

Conflict of Interest Policy

Department	Effective Date	Pages	Version	Revision Date
Compliance	17-07-2023	11	1.0	

1. Scope

This policy applies to Socfin and its subsidiaries (collectively « Socfin” or the “Company”) and the directors, managers, and employees of such entities, as well as those acting for or on behalf of such entities (collectively, “Covered Persons”).

2. Purpose

Covered Persons are responsible for making decisions in Socfin’s best interest, independent of any outside influences. Covered Persons must be able to perform their duties and exercise judgement on behalf of Socfin without conflicts of interest or the appearance of conflicts of interest. The purpose of this policy is to prevent and eliminate potential damage to the Company from both the appearance of and actual conflict of interest.

3. Definitions

- a. **Conflict of Interest:** A conflict of interest occurs when a personal or outside (non-Company) interest conflicts with, or appears to conflict with, what is in the best interest of the Company.

A conflict of interest can take many forms. For example, it could be having a financial interest in a Company’s supplier or competitor, having a personal relationship with someone that could inappropriately affect your judgement or decision-making when you are performing responsibilities for the Company, or seeking personal benefit from a transaction at the Company’s expense.

Judgement or decision-making could be inappropriately influenced when an outside interest:

- i. Affects your ability to make decisions based on what is best for the Company;
- ii. Affects your impartiality (e.g., in choosing between two suppliers or two potential employees); or

- iii. Introduces personal or non-business issues into what should be a business decision.

If an outside interest is substantial enough to affect your judgement or in any way interfere with your duty to act in the best interest of the Company, you have a **conflict**.

Even if you are certain that your judgment will not in any way be affected by an outside interest, if others might reasonably think your judgment could be affected, then the **appearance of a conflict** exists.

Examples of potential conflicts of interest include, but are not limited to:

- i. Ownership interests or outside employment or affiliations with other businesses:
Owning a substantial interest in, or serving as an employee, officer, director or partner, or otherwise being affiliated with any entity that does or seeks to do business or enter into transactions with the Company. Examples include, but are not limited to, having invested in or acting as an officer, director, partner or employee of a supplier or vendor that provides goods or services to the Company or accepting money or benefits of any kind as compensation or payment for advice or services provided to a customer, supplier, or anyone else doing business with the Company;
- ii. Business arrangements with the Company:
Participating in a joint venture, partnership, or other business arrangement with the Company;
- iii. Outside employment or activities with a competitor:
Owning a substantial interest or serving as a director of a competitor of the Company, including marketing of products or services in competition with the Company's current or potential business activities, or otherwise engaging in competition with the Company;
- iv. Immediate family members or close friends in the industry:
An immediate family member or close friend in the industry is a competitor or supplier of the Company or is employed by one or seeks employment or project work with the Company;
- v. Misappropriation of corporate opportunities:
Taking personal advantage of opportunities that properly belong to the Company, such as purchasing, selling, or leasing real estate or other facilities that you know or have reason to know the Company

may be interested in or may need in the future;

- vi. **Excessive business courtesies:**
Accepting or providing business courtesies that are excessive (with a value of more than 100 EUR) or inappropriate can be viewed as attempts to influence the performance of duties and, in some cases, could create a conflict of interest. For detailed information on the Company policy governing gifts, hospitality & entertainment, please refer to the **Gifts & Entertainment Policy** of Socfin; and
 - vii. **Public service and charitable activities:**
If an organisation a Covered Person is involved with seeks to do business with the Company, such as a charity that is contemplating buying the Company's products or retaining the Company's services, it may create an appearance of a conflict of interest. Contributions of Company time and financial resources to a charity can also create potential conflict.
- b. **Corporate opportunity:** A corporate opportunity is a potential business transaction that a Covered Person discovers through the use of Company resources, technology, information, or their position with the Company.
 - c. **Substantial interest:** A substantial interest is an economic interest that could, or might reasonably be thought to, influence someone's judgement or actions. (Note: An investment representing less than 1% of a class of outstanding securities of a publicly held corporation is not considered as a substantial interest.)
 - d. **Immediate family:** Immediate family members include a Covered Person's spouse, children (as well as their spouses), father, mother, and siblings of the Covered Person or the Covered Person's spouse and any family members living in the same household as the Covered Person.

