

Compliance Policy

Cosentino UK Limited

SUPERVISED BY
Compliance Body
Date: 11.12.2022

APPROVED BY
Board of Directors Cosentino Uk Limited
Date: 12.12.2022

1. Introduction

Cosentino UK Limited ("**Cosentino UK**") and its affiliates are committed to complying with all applicable laws and upholding the Group's core values. As a UK based company, Cosentino UK is required to comply with various compliance laws and regulations, some of which have extra-territorial application.

Although it is not expected that the listed areas of risk will be common in the day-to-day activities of Cosentino's UK employees, it is important that we are aware of them as violating them could subject Cosentino to significant penalties, reputational damage and other business disadvantages.

This document sets out the key areas of UK law that Cosentino UK must comply with and sets out rules, principles and guidance which are designed to ensure compliance with these laws.

2. Anti-financial crime

Bribery and Corruption

The UK Anti Bribery Act 2010 ("**UKBA**") contains the UK's broad anti-bribery and corruption regime. It is important to remember that this legislation has extra-territorial effect, meaning that an offence may still be committed by someone with a close connection with the UK (e.g. a UK citizen or resident or a UK entity such as Cosentino UK) and punishable in the UK even if the activity took place outside of the UK.

Bribery is the act of offering, promising, giving or accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

Corruption is the abuse of entrusted power for private gain. If a Cosentino UK employee or a third party acting on behalf of Cosentino UK acts in a corrupt or improper way Cosentino could be subject to severe penalties for dealing with the third party, suffer reputational damage and other business disadvantages.

It is not acceptable for Cosentino UK employees or third parties acting on behalf of Cosentino UK to be engaged in corrupt practices. Thus, they must:

- (a) Never offer, promise or give any gift, payment or other benefit to any person (directly or indirectly), to induce or reward improper conduct or illegitimately influence any decision by any person to their or Cosentino's advantage;
- (b) Never solicit, accept, agree to accept or receive any gift, payment or other advantage from any person (directly or indirectly) as a reward or inducement for improper conduct or which influences, or gives the impression that it is intended to influence, decisions of Cosentino;

- (c) Never make facilitation payments (directly or indirectly) with regard to Cosentino UK business;¹ and
- (d) Maintain effective controls to ensure that improper payments are not offered, made, solicited or received by third parties performing services for or on their or Cosentino UK's behalf.

As a company we seek to build relationships with customers through regular face-to-face meetings, exhibitions, trade shows, among other settings. It is therefore important that any gifts, entertainment or travel that is provided at these events are legitimate and do not appear as though Cosentino UK is trying to obtain an unfair business advantage.

Not only may there be personal liability for the individual involved, but under the UKBA, Cosentino as a corporate entity may be liable for failure to prevent bribery by an associated person. The definition of associated person is very broad and includes employees, intermediaries and agents.

Gifts and Entertainment

Cosentino UK recognises that that the occasional offering or acceptance of business-related gifts and entertainment is a legitimate business practice and can help create new business opportunities as well as strengthen existing ones. In our Code of Ethics we have committed to offer and accept gifts in a way that does not influence ours or third parties judgments in an improper way.

We must ensure that we follow our Code of Ethics and Travel Policy in respect of receipt and provision of gifts and entertainment. Specifically, employees may accept gifts of EUR 30 or less but otherwise must obtain requisite supervisor approvals. All records related to gifts and entertainment must be maintained in accordance with Cosentino UK recordkeeping requirements.

Conflicts of interest

In our Code of Ethics we have committed to carrying out our business activity free from any conflict of interest or appearance of a conflict of interest.

The main type of conflicts of interest include but are not limited to:

- (a) Family or personal relationships that you have that are relevant to Cosentino UK (e.g. within the company, at a supplier or customer);
- (b) Financial interests that you or a close relative hold that is relevant to Cosentino UK (e.g. in a competitor, supplier or customer); and
- (c) Commitments or obligations to third parties that may impact your employment at Cosentino (e.g. outside employment including charitable or not-for-profit organisations).

