



Fibo's Business Partner Management Manual

1. Introduction

Fibo maintains high standards of third party management, and adheres to global best practices within the compliance, Environment, Social and Governance (ESG) and Corporate Social Responsibility (CSR). When referring to compliance, ESG and CSR combined, we use the term Corporate governance.

ESG is defined by MMSI as “as the consideration of environmental, social and governance factors alongside financial factors in the investment decision-making process.” Principles for Responsible Investment (PRI) define various ESG topics as:

Environmental: Issues relating to the quality and functioning of the natural environment and natural systems.

Social: Issues relating to the rights, well-being and interests of people and communities.

Governance: Issues relating to the governance of companies and other investee entities.

CSR is defined by ISO 26000 as the

responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that (a) contributes to sustainable development, health and the welfare society; (b) takes into account the expectations of stakeholders; (c) is in compliance with applicable law and consistent with international norms of behaviour; and (d) is integrated through the organization and practised in its relationships.

According to OECD,

Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.

Good corporate governance contributes to sustainable economic development by enhancing the performance of companies and increasing their access to capital. Better corporate governance increases the likelihood that the enterprise will satisfy the legitimate claims of all stakeholders and fulfil its environmental and social responsibilities. Good corporate governance attracts and retains ethically-oriented employees and builds trust between companies, consumers and other stakeholders. Companies that prioritise the right measures are more likely to become the preferred partner for consumers who value ethics and transparency.

Finally, the United Nations Sustainable Development Goal 16 calls for “peace, justice and strong institutions”, and indicator 16.5 explicitly asks signatories to “substantially reduce corruption and bribery in all its forms.”



This manual aims to consolidate Fibo's commitment to sustainability through good corporate governance throughout its Supply Chain by defining and enforcing below mentioned Business Partner Management Manual

All third parties, including suppliers, vendors, agents and intermediaries, as well as sub-suppliers and agents/intermediaries of suppliers, are collectively referred to as Business Partners or Partners.

2. Anti-bribery and Compliance Policies

The International Chamber of Commerce defines **bribery** as

the offering, promising, giving, authorizing or accepting of any undue pecuniary or other advantage to, by or for any of the persons listed above or for anyone else in order to obtain or retain a business or other improper advantage, e.g. in connection with public or private procurement contract awards, regulatory permits, taxation, customs, judicial and legislative proceedings.

This way, bribery includes (i) kicking back a portion of a contract payment to government or party officials or to employees of the other contracting party, their close relatives, friends or Business Partners or (ii) using intermediaries such as agents, subcontractors, consultants or other Third Parties, to channel payments to government or party officials, or to employees of the other contracting party, their relatives, friends or Business Partners.

Extortion or Solicitation is defined as *"the demanding of a bribe, whether or not coupled with a threat if the demand is refused"*. Furthermore, **trading in influence** is *"the offering or solicitation of an undue advantage in order to exert an improper, real, or supposed influence with a view of obtaining from a public official an undue advantage for the original instigator of the act or for any other person"*. In turn, **laundering the proceeds of the corrupt practices mentioned** is *"the concealing or disguising the illicit origin, source, location, disposition, movement or ownership of property, knowing that such property is the proceeds of crime"*.

"Corruption" or **"Corrupt Practice(s)"** as used in this Manual shall include Bribery, Extortion or Solicitation, Trading in Influence and Laundering the proceeds of these practices.

Corruption is proven to have a disproportionate impact on poor communities and to be a major hindrance to sustainable development. For companies, corruption impedes economic growth, distorts competition and represents serious legal and reputational risks.

3. Sanctions Compliance

The terms trade sanctions and embargoes refer to laws and regulations imposed by countries – usually related to foreign affairs, national security, or human rights objectives – that restrict dealings with targeted individuals, entities, and governments.

Such restrictions may include a general prohibition on all dealings with the government of a targeted country and individuals or entities located, residents, or entities that are organized in that country. Penalties for violating trade sanctions can be severe.



This manual provides general guidelines that, if followed, will support Fibo's efforts to comply with trade sanctions laws and regulations published by the United Nations, the United States, and the European Union, which in many cases implement UN Security Council Resolutions on sanctions.

Proposed operations or transactions involving high-risk countries must be analysed closely to ensure they would not result in a sanctions violation.

