diligence, you also discover that there are negative reports about their company that allege corruption, notably involving them personally.

⇒ This is a potential money laundering situation. Agreeing to take on his wife's company as a supplier is also an act of corruption.

PART 3 - DISCIPLINARY PENALTIES INCURRED

Failure to comply with the principles set out in this anti-corruption code of conduct may result in disciplinary action up to and including dismissal for misconduct. All the penalties incurred are stated in IFPEN's [internal rules of procedure](#).

SCALE OF PENALTIES

Any breach of the provisions of these internal rules of procedure may lead to one of the following penalties, ranked in order of importance:

- written warning;
- suspension from work for a period of one to three days;
- transfer imposed by the employer;
- dismissal for simple misconduct;
- dismissal for severe misconduct;
- dismissal for gross misconduct.

Depending on the facts and circumstances, the potential penalty may not necessarily follow the order of this list. IFP Energies nouvelles will adopt the penalty in accordance with the seriousness of the offence.

According to article L 1332-1 of the French Labor Code: "*no penalty, except for a warning, may be imposed on an employee without the latter being informed at the same time and in writing of the grievances against them*".

The rights of the defense are also laid down in the [internal rules of procedure](#).

CRIMINAL PENALTIES INCURRED

In addition to the disciplinary actions that may be taken by IFPEN, the employee may be exposed to criminal proceedings. The penalties that can be imposed are listed under each of the aforementioned offences in the first part of this anti-corruption code of conduct.