



**CCL SECURE**

**BMS 1222  
GLOBAL BUSINESS ETHICS SUPPLEMENT**

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## 1. WHO WE ARE AND THE IMPORTANCE OF ETHICAL BEHAVIOUR

### 1.1 The CCL family

CCL Industries Inc., (**CCL**) is the ultimate owner of businesses that operate in many different industries around the world. The CCL Secure group of companies (**CCL Secure**) are all those companies within the CCL group that operate within the banknote, or high security document, industries.

### 1.2 The CCL Code

Every person who works for CCL Secure must comply with CCL's Global Business Ethics Guide (**CCL Code**). The CCL Code provides guidance around the expected behaviours that will help maintain CCL's reputation as a company with high ethical standards.

In the area of corporate governance, those expected behaviours include:

- Obeying the law.
- Avoiding conflicts of interest.
- Protecting CCL's assets, information and opportunities.
- Competing fairly.
- Reporting ethical concerns.

The CCL Code also includes a prohibition on giving or taking bribes, kickbacks or any other form of payoffs and guidance around gifts, favours, benefits and entertainment.

All CCL Secure representatives must comply with the corporate governance principles presented within the CCL Code.

### 1.3 The need for a CCL Secure Global Business Ethics Supplement

To be successful in the banknote and high security document industries, CCL Secure must have a reputation for operating with high ethical standards. Our customers demand it and our business can be badly damaged if other people believe CCL Secure is involved in unethical behaviour, even if it's untrue. The behaviour of the people who represent CCL Secure impacts the way other people view CCL Secure.

Operating within the banknote and high security document industries also means CCL Secure has an increased risk exposure to particular ethical issues. These include:

- bribery and corruption;
- conflicts of interest;
- fair dealings with competitors;
- sanctions; and
- lobbying.

This increased risk profile is because of things like:

- the high level of dealings we have with public officials;
- the different legal and ethical standards of the countries in which we operate; and



- there are individuals and organisations who will actively seek unauthorised access to our products and information for an illegal and unethical purpose.

This CCL Secure Global Business Ethics Supplement (**this supplement**) has been developed to provide those who represent CCL Secure specific guidance on the particular ethical issues faced by CCL Secure. It also sets out the behaviours that are expected of those representatives. Complying with these expected behaviours is an essential part of protecting and maintaining CCL Secure's reputation for operating with high ethical standards.

## 2. POLICY APPLICATION AND SCOPE

### 2.1 CCL Secure representatives

This supplement applies to all individuals and organisations who represent CCL Secure (**CCL Secure representatives**). This includes all individuals and organisations who:

- work directly for or on behalf of CCL Secure,
  - for example, an employee, director or agent of a CCL Secure group company; or
- don't work directly for CCL Secure but, because of the type of work they do for CCL Secure, people often think they represent CCL Secure,
  - for example, people engaged to carry out market development activities, some independent contractors, people on secondment and others whose access to CCL Secure sites and information require them to hold a security clearance.

This supplement applies to each CCL Secure representative regardless of the country or countries in which they work.

### 2.2 High Exposure Roles

There are parts of this supplement that apply differently to CCL Secure representatives with High Exposure Roles.

A "**High Exposure Role**" is a role held by a CCL Secure representative whose high level of direct contact with customers, suppliers, government bodies or other external third parties gives them higher exposure to ethical issues like bribery and corruption, conflicts of interest, dealings with competitors, sanctions and lobbying.

High Exposure Roles are typically held by:

- Members of the Regional Management Team.
- Those with account management, direct sales or sales advisory roles (including, without limitation, those responsible for customer relationship management and those carrying out market development activities).
- Those with product or technical advisory roles (including, without limitation, those carrying out product development activities and those working within the PolyTeQ team).
- Those carrying out procurement activities and those with significant supplier interaction.



### 3. POLICY STATEMENTS

#### 3.1 CCL Secure's policy statements

**Obeying the law:** CCL Secure is committed to complying with all laws, rules and regulations applicable to CCL Secure and the business that it does.

**Bribery and corruption:** There should be no bribery or corruption anywhere in CCL Secure's business.

**Conflicts of interest:** CCL Secure expects all CCL Secure representatives to act in CCL Secure's best interests when they are doing their work for CCL Secure.