4. Regulations

This Manual aims to establish and ensure the effectiveness of internal controls, ethics, and compliance programmes or measures for preventing and detecting corruption in all its forms. It recognises that to be effective, such measures should be interconnected with the company's overall compliance framework. For specific guidance applicable to the suppliers/vendors, including their obligations to Fibo, please refer to the Supplier Code of Conduct.

This manual is a set of procedures for Fibo's staff, including procurement, to deal with Partners during contract negotiations and vetting/acceptance. It does not replace the Supplier Code of Conduct, but acts as a Manual to Fibo.

This manual applies to all companies within the Fibo Group ("Fibo") and all employees (permanent and temporary), managers, executive officers, and members of the board of directors ("employees").

With regard to business partners, this Manual applies to those who represent Fibo or act on its behalf, such as consultants, agents and certain service providers and suppliers. This manual does not apply to business partners acting independently of Fibo.

Together with the Code of Conduct and Supplier Code of Conduct this Manual is a part of Fibo's governing documents, providing key principles and requirements to reflect and implement Fibo's zero tolerance against corruption and bribery.

In addition, applicable local law shall also be followed.

1. Fibo and its Partners shall oppose any attempt of extortion or solicitation and encourage to report such attempts through available formal or informal reporting mechanisms, unless such reporting is deemed to be counter-productive under the circumstances.

2. Fibo and its Partners shall also make their anti-corruption policy known to all agents and other intermediaries and make it clear that all activities carried out on their behalf are expected to be compliant with their policy. More particularly, they shall take measures within their power to ensure:

a) that any payment made to any agent represents no more than an appropriate remuneration for legitimate services rendered by such agent;

b) that no part of any such payment is passed on by the agent as a bribe or otherwise in contravention of this Manual, Fibo's Code of Conduct and Supplier Code of Conduct;

c) that agents agree explicitly not to pay bribes. Partners shall include in their contracts provisions to terminate agreements with agents if a bribe is paid, except for agreements with agents performing routine administrative or clerical tasks;



d) that a record of the names, terms of employment and payments to all agents who are retained by them in connection with transactions with public bodies, state or private enterprises is maintained. This record should be available for inspection by auditors and by appropriate, duly authorized governmental authorities under conditions of confidentiality.

3. Contract between Fibo and the Partner shall have a reference to Fibo Supplier Code of Conduct, which sets forth obligations to the Partner in its relationship with Fibo. The contracts shall include clauses covering:

General compliance: A clause requiring both parties to commit to complying with all applicable laws and regulations, including but not limited to data protection, anti-corruption, and anti-money laundering laws.

Audit rights: A clause that enables the auditing of relevant records belonging to Devion if there is credible evidence that suggests the latter might have breached anti-corruption laws in its provision of services.

Termination rights: A clause that enables the termination of the business relationship in the event of a suspected or actual breach of anti-corruption laws in connection for the business relationship, which could potentially incriminate a contracting party.

4. Fibo and its Partners shall read, sign and commit to Fibo's Supplier Code of Conduct, which sets forth following provisions, among others:

Partners shall only make contributions to political parties, party officials and candidates in accordance with applicable laws, and all requirements for public disclosure should be fully complied with. The amount and timing of political contributions should be reviewed to ensure that they are not used as a subterfuge for bribery.

Partners shall take measures within their power to ensure that their charitable contributions and sponsorships are not used as a subterfuge for bribery. Charitable contributions and sponsorships should be transparent and in accordance with applicable law.

Partners shall establish reasonable controls and procedures to ensure that improper political and charitable contributions are not made. Special care should be exercised in reviewing contributions to organizations in which prominent political figures, or their relatives, friends and business associates are involved.

Partners shall establish procedures covering the offer or receipt of gifts, hospitality or expenses in order to ensure that such arrangements (a) are limited to reasonable and bona fide expenditures, and (b) do not improperly affect, or might be deemed to improperly affect, the outcome of a procurement or other business transaction.

Partners shall not make facilitation payments. In the event that facilitation payments cannot be eliminated entirely, controls and procedures shall be established to ensure that their use is limited to small payments to low-level officials for routine actions to which the enterprise is entitled. The need for the continued use of facilitation payments shall be reviewed periodically with the objective of eliminating them as soon as possible.



The foregoing provisions should be applied to all Partners, including their agents or other intermediaries used by the Partners to obtain orders and permits, including sales representatives, customs agents, lawyers and consultants.

