



Compliance Framework Policy Anti-Bribery & Corruption and Anti-Trust

Effective Date	Author	Owner	Approval	Last Review	Revise Date
November 2017	Iain Simm	Iain Simm			November 2018



Compliance Framework Policy

This Compliance Framework Policy has been adopted by DS Smith Plc (which together with its subsidiaries and affiliates is the "DS Smith Group") and applies to everybody who works for the DS Smith Group.

The Policy is obligatory and sets out those compliance processes in respect of Anti-Bribery & Corruption ("**ABC**") and Competition / Anti-Trust risk which must be implemented and followed by each company in the DS Smith Group. Please note that there is a separate compliance policy in respect of Tax Evasion, which can be found on Plexus. This Policy is to be read alongside DS Smith Group's:

- Code of Conduct
- Operating Framework
- Anti-Bribery & Corruption Policy
- Competition Law Compliance Policy
- Paper Sourcing Addendum to Competition Law Policy
- Gifts & Hospitality Policy
- Speak Up Policy
- ("the Anti-Bribery & Corruption and Anti-Trust Policies")

These policies will be assessed annually for any required changes and any changes will be put to the DS Smith Plc GOC and Board, for approval. Each Divisional CEO within the DS Smith Group is tasked with making sure that all companies within their division are compliant with this Policy.



1. Risk Procedures

- 1.1 As part of their ongoing risk assessment processes and in conjunction with the Risk and Insurance Group, each division must assess and identify those Bribery and Corruption and Anti-Trust risks that they encounter in their day to day operations. This will include an assessment of the level of risk associated with the countries in which they operate, and (i) in the context of ABC issues, any interaction with public and government officials and an analysis of typical entertainment and hospitality offered together with an assessment of its use of agents and (ii) in connection with Anti-Trust issues, any interactions with competitors in that country (including through participation in Trade Associations) and any potential anti-competitive practices.
- 1.2 The results of these risk assessments must be documented and must be reviewed at least annually by the Divisional CEOs, Divisional FDs and Divisional Legal Directors, to see if any processes or procedures within a business division need to be amended or improved, or enhanced training given in order to better counter the ABC or Anti-Trust risks faced by such business.

2. Board Commitment to the ABC & Anti-Trust Policies

- 2.1 The ABC & Anti-Trust Policies are issued by and may only be amended by the Board of Directors of DS Smith Plc on the recommendation of the Group CEO and Group General Counsel & Company Secretary as part of their continuing commitment of non-tolerance for breaches of ABC or Anti-Trust legislation within the DS Smith Group.
- 2.2 The ABC & Anti-Trust Policies will be posted on Plexus and the DS Smith Plc corporate website, so that they are available to our employees, customers and stakeholders. The accompanying Plexus and website wording will be reviewed annually.

3. Policies and Procedures

- 3.1 Checking of compliance with Group policies will be conducted by the Group Legal Team twice a year. This will include sign off by senior management of the full list of policies, confirming that they have been cascaded down to their direct reports and that they are not aware of any breach of such policies.
- 3.2 All employees with customer or supplier facing roles will also be required to complete forms confirming compliance with the ABC & Anti-Trust Policies twice a year.

4. Due Diligence

- 4.1 In respect of bribery and corruption risk, each division must carry out effective due diligence into the background of new customers and suppliers, particularly if the country in which they operate has an enhanced country risk of corruption. This should be reviewed in the light of the OECD risk table for countries, which is available



on the internet.

- 4.2 The ABC & Anti-Trust Policies must be communicated to suppliers and customers and suppliers will be expected to confirm their compliance with applicable ABC & Anti-Trust laws and with the ABC & Anti-Trust Policies in their contracts. This must take place at the outset of the contract and then be refreshed every two years. Suppliers should be asked to adopt a similar ABC & Anti-Trust approach with any suppliers down the chain from them in accordance with the Global Supplier Standards ([LINK](#)).
- 4.3 Due diligence for mergers and acquisitions must include a review of the ABC & Anti-Trust culture and compliance of the target. This will include background due diligence and appropriate representations and warranties in any sale documentation. If a Joint Venture is being contemplated then the Shareholder Agreement should contain provisions under which the shareholders agree to comply with the applicable law and the ABC & Anti-Trust Policies in carrying on the Joint Venture business.
- 4.4 Please note that even where only assets are acquired as part of an acquisition or merger, if prior practices of the acquired business which conflict with relevant laws are continued, then these will quickly become misconduct on the part of the DS Smith Group.
- 4.5 The rules and procedures for appointing, renewing and continuing a relationship with foreign agents must be followed, including background research into proposed new agents. These rules and procedures will be reviewed annually.

5. Training

- 5.1 Face to face training on ABC & Anti-Trust will take place with relevant management and personnel around the Group at least once every 2 years and on the acquisition of new businesses. E-learning tools will also be used to ensure that, together with face to face programmes, ABC & Anti-Trust training is given at least once each year. E-learning training will also be used as part of the induction process for relevant new employees and as part of the integration for newly acquired businesses.
- 5.2 Regular training will also be given on Anti-Trust law to the Paper Sourcing business.
- 5.3 A record of training undertaken together with materials presented will be kept by the Legal Team.
- 5.4 A report on ABC & Anti-Trust compliance will be made to the DS Smith Plc Audit Committee at least twice a year. This will be produced by the Group General Counsel & Company Secretary.

6. Group Internal Audit

Group Internal Audit will:-

- 6.1 Review the risk assessment performed by management to assess and identify the ABC & Anti-Trust risks faced by the Division, as well as the controls in place to mitigate these.



- 6.2 Review the methods of communication of the ABC & Anti-Trust Policies to customers and suppliers.
- 6.3 Ensure that Management are aware of their obligations around the twice yearly confirmation of compliance with Policies process.

7. Monitoring and Review

- 7.1 The monitoring and review of compliance with the ABC & Anti-Trust Policies will be carried out as set out above in this Policy.

8. Waivers and Amendments

- 8.1 Any waivers of the provisions of this policy may only be granted by the CEO or CFO.
- 8.2 This Policy and compliance with it will be the subject of review as part of the DS Smith Internal Audit Programme.