


Anti-corruption Code of conduct



A man with short brown hair and a light beard is smiling and looking down at a table. He is surrounded by three children: a young girl with curly brown hair in a bun, a young boy with dark skin, and a girl with blonde hair. They are all focused on painting small objects on the table. There are various paint containers and brushes on the table. The background is slightly blurred, showing what appears to be a classroom or daycare setting with shelves and a colorful poster on the wall.

Founded in 2003 in France, Babilou Family offers a network of 2,000 daycare facilities for children aged from 0 to 12 years old & currently located in **10 countries**. Babilou Family is dedicated to offering high-quality standards to each child and their families in order to contribute to a better world through education and care.

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Introduction

Foreword

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The trust families place in Babilou Family is vital for our mission of supporting children alongside their parents.

To uphold our commitment to ethical excellence, we have established a Code of Conduct that promotes our key values: respect, integrity, transparency and fairness.

These values are the basis of our corporate culture and must guide our everyday actions. They also ensure compliance with internal rules and legal standards, reinforcing our dedication to all stakeholders (children, families, employees, clients, suppliers...).

By supporting this process, you will contribute to our journey toward becoming a leader in early childhood education.

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Christophe FOND

Chief Executive Officer
of Babilou Family



SCOPE

This Code of Conduct is an integral part of Babilou Family's internal rules & guidelines. It can be consulted at any time on the Babilou Family website and handed over to all the Employees as soon as they take office. Each geography has to make sure that it is made enforceable towards employees according to local laws and regulations.

This Code of conduct is applicable to all Employees, regardless of their functions. All of them must comply with all of the obligations set out therein, under pain of penalties.

It is also up to the Employees to ensure:

- When selecting their suppliers, customers, service providers, intermediaries and, in general, all Babilou Family's co-contractors (hereinafter "Commercial Partners"), that they comply with the principles set out in this Code of Conduct;
- That all of the contracts concluded with the Commercial Partners stipulate relevant anti-corruption clauses.

This Code of conduct is not aimed to be exhaustive and is not intended to cover all situations that Employees may face.

It sets out the principles that should govern their decisions. It is up to everyone to read it carefully to apply the rules and to exercise judgement and common sense in the various situations that may arise.

In case of doubt or query, Employees are invited to contact their line manager or the Group Legal department (marievictoire.barsi@babilou-family.com) to obtain its opinion on the behavior to be adopted.

All Employees must conduct all their activities with integrity and ethics, regardless of local practices and customs and comply with all the anti-corruption laws and regulations of the countries in which Babilou Family operates, including the French Criminal Code and Law No. 2016-1691 of **9 December 2016**, known as the Sapin II Law, the Foreign Corrupt Practices Act, as well as all laws, codes, and regulations prohibiting corruption in Germany, the Netherlands, Belgium, Luxembourg, Switzerland, Colombia, the UAE, USA and Singapore.

I. Prohibition of corruption and influence peddling

Definition of corruption

The offence of corruption is provided for and punished in articles 432-11, 433-1, 435-1, 445-1 et 445-2 of the French Criminal Code

According to French regulations, corruption is defined as the act by which a person with a specific function, whether public or private, solicits/proposes or approves/assigns a gift, offer or promise, present or any other benefits, in order to perform, delay or omit to perform an act which directly or indirectly takes place in the course of his or her duties.

Corruption is referred to as public corruption when it involves persons performing a civil service (hereinafter "Public Official"). The concept of a Public Official must be broadly interpreted as referring to any person representing public authority, entrusted with a public service mission, vested with a public elected mandate or working in a state or public undertaking.

Any other person deemed to be a Public Official under the national law of a country in which Babilou Family is carrying on business shall also be qualified as a Public Official.

Corruption is private when it concerns individuals or legal entities (companies, associations) working in the private sector.

The breach of corruption is constituted by the mere promise of an undue advantage, even if this advantage is ultimately not given, or indirectly, through an intermediary.

Offences of active corruption (granting an undue advantage to a person) and passive corruption (the receipt of an undue advantage) are criminally punishable.

In practice, the following behaviors are particularly likely to be qualified as corruption:

Offering a good or benefit of any kind (gifts, incentives, money, purchase or discount vouchers, etc.) to an official to obtain an administrative authorization necessary for the opening of a new center;

Granting an advantage to a civil servant to obtain an incomplete inspection report;

Selecting a supplier that does not present the most favorable offer to Babilou Family in order to obtain a personal advantage in return (gift, trip, etc.);

Receiving a gift or any advantage from a Babilou Family customer in exchange for a reduction in billable nurseries hours;

Offering a gift or trip to an employee of a competing company in order to obtain confidential information about the positioning of the competitor.

