



JACOBS DOUWE EGBERTS

ANTI-BRIBERY AND CORRUPTION

7/15/2021 / Version 4.5

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Global Accountable: Regional Presidents and
President Professional
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Local Responsible¹: Finance Director
Local Accountable²: General Manager
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1. INTRODUCTION AND PURPOSE

This Anti-Bribery & Corruption Policy (“ABC Policy”) describes the mandatory requirements and responsibilities for complying with laws that prohibit bribery and corruption in the conduct of (inter)national business. The ABC Policy forms an integral part of the JACOBS DOUWE EGBERTS group of companies (hereinafter referred to as “JDE”) Governance and Compliance Framework and builds on the JDE business principles.

JDE prohibits and sanctions the offer to pay, or the payment of bribes and facilitation payments including turning a blind eye to your suspicions of bribery, facilitation payment or corruption. In most countries where JDE operates, bribery and corruption are crimes and penalties can be severe, including prison sentences and large financial penalties both for JDE and individuals.

Since bribery and corruption risks, and JDE liability do not correspond to the amount of the business (to be) conducted, JDE uses a risk-based approach to reveal the risk properly, and make justified decision on engaging, or rejecting any cooperation with such a Third Party.

Basic Principles and Main Risks in the Anti-Bribery and Corruption area defined in Part A of this Policy. Part B of the Policy guides through the Risk Assessment and Screening Processes. The Company is committed and expects its associates and all Third Parties to be committed to conducting its business ethically and in compliance with all applicable laws and regulations. This includes compliance with ABC Laws. To help you communicate such expectations, you are encouraged to provide the Third Party with a copy of Part A of this Policy.

The purpose of this policy is to explain applicable laws and regulations, and to instruct on adequate procedures preventing bribery and corruption, as well as to emphasize JDE strong commitment to conducting its business with honest and integrity.

If there are any questions, or an interpretation is required to this Policy, the Local Compliance Officer must be consulted. This ABC Policy is available on JDE intranet.

¹ *Local Responsible* is the functional Director or Manager.

² *Local Accountable* is the General Manager or Country Manager or Commercial Director as appropriate



2. POLICY SCOPE

The ABC Policy contains the standards of conduct and practices that apply to all our business transactions and Third Parties acting with or on behalf of JDE, as well as to the individual behavior of our associates.

For the joint ventures or other partnerships where JDE participates as a non-controlling shareholder, JDE Anti-Bribery & Corruption principles should be promoted, with commitment of respective joint-venture or partnership to adopt a similar policy.

By implementing respective Anti-Bribery & Corruption contract clauses, JDE will ensure its advisers, agents, distributors, suppliers, and other Third Parties as defined below in this Policy, acknowledge and commit to JDE principles in this area.

POLICY

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3. DEFINITIONS AND ABBREVIATIONS

- **Anti-Bribery and Corruption Laws and Regulations (ABC Laws)** - anti-bribery and anti-corruption laws such as the Foreign Corrupt Practices Act, UK Bribery Act, as well as all other applicable legislation and global standards (i.e. OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions), in the countries where JDE either directly or indirectly operates.
- **Associate** – officer, director, or employee of JDE, both permanent and on temporary basis
- **JDE** – parent company of JACOBS DOUWE EGBERTS Group of companies headquartered in Amsterdam, the Netherlands, and all its subsidiaries and any other controlled entities (control hereby means direct or indirect ownership or control of more than 50% of shares)
- **Third Party** – any individual, company, or other entity acting with, or on behalf of JDE. This includes, but not limited to, advisers, agents, customers, distributors, suppliers
- **Official** – an officer, or employee of an international, national or local governmental body or non- governmental organization, or an employee of an organization (including commercial) controlled by such body; this also applies to any third party that is recommended by Official
- **Bribery** - an inducement or reward offered, promised or provided in order to influence a business outcome. A bribe can be anything of value or any type of advantage, financial or otherwise. Bribes can take many forms including money, certain gifts and hospitality, job offers, holiday, charitable or political contributions



- **Initiator** – JDE Associate responsible for starting business with a Third Party (both customers and suppliers), including its screening and setting up in JDE systems

4. BASIC PRINCIPLES AND MAIN RISKS

4.1 What is bribery

Bribery and corruption can be direct, or indirect through Third Parties like suppliers, contractors, agents, intermediaries or other associated persons acting on behalf of JDE. Such party can be either a commercial organisation or Official.