4. Policy

Any conflict of interest, including any interest, obligation, or relation that could potentially be, or appear to be, in conflict with the interests of the Company, including those of immediate family members or close friends, **must be disclosed** to the Company immediately so it can be managed appropriately. Conflicts of interest can often be managed so as to eliminate the risk of damage to the Company, but only if they are promptly disclosed.

Failure to disclose an actual, apparent, or possible conflict of interest is a violation of the Company's Code of Conduct. Covered Persons who fail to promptly disclose actual or potential conflicts of interest will be subject to disciplinary procedures up to and including potential termination of employment.

5. Responsibilities

a. All Covered Persons are responsible for:

- i. Acting in a manner that is in the best interests of the Company at all times and that reassures our customers, suppliers and employees of the integrity of the Company and its procedures;
- ii. Disclosing any activities, interests, or associations where personal interests could potentially conflict, or reasonably appear to conflict, with the interests of the Company. If you are in doubt about whether a conflict exists, you should always err on the side of disclosure;
- iii. Advancing the legitimate interests of the Company and not advancing any personal interests at the expense of the Company;
- iv. Not taking for personal gain any opportunity that may be discovered through the use of Company resources, information, or position;
- v. Not engaging in any activity in competition with the Company or in any activity that could advance, or that reasonably could be expected to advance, the interests of a competitor;
- vi. Reporting suspected or potential violations of this policy by others through any one of various channels, including your direct supervisor, any member of management, the Human Resources department, the Legal department, the Compliance Officer, and/or the Ethics and Compliance Helpline;
- vii. Self-reporting any suspected or actual conflicts of interest in which you may be personally involved; and
- viii. Cooperating fully with any Company investigation of a potential conflict of interest, providing truthful information.

b. The Compliance Officer is responsible for:

- i. Providing training and support to Covered Persons to prevent conflicts of interest;
- ii. Assisting Covered Persons in determining whether a conflict actually exists and assisting the Company in deciding on an appropriate solution to eliminate or control the conflict; and
- iii. Providing regular reports of conflicts of interest to the audit committee as appropriate.

c. The audit committee is responsible for:

- i. Ensuring conflicts of interest are managed so as to limit any potential damage to the Company;
- ii. Ensuring that confidentiality is maintained to the fullest extent possible for all information connected to any such conflict of interest disclosure;
- iii. Ensuring the Company maintains a record of all conflict of interest disclosures, which will be shared with the Company's senior management and board; and
- iv. Ensuring appropriate disciplinary action is taken against Covered Persons who fail to properly disclose potential, apparent or actual conflicts of interest.

d. All managers / supervisors are responsible for:

- i. Maintaining an open-door policy. Every manager who receives a conflict of interest disclosure is required to treat it with discretion, and to treat the employee who raised the potential conflict with respect without any type of retaliation for having done so in good faith;
- ii. Using the Conflict of Interest Report Form to report any potential conflicts of interest reported to them so they can be forwarded to appropriate Company resources for investigation;
- iii. Maintaining strict confidentiality about potential conflicts of interest issues raised with them and sharing information on a need-to-know

basis in order to properly investigate and remediate the matter;

- iv. Leading by example and demonstrating a culture that values speaking up and compliance risk reduction;
- v. Ensuring their staff members are informed about this Conflict of Interest Policy;
- vi. Promptly reporting any potential conflict of interest issues they become aware of; and
- vii. Supporting all employees who are involved in or otherwise assisting with an investigation of a potential conflict of interest and protecting their confidentiality.