In practice, the following behaviors are likely to be classified as influence peddling:

Offering or granting a gift or benefit to a relative or friend of a Public Official to use his or her influence over the Public Servant to obtain an authorization or license;

Giving a job to a family member of a Public Official so that administrative sanction proceedings against Babilou Family are abandoned;

Hiring a Public Official as a consultant to assist Babilou Family in obtaining permission to open a center.

Definition of influence peddling

The offence of influence peddling is provided by articles 432-11, 433-2, 435-2 & 435-4 of the French Criminal Code.

According to French regulations, influence peddling is defined as offering, requesting, accepting or giving any advantage to a person to abuse his or her actual or supposed influence with a view to obtaining distinctions, jobs, contracts or any other favourable decision from a public authority or administration.

It involves three players:

- The person providing benefits or gifts;
- The person who uses the credit he or she has because of his or her position;
- The person who has the decision-making power (civil servant, authority or public administration, magistrate, etc.).

Active and passive influence peddling offences are penalised by the French criminal code.



Criminal penalties for corruption and influence peddling

The commission of the offence of corruption or influence peddling may give rise to very serious penalties sanctions for Babilou Family and for the Employees involved, both in France and abroad.

For example, in France, the penalties are as follows:

- For individuals who have participated as perpetrator or as an accomplice in acts of corruption: 5 to 10 years imprisonment and 500,000 to 1,000,000€ fine or equivalent of double of the proceeds of the offence;
- For legal entities: 2,500,000 to 5,000,000€ or equivalent of ten times the proceeds of the offence, as well as additional penalties.

Prohibition of corruption and influence peddling with Babilou Family

Behavior likely to be qualified as corruption and influence peddling before a transaction is concluded, during its execution but also after, is strictly prohibited within Babilou Family. Employees undertake to comply with all anti-corruption laws and all rules set out in this Code of Conduct.

II. Rules to be followed and behaviors to be prohibited

Prohibition of facilitation payments

Facilitation payments are sums of money, low value, requested by Public Officials to obtain or accelerate the performance of certain administrative acts (processing of state documents, issuance of authorisations or permits, etc.).

Facilitation payments are strictly prohibited, notably by the United Nations Convention against Corruption of 2003.

All Employees undertake to:

- Collaborate with public authorities by providing them with accurate, accurate and complete information;
- Comply with public procurement regulations and to be particularly vigilant in their relations with civil servants or representatives of an administration, representatives of a local authority or a French or foreign organization;
- Never pay any sums of money to a Public Official (including low value), or offer it any advantage, directly or indirectly, which could in any way influence the manner in which it exercises its authority;

In case of doubt, the Employees are invited to contact their line manager or the Group Legal Department in order to obtain their opinion.

Example:

A Public Official asks a Babilou Family Employee to pay him or her a sum in cash to speed up the process of granting an administrative authorisation necessary for the opening of a center.

The Employee must formally refuse to pay the amount and immediately refer it to his/her supervisor.

It is also prohibited for an Employee to make a cash payment to a Public Official to speed up the formalities required to hire nursery staff in a foreign country.

Gifts and invitations

While offering a gift or making an invitation of low value may be considered as an act of courtesy in some countries, such an act may be confusing and considered a wrongdoing. That is why we need to be particularly vigilant.

It is strictly prohibited to offer a gift or any advantage or to make an invitation to a person in order to obtain an undue advantage or to exercise in an unjustified manner any influence on his or her actions or those of a third party.

Thus, it is, in any event, formally prohibited to:

- Pay or offer to pay any sum of money or offer a gift voucher to a Public Official or a Babilou Family Business Partner or receive any money or gift voucher from a Business Partner;
- Offer a gift or invitation to a Public Official;
- Offering a gift or invitation to a person for the purpose of obtaining, improperly, a consideration or influencing his or her decision or that of a third party (an administrative authorization on behalf of Babilou Family, etc.);
- Requesting or accepting a gift or invitation as consideration, reward or motivation to award a contract or select a Babilou Family Business Partner;
- Offering or receiving a gift or invitation during a tender phase or during the negotiation of a contract;

However, and in accordance with the above, gifts and invitations of nominal value may be offered or received, up to a maximum annual amount of 150€ per Employee.

In all cases, the Employee must keep written and accurate receipts of the gifts and invitations they offer and receive. In case of doubt or query about gifts and invitations, Employees are invited to inform their line manager or the Group Legal Department.