Bribery also includes facilitation payments even though in some countries facilitation payments are legal. Facilitation payments are payments to induce Officials to perform routine functions they are otherwise obligated to perform, such as issuing an exit visa or clearing shipping documents for importing goods.

Note that for a liability to arise, a payment does not need to occur, an offer, authorization or promise to pay bribery is sufficient.

Bribery and corruption risks typically arise in the following areas:

- Gifts, entertainment & hospitality ([chapter 4.2](#))
- Recruitment ([chapter 4.3](#))
- Money laundering ([chapter 4.4](#))
- Interaction with Officials ([chapter 4.5](#))
- Sanctions ([chapter 4.6](#))

4.2 Gifts, Entertainment & Hospitality (GEH)

GEH should never be used to obligate or appear to obligate you or JDE or influencing any business purpose of JDE. The intention behind the gift and the effect should always be considered. As a general principle, JDE discommends its associates to accept GEH from Third Parties. Notwithstanding this, JDE recognizes that the occasional acceptance or offer of GEH may be a legitimate contribution to good business relationships. JDE associates may give or receive nominal gifts, entertainment and hospitality in accordance with the guidelines described in [JDE Gifts, Entertainment & Hospitality Policy](#) (hereinafter “GEH Policy”).

Prohibited GEH

In connection with JDE business, following GEH are prohibited for offering or acceptance:

- Illegal under local law or under ABC Laws
- GEH (including travel-related expenses) for Officials
- Unsavoury, sexually oriented or offensive
- Cash, Cash vouchers or cash equivalents
- Loans
- Events or meals where the Third Party is absent
- Per diem payments offered as an alternative to gifts, meals, or travel-related expenses (unless required by contract or local government regulation).

Please follow [GEH Policy](#) guidance for accepting and offering GEH.

Charitable Contributions

For the purpose of this and other JDE policies, a charitable contribution is a grant and/or other organizational support made in cash or in-kind such as products, used fixed assets or services, typically for charitable purposes (a Donation). Donations must never improperly influence a business outcome and must always be contributed to a legitimate organization and not to any individual.

JDE does not allow associates to give Donations on behalf of JDE. JDE may offer Donations under the terms as set forth in the [GEH Policy](#).



Facilitation Payments and kickbacks

Facilitation payments are payments to induce Officials to perform routine functions they are otherwise obligated to perform, such as issuing an exit visa or clearing shipping documents for importing goods.

Kickbacks are typically payments made in return for a business favour or advantage.

Facilitation payments and kickbacks are illegal under ABC Laws and are against this Policy. No JDE Associate or Third Party acting on behalf of JDE may willingly offer to make or make facilitation payments or kickbacks. For example, you must not pay a Customs Official personally (directly or indirectly) anything of value to avoid full compliance with applicable customs law and regulation. For more tips on the relevant areas compliance, see [JDE Customs and Trade Law Policy](#).

We recognize that our businesses might be confronted with situations in which an Official refuses to take an essential action (e.g., issue a visa or provide a customs form) unless a facilitating payment is executed. As stated previously, you are not permitted to make a facilitating payment. In case of any doubts, please consult with the Local Compliance Officer. You are expected to understand and follow the requirements as defined in this Policy. If you violate this Policy, you may be disciplined, up to and including the loss of your job.

Records

All Associates must keep a written record of all GEH accepted or offered that exceed allowed value limits. These should be accompanied by receipts in conformity with GEH Policy and the reason for expenditure, to evidence the business reason for making / receiving GEH.

4.3. Recruitment

At an early stage in the process of recruiting, it must be determined whether a candidate is an Official or related to an Official and, if so, any related issues or concerns must be addressed. The recruitment of an Official or relative of an Official could be viewed as a favour or advantage potentially constituting bribery.

In case a candidate is recognized as Official, the recruiting person must inform HR Director who will further discuss with the Local Compliance Officer on how to proceed and what (mitigating) actions need to be considered.