6. Examples

Below are examples of potential or actual conflicts of interest and some suggestions on how to overcome these:

a. *Hiring a (less qualified) relative to provide services your company needs*

Hiring a relative must be adequately justified and documented:

- In the particular case of a remote location (plantation), a relative may be preferred because of housing, transport and other logistic considerations;
- Hiring a relative of an existing employee may reduce the risk of the employee resigning; and
- The relative may bring other skills that may not have initially been sought for the entity.

However:

- The relative's Covered Person should not be involved in the hiring process, which should remain independent and objective;
- The Covered Person and the relative should not have a direct hierarchical relationship in the Company; and
- The Covered Person should not be responsible for the evaluation and/or promotion of the relative.

b. *Starting a company that provides services similar to your full-time employer*

Unless specifically detailed in the terms of employment, an employee cannot combine full employment while being involved in a competing business to that of Socfin. However there may be circumstance, such as starting a small private plantation (similar to that of the Company), provided it is managed during the employee's free time and does not use any of Socfin's resources (human or material).

The activity should be fully disclosed and transparent in the sources of material, labour and finance used and the employee must be open to an audit from Socfin if requested.

c. Failing to disclose that you're related to a job candidate the Company is considering hiring

The disclosure of an existing relationship with a potential recruit of Socfin should be disclosed if the employee is aware of the proposed hiring and depending on the degree of the relationship.

Failure to declare a first or second degree relationship or friendship of an employee or his/her spouse is not acceptable as it is highly unlikely that the employee would not be aware of such potential hiring. For a more distant relative the rules are less stringent, and depends on the hierarchical relationship that could exist between the candidate and the Covered Person should the hiring be confirmed.

d. Making arrangements to work for a vendor or client at a future date while continuing to do business with them in the name of Socfin

An employee who is (likely) to change employment to work with one of Socfin's third parties should recuse him/herself from any business decision involving this third party, such as a sale, purchase, contract negotiation, work commissioning, or any other business decision ultimately leading to an exchange of money, values, material or know-how between the parties.

Failure to disclose such future employment arrangement is not acceptable and could lead to the contractual arrangements with the third party being discontinued.

e. Posting to social media about your Company's weaknesses

As an employee, you are bound by a contract of implicit mutual trust and confidentiality. Beyond the aspects of conflict of interest, publishing internal information that could potentially weaken the Company in its business dealings may be punishable by law.

f. Offering paid services on your time off to a Company customer or supplier

Offering paid services to Company third parties should only be envisaged in some specific cases and subject to prior approval from Socfin's management. An example would be a Company mechanic offering to help a transport sub-contractor in maintenance work outside working hours. Provided such service is performed independently, with no use of the Company's resources or time, it could even be beneficial for the Company with fewer breakdowns or better performing vehicles. Providing such services is not devoid of risks, the employee may not get enough rest to do the Company's work efficiently, be tempted to use some of the Company's tools or consumables, and may end up being called upon during normal working hours in case of emergencies.

g. Accepting payment from another company for information about Socfin

Receiving payment or any other form of compensation from any company for information about your employer is not acceptable, whichever the circumstances.

h. Failing to investigate a subordinate or co-worker's wrongdoing because they are a friend or related

In any situation involving a friend or a relative in the Company, the Covered Person should recuse itself from any decision, disciplinary, promotional or other. Likewise direct hierarchical relationships between related employees or friends must be avoided.

i. Sharing confidential information about Socfin with a competitor

Sharing confidential Socfin information with a competitor is the perfect illustration of spying and its negative implications for the Company are obvious. Such behaviour is not only unacceptable, but also liable for prosecution.

j. Dating or having a romantic relationship with a supervisor or subordinate

An existing or evolving romantic relationship should immediately be declared and, in case of direct hierarchical reporting lines, measures should be taken to remove the direct reporting line between the concerned employees or ensure that decisions are made in an objective manner. In case the direct hierarchical relationship between romantically

involved persons is not compatible with sound and impartial business decisions, either one of the employees should be moved to another department or, in case of critical positions in purchasing, finance or HR. If an alternative position is not possible, consider termination of one of the employee's contract in consultation with both parties.