Example:

An Employee may receive from parents a chocolate box at the end of the year because it is a gift of reasonable value and an amount less than 150 euros offered during a period during which chocolates are traditionally offered.

This gift must not be made in return for an undue advantage such as reducing the amount of daycare.

A supplier of beds and hygiene products offers a champagne crate to a Babilou Family Employee while a call for tenders launched by the Group to renew its bed suppliers.

The employee must refrain from accepting this gift insofar as it is a gift of significant value that could lead the Employee to favour this supplier rather than another.

Donations, sponsorship and patronage

Babilou Family may be led to make donations, in particular to associations and may be required to carry out sponsorship and sponsorship activities.

Prior assurance of the reputation of the charity or sponsor should be ensured.

These donations and sponsorship activities may, in some cases, be carried out in order to obtain or offer an undue advantage; such practices may in this case be qualified as corruption.

Thus, Babilou Family expects each Employee to comply with the following rules:

- Donations and sponsorship activities are authorised subject to compliance with applicable laws and regulations, within the framework of the procedures applicable within Babilou Family;
- Donations and sponsorship activities must not be made to obtain or offer an undue advantage or unduly influence a decision;
- The gift must never be made to an individual or paid in cash.
- Donations and sponsorship activities must be authorized by the Legal Department of Babilou Family and be the subject of a sponsorship agreement duly validated according to the rules applicable within Babilou Family

Example:

A Public Official in charge of issuing permits to open centers asks a Babilou Family Employee to make a donation to his wife's foundation specialising in the education of young girls.

The Employee shall refrain from making such donation which could influence the Public Official and cause undue advantages to Babilou Family.

A Babilou Family Employee proposes to support a child protection association. The Employee must refer the matter to the Group Legal Department of Babilou Family and draw up a formal contract that will be validated according to the rules applicable within Babilou Family.

In any event, the contract must not be made with a view to obtaining an undue advantage in favour of Babilou Family.

In order to avoid any risk, the employee must ensure that checks are carried out on the reputation of the association.

The owner of a local football club suggests a Babilou Family Employee sponsor a sports event for young people. He explained that his sister works in the administration that grants the necessary licences to be licensed as a nursery, and that she will be able to help Babilou Family get approved.

The Employee must not accept this proposal which could unduly influence a Public Official in favour of Babilou Family.

Lobbying is defined as any activity designed to influence the decisions or directions of a government or institution in favour of a particular cause or expected result. In particular, it is a constructive and transparent contribution to the development of public policies on relevant topics related to the activities of a company or group. This contribution aims to enhance the reflection of public decision-makers.

Most Babilou Family lobbying operations are carried out via professional & local federations (Like 'FFEC' in France), of which legal entities of the Babilou Family group of companies are members. Other lobbying operations are conducted in person, or through consultants.

The border between lobbying and corruption is sometimes thin. Indeed, lobbying, while authorised in principle, becomes reprehensible and constitutes corruption when a person carrying out a lobbying activity offers or proposes to offer an advantage to a Public Official in order to encourage it to support legislation or activities that would be favourable to him or her.

All Employees undertake to:

- Demonstrate integrity, intellectual integrity and transparency in all relations with Public Officials, regardless of the situation or interest being defended;
- Provide reliable and objective information without seeking information or decisions by exerting any pressure;
- Not seek an undue favourable advantage or decision;
- Ensure that representatives of interests conduct their business in compliance with this Code of Conduct and the applicable regulations.

Example:

A member of parliament suggests that a Babilou Family Employee pay him a sum of money so that he can table an amendment reducing the administrative formalities of registration in a nursery.

The Employee must refrain from paying the sum and referring it to his/her supervisor.

A group of parliamentarians proposes to Babilou Family Employees that they participate in a discussion committee on religious signs in nurseries. Employees must seek the approval of the Group Legal Department and ensure that no undue advantage is sought by parliamentarians in this framework before participating.

A consultant located in a foreign country asks for remuneration to allow Babilou Family Employees to meet with the Minister of Education freshly elected to the new government, before other competitors meet him. Employees must refuse this proposal and refer them to the Group Legal Department.

Conflicts of interest

The conflict of interest refers to any situation in which the personal interests of an Employee (or those of an individual or legal entity to which he or she is related or close to) are contrary to the interests of Babilou Family.

Personal interest means interests that may affect or appear to affect the manner in which the Employee performs the duties and responsibilities entrusted to him/her by Babilou Family (Article 432-12 of the French Criminal Code).