Fibo and its Partners shall:

- a) provide guidance and training in identifying and avoiding bribery or extortion in the daily business dealings of the enterprise;
- b) properly document risk-based due diligence pertaining to the hiring, as well as the appropriate and regular oversight of business partners;
- c) offer confidential channels to raise concerns, seek advice or report violations without having to fear retaliation;
- d) inform business partners of the company's commitment to abiding by laws on the prohibitions against foreign bribery, and of the company's ethics and compliance programme or measures for preventing and detecting such bribery;
- e) include disciplinary procedures to sanction misconduct;
- f) apply to all levels of the Group, including controlled subsidiaries, foreign and domestic; and
- g) seek a reciprocal commitment from business partners.

5. Business Partner Due Diligence and Risk Assessments

Anti-bribery laws prohibit improper benefits, whether given directly or indirectly. Accordingly, it is essential that all employees and others acting on behalf of Fibo exercise a high degree of care when interacting with third parties.

Third parties are defined to include its customers, suppliers, agents, brokers, lobbyists, intermediaries, consultants, recipients for sponsorships or donations, joint venture partners as well as potential targets for merger and acquisition activities. Fibo will only be associated with third parties who adhere to similar anti-corruption and ethical standards as its own. To ensure this, risk-based Business Partner risk management efforts shall be adopted.

These efforts shall include an annual corruption risk assessment of all third parties and additional measures towards higher-risk third parties, such as pre-contractual integrity due diligence and post-contractual monitoring.

a. Step 1: Risk assessment

Fibo shall conduct a corruption and sanctions risk assessment regularly. This assessment shall cover all parts of Fibo's business operations and take into account all types of risk, both internal and external. The risk assessment can be integrated with the product or country risk assessment performed by Fibo.

The risk assessment shall generally consist of a review of the organization, including its context. This process allows the organization to identify potential areas in which it may, directly or indirectly, engage with EU or US OFAC-prohibited persons, parties, countries, or regions.



As a rule, a new risk assessment shall be made in the event of major changes in the business environment, development of new products, entry into new markets and any restructuring of the business, including acquisitions. The risk assessments shall be based on the following principles:

- The routine for risk management includes aggregation / consolidation of risk factors from different parts of the business into a comprehensive and overall risk assessment.
- Output from the risk assessments is used as a basis for preventive systems and revealing controls.
- Results from the annual/new risk assessment are reviewed by the Board.
- Based on the results, Fibo's anti-corruption program is scaled and/or updated according to the company's risk profile.

b. Step 2: Integrity Due Diligence and screening

Individuals or entities (and any party being represented, if applicable) shall be screened using a sanctions screening tool (e.g. World Check Thomson Reuters or Dow Jones Risk Center, or directly in US and EU sanctions lists) and/or using the following:

1. the Consolidated List of Persons, Groups and Entities subject to EU financial sanctions at: https://eeas.europa.eu/headquarters/headquarters-homepage_en/8442/Consolidated%20list%20of%20sanctions
2. the US Office of Foreign Assets Control Sanctions List Search at: <https://sdnsearch.ofac.treas.gov>
3. any similar list covering sanctions targets under local law.

Records of screening results shall be maintained in order to evidence trade sanctions compliance measures.

An integrity due diligence shall be conducted before engaging new Business Partners who will represent Fibo or act on its behalf. The objective is to gather information on integrity and compliance risks associated with the potential Business Partner, to the extent accessible or disclosed. Fibo may engage external service providers to perform integrity due diligence.

A Business Partner shall not be engaged if such engagement will expose Fibo to levels of corruption, integrity and compliance risks that are deemed as inappropriate.

Due diligence is to be performed prior to entering into a business relationship and all relevant third parties should contractually agree to comply with applicable anti-bribery laws and this manual.

At a minimum, all new counterparties shall be asked for complete identifying information, including full name, country of residence, and address. If the individual is an agent or representative, a power of attorney shall be requested, including full identification of the represented individual or entity.

Before entering into a contract, due diligence is carried out in order to reveal the ultimate beneficial owners (UBOs), whether there are reputational challenges associated with them and / or whether there are government officials (politically exposed persons) who are affiliated and / or they are involved in terrorism or are subjects to any international sanction lists.