4.4. Money Laundering

What it has to do with JDE business?

Money laundering is the process of using the legitimate financial and economic system to convert illegally gotten funds into what appear to be legitimate funds. This process involves hiding the source of illegally gotten funds.

For example, a person might illegally sell drugs in exchange for cash and then purchase consumer goods with the illegally gotten cash. When he purchases the consumer goods, the illegally gotten cash passes into the hands of the seller and into the legitimate economic system. The cash is considered "laundered," because the original, illegal source of the money is disguised. The money launderer then can resell consumer goods and deposit the proceeds of this second sale into his bank account, where he would be able to access them.

Money laundering is illegal. Sellers that accept illegally gotten cash can be held responsible for facilitating or conspiring to commit money laundering. Because we sell large quantities of consumer products for large sums, we need to take sufficient steps to be sure that we are not accepting illegally gotten funds and violating money laundering laws.

Money laundering risks can occur when making or receiving payments. This means that all associates within Sales, Finance, or any other function involved in selecting or screening Third Parties must be aware of this ABC Policy requirements.

Money laundering risks can be present, for example, when a customer requests making an exceptional cash payment for a single order, or when a vendor asks JDE Associate to pay to another third party.

Initiator should accurately describe the nature and source of all payments in JDE books and records.



Acceptable payments

To mitigate money laundering risks, we only accept forms of payment for which JDE can connect its customers to their banks. Banks have money laundering protection procedures in place. These types of payments are allowed, and preferred in descending order:

- A wire transfer from an account in the customer's name;
- A check from an account in the customer's name;
- A cashier's check from a financial institution located in the country in which the customer is located;
- A bank draft from a financial institution located in the country in which the customer is located; or
- Cash, but only in limited situations when (a) it is permitted under local law, and (b) the nature and scale of the customer's business and local conditions make it impossible (or so impractical as to be virtually impossible) to make the payments in a different form, and appropriate controls are in place to ensure that the payments are properly documented and tied to specific documented sales

Payments from / to other parties

You may not accept a payment from another party, i.e., someone other than the person or entity to which JDE has sold goods. This rule does not apply, however, to the following instances:

- Payments received from a shared services centre processing invoices on behalf of commonly owned companies, or from a centralized purchasing organization ("CPO") purchasing on behalf of its wholly owned subsidiaries or member organizations where JDE products are shipped directly to the CPO's wholly owned subsidiaries or member organizations;
- Payments received from a wholly owned subsidiary of a CPO, when the CPO purchased JDE products on behalf of the wholly owned subsidiary; or
- Payments received from a member organization of a CPO, when the CPO purchased JDE products on behalf of such member organization.

You should have documentation in your possession to validate the exceptions.

You are not permitted to send payments to any other than the entity with whom we have contracted for goods or services. All payments to our suppliers must be supported with an invoice, contract or other legal document that demonstrates that the payment going out will be received by the contracted Third Party.

How to handle overpayment?

You should avoid and discourage customer overpayments. If you receive an overpayment, you should refund the difference immediately to the payer by the same means through which you received it. Paying a refund to any other party is forbidden. If a customer requests that you send its refund to another party, you are not allowed to execute this request. You should report the request to your Finance Director for your Business Unit or Function. If overpayments and refund to another party requests from a customer occur on a frequent basis or for significant monetary amounts, you should contact the Finance Director for your Business Unit or Function and make a notification using [JDE Alert line](#).

4.5 Interaction with Officials

Any type of business with [Officials](#), both direct and indirect, creates a significant bribery and corruption risk that requires comprehensive due diligence of all the parties involved.

Interactions with Officials may take place also via third parties (customs brokers, external advisers, resellers) and in various forms like:

- Rendering state services and taking required formalities
- Disputes, including litigation
- Selling JDE products
- Recommendation by Official to engage with specific third party
- Charitable donations

It is sometimes difficult to reveal if there is a governmental control over a third party that may exist as:



- More than 50% ownership
- Board control
- Voting control, incl. privileged shares, etc.

Initiator shall contact Legal Department to ensure a Third Party is properly qualified for the purposes of this ABC Policy.