Such a situation could, for example, occur if an Employee:

- Negotiates on behalf of Babilou Family a contract from which he or she, or one of his or her relatives, could draw a personal interest directly or through an intermediary;
- Holds a financial interest in a Business Partner or competitor of Babilou Family;
- Carries out a remunerated activity on behalf of a third party, for example, as an employee, consultant, agent, broker, etc.;
- Is in a relationship with a person working at a competitor of Babilou Family.
- Insofar as a conflict of interest can hide an act of corruption, it is essential that the Employees be vigilant about the occurrence of situations of conflicts of interest.

All Employees undertake to:

- Prioritise Babilou Family's interests by refraining from highlighting any personal, financial or family interest that could raise doubts as to their integrity;
- Inform their line managers and, where applicable, the Legal Department as soon as possible and in writing in the event of potential or proven conflicts of interest;
- Refrain from participating in the tasks and duties entrusted to them and likely to give rise to the conflict of interest, if any.

Example:

Babilou Family could use the services of a company specialising in the hygiene and household goods in nurseries that the wife of a Babilou Family Employee directs. However, in such a context, the Employee must declare this situation to his or her line manager and refrain from personally participating in the selection of the service provider, the call for tenders to be carried out by other employees.

An Employee may not enter into a contract with a company in which he or she is a shareholder without notifying the Babilou Family Legal Department and without having obtained the prior consent thereof.

Recruitment

The recruitment of an Employee could constitute an act of corruption Therefore, Babilou Family is granted an undue advantage by a third party in return for the hiring of a particular candidate, in particular in order to gain any advantage or influence on an administrative decision.

Therefore, Babilou Family expects each Employee to refuse the recruitment of an Employee if the Employee has as consideration the granting by a third party of any advantage whatsoever that it may come from a Public Official, a close relation to a Public Official or a private person.

Example:

An Employee must refuse the request of one of his clients to take his son on probation if he/ she does not have the required competence and to grant him remuneration higher than that provided for in the pricing schedules, as well as benefits such as a company accommodation, against the promise of entering into new contracts.

An Employee must refuse the hiring of a Public Official's wife in a nursery if such recruitment has an undue advantage.



Business Partners

The risk of corruption exists when Babilou Family is in a business relationship with various Business Partners in the framework of its professional activities.

Indeed, in many circumstances, a company may be held legally liable for acts of corruption committed by its Business Partner.

Within the framework of their activities, the Employees are in contact with many Business Partners, such as suppliers, real estate developers, intermediaries, customers, etc.

They act within this framework in accordance with the internal procedures in place at Babilou Family.

All Employees undertake to:

- Carry out due diligence related in particular to the integrity of the Business Partner adapted and proportionate to its particular situation (reputation and possible prosecutions in progress or prior, skills and resources in the required field, current or previous contractual relations with a Public Official, etc.);
- Select Business Partners impartially based on predefined and transparent criteria such as quality, service, cost, compliance with regulations, etc.

Any business relationship with a Business Partner must give rise to the conclusion of a written and signed contract. This contract must contain a clause attesting that the co-contractor undertakes to comply with all applicable regulations.

Payments made must always be lawful, in accordance with the terms of the contract and must correspond to appropriate remuneration and proportionate to the service provided. Payments must correspond to actual services (if applicable, subject to reports) and must systematically be invoiced.

All documents specific to the Business Partner's business must be kept, including after termination of the business relationship (contract, proof of service, invoices, payments, etc.) in order to facilitate any subsequent checks.

It is prohibited to:

- Make cash payments;
- Make payments to a person other than the signatory of the contract;
- Make payments in the absence of presentation of a supporting invoice that complies with the content of the contract;
- Make payments in a country other than that in which the service is performed, or in which Babilou Family or the Business Partner are established.

Example:

A local consultant proposes assisting Babilou Family with the administrative formalities of setting up nurseries. He explained that he is the cousin of the Minister of Education, whose services deal with these formalities. Employees must refuse to use their services.

A real estate developer asks an Employee for a free registration to the nursery for his son in exchange for the authorisation to set up a nursery in a Business Centre whose construction is to be completed shortly. The Employee must refuse this offer and refer it to the Group Legal Department.

A consultant proposes that an Employee provides him/her with confidential information about a company that the Group plans to acquire in exchange for the care of his/her child in a nursery located opposite his/ her home. The Employee must refuse this proposal, which is an undue advantage and refer it to his/her supervisor.