Norwegian Anti-money laundering (AML) legislation (ref. "Hvitvaskingsloven") sets a threshold for a UBO as a physical person controlling at least 25% of shares in the company, directly or through another entity (hence having at least 25% in total through various entities), where his/her controlling stake shall also be not less than 25 %. In some EU countries, the threshold is 15 %. Fibo defines UBOs as persons controlling, directly or indirectly, at least 15 % shares in the company, thus covering both Norwegian and the various EU standards. Fibo is not an obliged entity according to the Norwegian AML-legislation, but will use the same threshold as set out in the law.

Completed integrity due diligence is updated regularly so that changes and new information are taken into account.

c. High-risk countries

If a Business Partner is not located, owned or controlled in the Red or Yellow list country (see Annex 1) and database screening in Step 2 does not return any findings, no further due diligence is required unless suspicious behaviour is exhibited. This may include reluctance of a business partner to provide information about itself, indications that the business partner is acting on behalf of an undisclosed Business Partner, requests for unusual contractual terms or payment arrangements, or other risks or reputational concerns that are known by Fibo.

Notwithstanding sanctions database screening results (Step 2), all business partners that are located, incorporated, owned or controlled in a Red or Yellow list country (see Annex 1) are classified as high-risk.

Red list: Operations, transactions or contractual agreements with parties domiciled or controlled by parties domiciled in red jurisdictions, are prohibited.

Yellow list: Fibo and its business partners shall exercise extra degree of due diligence towards organizations or individuals situated in those countries.

If the business partner's shareholders are not individuals, the legal name and nationality for each ultimate individual owner who holds 50% or more shares shall be requested.

d. Site inspections

For third parties registered in Yellow list countries or other countries determined as high-risk countries, site inspections shall be considered to be conducted regularly. During site inspections, a detailed log of findings shall be kept and analysed after the site visit, and shall record all deviations from requirements imposed by Fibo under the contract and the Fibo Code of Conduct.

See: <P:\Supply Chain\ESG\Transparaency Act\Fibo's Due Diligence Corporate Screening.docx>

6. Transparency and disclosure

All financial transactions shall be properly and fairly recorded in appropriate books of account available for inspection by boards of directors, if applicable, or a corresponding body, as well as auditors.

There shall be no "off the books" or secret accounts, nor may any documents be issued which do not properly and fairly record the transactions to which they relate.



Fibo and its Business Partners shall take all necessary measures to establish independent systems of auditing, whether through internal or external auditors, in order to bring to light any transactions which contravene this Manual. Appropriate corrective action must then be taken.

Fibo and its Business Partners shall comply with all provisions of national tax laws and regulations, including those prohibiting the deduction of any form of bribe payment from taxable income.

Employees who suspect that a violation of anti-bribery law has occurred at Fibo are required to follow the standard reporting process or the reporting process described in the Whistleblowing Policy.

Ref [P:\Supply Chain\ESG\Transparaency Act\Procedure on the Transparency Act June 2022 - PortCo Standard - EN.docx](#)

7. Responsibilities

The board of directors or other body with ultimate responsibility for the organization, shall:

a) take reasonable steps to ensure compliance with this Manual, including:

- making resources available and supporting management in implementing the corporate policies reflecting them;
- establishing and maintaining proper systems of control and reporting procedures, including independent auditing;

b) sanction violations and take appropriate corrective action; and

c) make appropriate public disclosure of the enforcement of the anti-corruption policies or codes.

The audit committee of the board or other body with similar responsibility shall conduct regular independent reviews of compliance with this Manual and recommend corrective measures or policies as necessary.

Compliance with this Manual and the related internal controls, ethics, programmes and measures is the duty of individuals at all levels of the company.

Appendix

1- High-Risk Countries/ Territories

2- Fibo's Code of Ethics



ANNEX 1: High Risk Countries/Territories

A. Red List - strictly prohibited

- Cuba
- Russia
- Iran
- North Korea (DPRK)
- Syria
- Sudan
- Venezuela
- Crimean Peninsula

B. Yellow List - extended controls

- Afghanistan
- Algeria
- Belarus
- Burkina Faso
- Burundi
- Central African Republic
- People's Republic of China (PRC)
- Democratic Republic of Congo (DRC)
- Egypt
- Eritrea
- Guinea
- Guinea-Bissau
- Haiti
- Iraq
- Ivory Coast
(Côte d'Ivoire)
- Lebanon
- Libya
- Mali
- Myanmar (Burma)
- Nigeria
- Nicaragua
- Oman
- Pakistan
- Qatar
- Somalia
- South Sudan
- Turkey
- Turkmenistan
- Ukraine
- Yemen
- Zimbabwe