For the purpose of this Policy Officials also includes Royal families, political parties and its representatives / members, as well as candidates.

4.6 Sanctions

It is the policy of JDE not to conduct business with countries that are fully embargoed by either the EU, the USA or the UN without the explicit approval by the CBM Governance Board (incl. Global Compliance Officer attendance).

The same restriction applies as to the export of goods, services and technology to denied/restricted persons, companies or entities.

The respective business unit needs to table the business opportunity incl. the Local Compliance Officer's assessment with the CBM Board for approval before conducting ANY business.

The business unit will ensure proper record keeping and audit trail.

For detailed guidance refer to [Annex B: Sanctions Compliance](#) to this ABC Policy.

What is expected of me?

a. Follow ABC Screening procedure

Before establishing a new relationship with a Third Party you must follow this Policy requirements on the ABC Risks check and, if needed, Screening process ([refer to Section 5 below](#)).

b. Monitor relationship

Being Initiator / account manager, you should:

- Ensure all relevant documents properly stored in the file;
- Identify any detrimental changes in the partner's business practices, questionable conduct, or suspicious transactions.

c. Notify country Finance Director

You must notify local Finance Director immediately when discovering any information that suggests that a Third Party may be involved in any illegal activity. It is expected to understand and follow the requirements relevant to this Policy. If you violate this Policy, you may be disciplined, up to and including the loss of your job.

d. Keep accurate books and records

The initiating function should accurately describe the nature and source of all payments in Company books and records.

5. ANTI-BRIBERY & CORRUPTION DUE DILIGENCE

Anti-Bribery & Corruption Due Diligence ("ABC Due Diligence"), as defined in [Annex A](#) to this ABC Policy, includes:

Step 1: ABC Risks check

In order to identify if a Third Party is subject for detailed ABC Due Diligence process, Associate shall check if it meets one of criteria (as further defined as "Key Risk Parameters). If no Key Risk Parameters met, JDE can engage with such Third Party from the Anti-Bribery and Corruption perspective.

Step 2: Screening process

If at least one of the Key Risk Parameters met, such Third Party shall be further screened by defining Risk Level and executing appropriate questionnaire. Screening process completes with a decision to engage or avoid cooperation with a Third Party.

ABC Risks check, and, if required, Screening process, shall take place prior to engaging a new Third Party.

It also applies to existing JDE partners as follows:

- on periodical basis (**each 2 years at least**);
- at any time when JDE becomes aware on the third party' changes that may trigger any of the Key Risk Parameters (i.e. acquiring state control, promoting wholesaler to a distributor).



Initiator is responsible for proper execution of both ABC Risks check and Screening process. For step-by-step guidance and relevant forms refer to [Annex A: ABC Due Diligence](#).

6. ROLES AND RESPONSIBILITIES

Global Compliance Council is responsible for approving this Policy and its revisions (GCC includes General Counsel, VP HR, CFO, Director Group Controls, Internal Audit Director, Global Compliance Officer)

Global Compliance Officer designs, assesses and reviews this Policy and annexes; responsible for global, and supports local implementation & trainings

Regional Presidents and President Professional are accountable for compliance with this Policy and applicable laws in their respective business units

Local Compliance Council is to ensure local execution of ABC compliance program, chaired by the Local Compliance Officer

The Local Compliance Officer is available to assist in interpreting the Policy and executing the ABC Due Diligence steps. You can also contact the Legal Department responsible for your business or function.

Local Management are responsible and accountable for and will sign off periodically through the Letter of Representation that:

- They (as well as their associates) have read, understood and complied with the Company's ABC Policy;
- They nominated relevant associates for ABC training and ensure that all nominated associates completed the relevant ABC training within the set timeframe;
- They (as well as their associates) reported suspected or known violation with the Speak up Policy.

7. DOCUMENTATION AND RECORDS KEEPING

The ABC Risks check, and Screening process should be properly executed, documented and stored with Third Party files. For High Corruption Risk Third Parties, decision shall include approval by Initiator's Manager and Local Compliance Officer. Initiator shall also store all the documents and information received from the Third Party that was evaluated when making decision on engaging with this partner.