**Fair dealings with competitors:** CCL Secure will deal with competitors fairly and ethically and will comply with all applicable competition and anti-trust laws.

**Sanctions:** CCL Secure acknowledges the global nature of its business and is committed to complying with the sanction regimes imposed by the authorities in Australia, the European Union, the United Kingdom, the United States of America, Canada and Mexico.

**Lobbying:** CCL Secure acknowledges its high level of interaction with government and is committed to complying with all lobbying requirements applicable to CCL Secure and the business that it does.

### 4. PUBLIC OFFICIALS

#### 4.1 Our relationship with public officials

Many CCL representatives have a high level of contact with public officials through their interactions with government bodies like Central Banks and State Printers.

Extra care needs to be taken in respect of dealings with all public officials (including foreign public officials). Many of the countries in which CCL Secure operates have specific laws relating to the bribery of public officials and there can be serious consequences to being found guilty of an offence, including imprisonment and fines for individuals and heavy fines for companies.

#### 4.2 What is a public official?

Generally, a public official is a person who is:

- directly employed by a government body;
- engaged to act on behalf of a government body; or
- appointed to represent a government body.

Government bodies include the government, local and regional government bodies, public enterprises like Central Banks and State Printers and international organisations.

Public officials will therefore include those in:

- law enforcement (such as customs, the police force or military);
- the justice system (such as judges or court officials);
- the legislature (such as politicians or political candidates); and
- supporting or administrating roles (such as people working for the ministry of finance or treasury or in local councils).



## **5. WHAT IS BRIBERY AND CORRUPTION**

### **5.1 Bribery**

A bribe is any benefit that is illegally, unethically or dishonestly given or received with the intention of influencing an outcome (usually the way in which another person exercises his or her duties so the people involved gain a business or personal advantage). Bribery is also offering, promising or seeking a benefit with the unethical intention of influencing an outcome. Whether or not the intended outcome is achieved is irrelevant to the question of whether bribery occurred.

A bribe can be in many forms and is not just a financial benefit (e.g. the payment money). The benefit may be excessive gifts, hospitality or entertainment, paying for customer travel expenses, political and charitable contributions, sponsorships, inappropriate provision or use of company assets or premises or facilitation payments and kickbacks.

### **5.2 Corruption**

Corruption is a broader concept than bribery and is more about the abuse of a position of trust to gain an undue advantage or personal gain.

### **5.3 What does it mean to “be involved”?**

The requirement to not “be involved” in bribery or corruption means that even indirect acts or omissions may be seen as unethical behaviour (for example, requesting some other person to do something or ignoring a particular situation). It also recognises that having a minor role can still be seen as unethical behaviour.

## **6. WHAT YOU SHOULD DO ABOUT BRIBERY AND CORRUPTION**

### **6.1 Think about the risk of bribery and corruption**

It is the responsibility of each CCL Secure representative to avoid any involvement in bribery and corruption. Before any benefit (no matter how big or small) is offered, given or received, think about whether there is any intention to influence an outcome. Remember – a benefit is not just money, it can be lots of different things like gifts or entertainment or even doing someone a favour.

If you are dealing with a public official or other person in a position of power or trust, think about whether what they are asking or doing is a proper use of their position. If a public official is asking you for assistance with something unrelated to their position (for example, for you to assist a family member), that is a red flag for you to stop and consider whether that is an appropriate and lawful request.

Think about what parts of your role might expose you to bribery and corruption. For example, those with procurement roles might have a greater exposure to facilitation payments (which are unofficial minor payments made to expedite routine government actions or processes, like clearing import and export controls).



If you are unsure about any issue, or have any questions or concerns about bribery and corruption, seek guidance from your local line manager, Regional General Manager or, if necessary, a member of the CCL legal team.

## **6.2 What to do if you suspect, or get caught up in, bribery or corruption**

If you suspect that any internal or external person or organisation is involved in bribery or corruption you must immediately report your concerns as outlined in Section 15 below.