Acquisition, equity interests and joint ventures

Babilou Family is a growing group. As part of its development, the Group acquires companies that will be attached to it. When acquiring companies, acquisitions of assets relating to a full line of business, equity acquisitions, mergers or joint ventures, it is appropriate to ensure that the target or partner has not acted in a reprehensible way under applicable anti-corruption laws and complies with the applicable anti-corruption laws.

Indeed, following acquisitions, Babilou Family's civil, criminal or administrative liability could be incurred and may have significant commercial, financial and reputational consequences.

Example:

Babilou Family plans to acquire an interest in a foreign company that establishes nurseries in a foreign country.

Press articles suggest that the company paid bribes to a local government.

Employees and advisers required to work on the acquisition project must ensure the truthfulness of the allegations, conduct an anti-corruption audit of the company, and refer it to the Group Legal Department before any signature.

For this reason, it is appropriate to:

- Include an anti-corruption component in the due diligence processes in the framework of acquisitions, equity investments or joint ventures;
- Ensure that the target or partner complies with the applicable anti-corruption legislation;
- Insert anti-corruption clauses into all acquisition contracts;
- At the end of the operation, it is imperative that Babilou Family's anti-corruption compliance program be deployed within this company.



III. Maintenance and accuracy of books and records

The books and records here refer to all accounting, financial and commercial records. These include accounts, correspondence, summaries, books and other documents relating to the accounting, financial and commercial sphere.

In the fight against corruption, it is essential that transactions are transparent, listed and fully documented and allocated to accounts that accurately reflect their nature.

It is therefore important:

- That no entry in Babilou Family's books and records is unfounded, incorrect, falsified or factual. Thus, it is prohibited to conceal or seek to conceal a payment made or issued on behalf of Babilou Family, nor attempt to reclassify it or to hide it in any way whatsoever;
- That Babilou Family's books and records reflect faithful and accurate transactions and must be prepared in accordance with current accounting standards and standards;
- All checks and approval procedures in place within Babilou Family are applied;
- Keep documentation demonstrating the appropriateness of the services concerned and the corresponding payments;
- All financial transactions comply with internal audit procedures.

IV. Compliance with the anti-corruption code and sanctions

Interpretation and application of the code of conduct

Each Employee must read, understand and comply with this Code of Conduct.

Babilou Family's Group Legal Department and Human Resources Division will ensure more particularly that it is disseminated and respected by the Employees.

Any Employee who needs assistance with the subjects covered in this Code of Conduct and particularly in the event of difficulties in interpreting its application to a given situation, may contact the Group Legal Department or or the Human Resources Department, who are responsible for interpreting the Code.

Whistleblowing

Employees and Business Partners may use the whistleblowing procedure put in place by Babilou Family, in order to report, in a disinterested manner and in good faith, the existence of conduct or situations contrary to this Code of Conduct, a serious and manifest breach of an international commitment duly ratified or approved by France, a unilateral act of an international organization taken on the basis of such a commitment, law or regulation, or a serious threat or damage to the public interest, where they are likely to constitute acts of corruption or influence peddling.

While the use of the hierarchical approach is always possible, the whistleblowing procedure provides Employees with enhanced protection guarantees in the event of the issuance of a report, in particular confidentiality guarantees.

However, its use is optional.

In practice, any Employee may send his or her report, even if these are simple suspicions, via the email address <https://www.bkms-system.com/babilou-alertcenter>, in accordance with the procedure relating to the Babilou Family's whistleblowing system.

In case, you would not feel plenty informed about the use of the whistleblowing system, do not hesitate to ask to the Group Legal Departement.

No penalty may be taken against an Employee who has reported in good faith and disinterested a breach or suspected breach of the rules of this Anti-Corruption Code.

Consequences in the event of a breach

Non-compliance with the rules laid down in this Code of Conduct may have serious consequences, not only for Babilou Family, but also for Employees and Business Partners.

For Babilou Family, any conduct contrary to the rules set out in this Code of Conduct could not only damage its reputation and affect its activities, but also expose it to having to repair any damage caused and criminal prosecution.

It is recalled that this Code of Conduct should be considered as an integral part of Babilou Family's Internal Rules. Each geography has to ensure that the behaviours & principles stipulated are made enforceable towards each employee. Its non-compliance may result in a disciplinary penalty under the conditions laid down in the said Rules of Procedure.

Thus, for Employees, when justified by the circumstances, the breach of the anti-corruption rules contained in the Code of Conduct may expose them to disciplinary sanctions up to termination of the employment contract under the conditions provided for in the Internal Regulations, as well as prosecutions, on a personal, criminal and/or civil basis.