k. Making a purchase or business choice to boost a business that you have a stake in

Having a business interest in a company that deals with Socfin is not prohibited, provided you are not the one making the business decision. Any purchase or business choice should respect basic impartiality principles:

- Any business dealings should be conducted at arm's length;
- The evaluation of the purchase or business choice must be based on objective criteria against comparable and competitive alternatives;
- You, the interested party, should recuse yourself from any recommendation or decision in relation to the choice of supplier or business partner;
- Your interest in the business should be fully disclosed, including the potential benefit(s) you could gain from the business; and
- The relationship with the business should be managed independently, by an employee that has no link to your authority.

l. Accepting a favour or a gift from a client above the amount specified as acceptable by the company

As outlined in Socfin's Gift & Entertainment Policy, a gift of an estimated value above the threshold set by the Company must be declined. Should it not be possible to refuse the Courtesy for any reason, the gift should be registered and submitted for safekeeping and handling with Compliance. In case the gift is not material (e.g. a meal in a starred restaurant or a night in a luxury hotel), arrangements should be made to refund the Courtesy in accordance with Socfin's Gift & Entertainment Policy.

m. Reporting to a supervisor who is also a close friend or family member

Even if not actually biased, reporting to a close friend or family member will be perceived as biased and likely to result in situations where it will be difficult to ascertain the objectivity of decisions made in terms of

your promotions, evaluations, raises and other employment related decisions.

While it is possible to mitigate these risks in part by delegating all employment-related decisions to HR or a committee, the perceived impartiality will remain and moving to another department or supervisor is the only definitive solution.

n. Doing business or work for a competitor

Working with a Socfin competitor while being employed by the Company will invariably lead to situations of conflict, even though the palm oil and rubber plantation industry is not shrouded in secrecy and/or there are proprietary production methods. Research data, financial information and strategic plans should remain confidential, however sharing information about cultural practices, processing methods and staff management may ultimately benefit both companies through exchange of best management practice. However, any such work should be based on open and transparent understanding between both organisations with clear delimitations on matters that can be shared or not.

o. Taking advantage of confidential information learned on the job for your own benefit

Using confidential information from Socfin for either personal benefit or that of accompany in which you have an interest is not acceptable.

p. Cashing in on a business opportunity that your company might have pursued

It may happen that a business opportunity is not pursued by Socfin for any kind of reason. Before pursuing such activity for your own interest the matter should be discussed and documented with the Company to avoid any misunderstanding. It may be that Socfin has not pursued the opportunity yet for strategic reasons, but would be negatively impacted if the business were to be initiated by someone else.

7. Ways to Mitigate Conflicts of Interest

a. Establish a practice of disclosure.

Unless people feel they can come forward about potential conflicts of interest, they might remain quiet and allow corruption to fester. If an employee sees a potential conflict, they should be able to raise the

matter as a whistle-blower. Socfin's Conflict of Interest Policy sets out expectations from its employees and how to act in case of conflict. It is hoped that employees will disclose conflicts about themselves.

b. Investigate the facts.

In many circumstances, perception in itself could be cause for misunderstanding and belief of wrong doing.

Socfin will establish an investigatory process to resolve such conflicts. Sometimes, a perceived conflict of interest does not equate to an actual conflict of interest.

An independent review must be put in place to conduct appropriate investigations whenever potential conflicts of interest are raised.

c. Remove the offender.

If you find a person to have acted in their own private interest at the expense of Socfin or their business associates, this impropriety might lead to disciplinary measures including the dismissal of the employee. A firm and coherent disciplinary procedure, and immediate removal of the offending employee if needed, shows there are consequences to an inappropriate behaviour.

8. Additional Information

This policy reinforces and supplements information contained in our Code of Conduct, as well as Gift & Entertainment Policy.

For guidance regarding this policy or to report a potential violation, contact the compliance department (compliance@Socfin.com).