## **6.3 Threats of physical harm**

If a demand for payment of money or any other benefit is accompanied by a threat of physical harm, then your safety should be put first. The payment should be made, or benefit given, and you should immediately report the incident as outlined in Section 15 below.

# **7. GIFTS, HOSPITALITY AND EXPENSE COVERAGE**

## **7.1 The risks of gifts, hospitality and expenses**

There is a risk in the banknote and high security document industries that people will try and use gifts, hospitality and covering expense to illegally, unethically or dishonestly influence a business outcome.

The giving and receiving of gifts and hospitality of a modest value and covering the costs of travel and other expenses can assist in establishing and maintaining good relationships and may be culturally appropriate in some cases. However, you must always consider:

- the **intention** behind the benefit;
- whether there is any element of **illegal, dishonest or unethical behaviour** involved; and
- whether the benefit might **induce a person to abuse a position of power or trust or act improperly in the performance of their duties.**

It can sometimes be difficult to work out the intention of the person giving the benefit and whether or not it's okay to accept the benefit. Some clues to help you decide are:

- the **value** of the benefit;
- the **frequency** with which it is given; and
- the **circumstances** in which it is given.

## **7.2 Approval, reporting and attestation**

All CCL Secure representatives must comply with all processes and procedures put in place by CCL Secure from time to time for obtaining approvals, reporting and providing attestations in respect of gifts, hospitality and expense coverage.

Schedule 1 of this policy sets out the procedures that must be followed by all CCL Secure representatives in respect of the approval and reporting of gifts, hospitality and expense coverage.



Even if a gift, hospitality or expense coverage is approved and reported in accordance with Schedule 1, **this will not excuse a CCL Secure representative from complying with the requirement to not be involved in bribery or corruption.**

## 8. SPONSORSHIPS

Sponsorships can add value to CCL Secure's business by developing closer relationships with other organisations, raising CCL Secure's profile and promoting our products and services to a wider audience. For example, CCL Secure might sponsor an industry conference by contributing money or presenting at the conference which can bring CCL Secure valuable brand exposure.

While sponsorships can add value, bribery will have occurred if the sponsorship is illegally, unethically or dishonestly provided with the intention of influencing an outcome. If sponsorship benefits are exchanged or given to induce a person to abuse a position of power or trust or act improperly in the performance of their duties, then this will amount to corruption.

All sponsorships provided by CCL Secure will be managed through the Regional General Manager or his or her nominated sponsorship coordinator. A sponsorship must not be provided without the prior approval of the Regional General Manager.

## 9. CHARITABLE DONATIONS

It is important to CCL Secure that we support and enrich the communities in which we operate. This benefits our host communities and fosters a sense of pride and corporate responsibility for CCL Secure representatives. CCL Secure may make charitable donations by providing a financial contribution or an in-kind contribution (such as the provision of goods or services) without seeking any benefits in exchange.

If a charitable donation is illegally, unethically or dishonestly provided with the intention of influencing an outcome, then it will be a bribe. If a charitable donation is made in order to induce a person to abuse a position of power or trust or act improperly in the performance of their duties, then this will amount to corruption.

CCL Secure's name, funds, goods or services must not be used for the benefit of political parties or their candidates. CCL Secure does not make any political contributions.

All charitable donations provided by CCL Secure will be managed through the Regional General Manager or his or her nominated charitable donations coordinator. A charitable donation must not be made without the prior approval of the Regional General Manager.

## 10. CONFLICTS OF INTEREST

CCL Secure representatives are expected to act in CCL Secure's best interests when they are doing their work. You should never let your personal or outside interests impact on how you make decisions or perform your work for CCL Secure.

A conflict of interest occurs when personal interests or activities influence a person's ability to act in CCL Secure's best interest. How other people think about a situation is also important. A perceived conflict of interest occurs when other people think that a situation causes a conflict of



interest, even if an actual conflict hasn't occurred. Having high ethical standards means avoiding actual and perceived conflicts of interest.

CCL Secure representatives must comply with any attestation processes and procedures put in place by CCL Secure from time to time in respect of conflicts of interest. CCL Secure representatives must immediately declare any material change of circumstances relevant to a previous declaration.