¹ Facilitation payments are small payments made to smooth or speed up performance by a low-level official of a routine action to which the payer is already entitled. They are illegal in most countries. In the UK it is a crime for persons connected with the UK to make facilitation payments abroad.

If you have any questions about a potential conflict of interest you should contact the Ethics Committee who can confirm whether they view a potential conflict existing and set out any mitigations to be taken.

If you believe that you have a conflict of interest, in addition to checking with the Ethics Committee, you should review the Procurement Procedure and notify your line manager.

3. Anti-money laundering

In our Code of Ethics we have committed to not be involved in any money laundering activities and to ensure that our employees are trained in the relevant legal obligations that apply to them.

Under UK anti-money laundering laws and regulations it is a crime for any person or company to engage in transactions involving assets which they know, suspect or have reason to suspect are derived from crime. Breaching anti-money laundering laws can result in both corporate liability and personal consequences.

This involves ensuring that Cosentino UK employees are aware of and adhere to the UK's terrorist financing laws² and anti-tax evasion laws.³ Cosentino UK employees must ensure that all third parties comply with anti-money laundering, terrorist financing and anti-tax evasion laws and regulations in the countries where they operate and be open and transparent with authorities.

To reduce the risk of potential money-laundering violations, Cosentino UK employees should make sure to adhere to our know your customer policies and screening procedures when performing their roles.

Cosentino UK employees should promptly refer suspicious transactions or activity by any customer or supplier that may constitute money laundering to their line manager or through the confidential whistle-blowing channels.

4. Customs, sanctions and export controls compliance

Cosentino UK engages in import and export activity into and from the UK. Such activities must comply with applicable customs, sanctions, and export control laws.

Customs laws require us to import products in compliance with UK law including accurately declaring the customs classification, value, and country of origin.

Sanctions, trade embargos, export control or other trade restrictions are political trade tools, imposed by individual countries or supra-national bodies, such as the United Nations and the UK, with the aim of changing the behaviour of the target country's

² The UK has broad terrorist financing laws that attempt to prohibit terrorist groups trying to use legitimate businesses, from retail outlets to distribution or financial service companies, to finance their networks or otherwise move illicit funds. We risk inadvertently breaching anti-terrorist financing measures if we deal with such businesses, organisations or individuals.

³ The UK has broad and wide-ranging extraterritorial anti-tax evasion legislation which create corporate liability for Cosentino if it fails to prevent the facilitation of tax evasion by an associated person.

regimes, individuals or groups in a direction which will improve the situation in that country.

The UK has one of the most globally active sanctions regime which is both domestic and global in its application and also enforces export controls on a range of goods and technologies. Cosentino UK's sanctions and export controls compliance risk is low because it has limited exports and its goods are not controlled. Cosentino UK does conduct due diligence on suppliers which furthers its sanctions compliance.

Breaching sanctions and export controls carries serious penalties, including fines and potentially even criminal sanctions. Therefore, we must ensure that we do not engage in any transactions with restricted territories or parties.

5. Reporting improper behaviour

If you are concerned about any potential wrongdoing at work, you should report it through our completely confidential ***Ethical Channel***.

This may include:

- (a) Facts or circumstances that imply legal non-compliance or an infraction of the Code of Ethics, Conduct and Regulatory Compliance or this policy;
- (b) Any fact or activity that the employee considers inappropriate; or
- (c) Any fact or activity that could suggest illegal activity or result in legal liability for the company.

You may report through:

- (a) The Ethical Channel on Cosentino's website and intranet <https://www.cosentino.com/en-gb/ethical-channel/>.
- (b) The Compliance Body getting in contact at «ethics-channel@cosentino.com» or by phoning to any of its members; or

6. Communication of policy and training

All employees will be supplied with a copy of this policy upon beginning of their employment with Cosentino UK and will be asked to review and sign an acknowledgment regarding this policy. Updates of this policy may be provided from time to time. Employees will receive periodic training on this policy and related compliance procedures of Cosentino UK. For example, during New Hire Streaming Weeks, the People Department will inform new hires about this policy and related compliance procedures.