Documentation should be available for accessing for control and audit purposes.

Initiator must ensure all contracts include the latest appropriate Anti-Bribery and Corruption Clauses. Please, contact your designated Legal Department for such clauses.

8. REPORTING SUSPECTED MISCONDUCT

When you are not sure what to do, ask and keep asking until you get an answer. However, you must always report potential or suspected policy violations or illegal activity. For more guidance, see [JDE Speak Up Policy](#).

What if I think someone has violated this policy?

If you have a reasonable basis to believe that violation of the law, violation of any Company policy or other unethical behaviour has occurred, the suspected activity should be reported by one of the following methods:

- a) Reporting the issue to your Manager (who is then obliged to escalate further);
- b) In case this relates to your Reporting Manager, contact your Local Compliance Officer, see the [Compliance Framework](#) on the intranet for further contact details;
- c) Reporting the issue directly to the central Compliance (by sending an e-mail directly to: ethics.compliance@JDEcoffee.com); or
- d) Reporting the issue to the Company's Alert line.

The Alert line is available when you may not feel comfortable talking to someone in person, if you would rather report it to an independent Third Party or if you prefer to remain anonymous.

To reduce the risk of financial and reputational loss, it is in the interest of JDE to have a complete central overview of all concerns reported. If you are aware or suspect that issues for some reason stuck with



local management and thus have not been reported to the Global Compliance, you are required to report this immediately by using the Alert line or Web line or send an email to ethics.compliance@JDEcoffee.com.

Can I be retaliated against for reporting a violation?

No. When you speak-up and raise concerns or report wrongdoing in good faith, you are doing the right thing and JDE will not tolerate any retaliation against you. You are encouraged to raise concerns about any suspicion of malpractice at the earliest possible stage. These should be raised in accordance with [JDE Speak Up Policy](#).

Are exceptions to this policy permitted?

You might be solicited to make a payment to ensure your physical safety (e.g., to avoid an imminent threat of bodily harm or unfounded detention not in accordance with local law) or to ensure the physical safety of another person ("Personal Safety Payment"). A Personal Safety Payment is a payment to protect personal property or JDE property unless necessary to ensure your physical safety (e.g., *your vehicle being taken at night in a high crime area that would then leave you exposed to physical danger*). Although Personal Safety Payments should be avoided if possible, they are not a violation of this Policy if absolutely necessary to avoid personal harm to you, your family, or a fellow associate. If a Personal Safety Payment is requested or made, you must immediately report the matter in conformity with [JDE Speak Up Policy](#).

HOW CAN I LEARN MORE?

You can visit the [Compliance Framework Intranet Site](#) to learn more about our Governance & Compliance framework and reporting mechanisms such as the Alert line.

If you have any questions about the interpretation of this policy, you should contact the Compliance Officer or Legal Department, and if needed contact Global Compliance at ethics.compliance@JDEcoffee.com.

ANNEXES

[Annex A: Anti-Bribery & Corruption Due Diligence process](#)

[Annex B: Sanctions Compliance](#)

[Annex 1: Corruption Risk Level Form](#)

[Annex 2: Medium Corruption Risk Level Questionnaire](#)

[Annex 3: High Corruption Risk Level Questionnaire](#)

DOCUMENT HISTORY

VERSION	EFFECTIVE DATE	CHANGES WITH RESPECT TO PREVIOUS VERSION
1.0	July 2013	New
2.0	July 2014	Updated and integrated integrity due diligence process
3.0	July 2015	Updated GEH policy, Updated integrity due diligence process, updated Speak Up procedures, Updated Corruption Level Risk Form ANNEX 1, Updated Questionnaires ANNEX 2 and 3.
4.0	November 2017	Splitting the Policy to the Basic Principles and Rules (Part A) and the Risk Assessment and Screening Processes (Part B + Annexes); Risk-based approach introduced



A COFFEE & TEA
FOR EVERY CUP

4.1	May 2020	Clarifying language on Sanction compliance approvals needed from CBM Governance Board
4.5	November 2020	Policy restructured and intended for public use; Due Diligence process separated for internal use; Annexes and Due Diligence questionnaires and forms revised