CCL Secure representatives must declare any new conflict of interest immediately it arises. In the first instance, a conflict of interest can be raised with the local line manager. A CCL Secure representative must also notify their local line manager if they become aware that there is potential for a conflict of interest to arise.

The CCL Code contains common examples of conflicts of interest and guidance about ethical behaviour in respect of conflicts of interest. All CCL Secure representatives should read, understand and apply the information in the CCL Code about conflicts of interest.

## **11. FAIR AND ETHICAL COMPETITION**

In each of the countries in which CCL Secure does business, there are laws in place which promote fair competition. CCL Secure representatives are expected to comply with all applicable competition and anti-trust laws.

Competition laws generally regulate how organisations interact with their competitors and suppliers. This means that you need to be careful about how you interact with competitors and suppliers and ensure that you are treating them in a fair and ethical manner.

CCL Secure representatives with a High Exposure Role have higher risk exposure to competition issues due to the greater level of interaction they have with competitors and suppliers. Those in High Exposure Roles will need to be particularly familiar with local competition laws.

The CCL Code contains details of the actions and activities that must be avoided in respect of competitors and vendors (or suppliers). All CCL Secure representatives should read, understand and apply the information in the CCL Code about competing fairly.

## **12. SANCTIONS**

The nature of CCL Secure's business means we are required to pursue opportunities in countries throughout each Region in which we operate. This exposes CCL Secure to an increased sanctions risk.

A sanction is a restriction or control imposed by one country on economic activities relating to another country (the target country). Those restrictions and controls relate to:

- the import or export of goods;
- the provision of services;
- engaging in certain commercial activities;
- dealings with designated individuals, entities or assets; and travel.



Sanctions lead to an interruption of economic relations for the target country and are usually imposed in response to situations of international concerns such as the repression of human rights or democratic freedoms. Generally, sanctions aim to restore international peace and security.

CCL Secure is committed to complying with the economic and trade sanctions imposed by the authorities in Australia, the European Union, the United Kingdom, the United States of America, Canada and Mexico (whether implemented in accordance with the resolutions of the United National Security Council or under the authorities' own autonomous regime).

CCL Secure representatives are expected to act in compliance with the sanction regimes of the above authorities, to the extent those regimes are applicable to the work they are doing. Before carrying out activities, or engaging with any person or organisation, in connection with another country, there will normally be a requirement for due diligence to be carried out. The due diligence process will assess whether that country is targeted by any of the applicable sanction regimes and how this impacts the proposed activities or engagements.

All CCL Secure representatives must comply with any processes and procedures put in place by CCL Secure from time to time in respect of the carrying out of due diligence.

### 13. LOBBYING

As a manufacturer involved in the production of polymer banknotes, it is necessary that CCL Secure seeks to influence governments to adopt, or expand their use of, polymer – in particular Guardian™ substrate. This type of engagement can expose CCL Secure to ethical issues in respect of lobbying.

Lobbying involves communicating with a government with the aim of influencing decisions in areas such as law making, policy and program developments and the award of contracts. While lobbying is a legitimate activity, it raises ethical issues like unfair or unequal access and a lack of transparency. Lobbying also creates conflicts of interest and corruption risk. For example, a public official who has formed a close relationship with a particular lobbyist may be more at risk of putting that lobbyist's interests first.

All CCL Secure representatives who have dealings with a government are expected to be aware of all lobbying restrictions impacting their work and must comply with all applicable lobbying requirements.

### 14. ATTESTATION

CCL Secure has an absolute commitment to operate to the highest ethical standards. To achieve this, CCL Secure expects all CCL Secure representatives to demonstrate expected ethical behaviours and comply with all applicable policies and procedures relating to corporate governance and ethics (including but not limited to the CCL Code and this supplement).

From time to time, CCL Secure will direct CCL Secure representatives to attest to their personal compliance with CCL Secure's corporate governance and ethics policies and procedures (**Ethics Attestation**). The required attestation may include, but is not limited to, declarations in relation to:



- compliance with the CCL Code and this supplement;
- gifts, hospitality and expense coverage;
- conflicts of interest;
- material changes to personal security clearance.

CCL Secure representatives must comply with any written direction of CCL Secure in respect of providing an Ethics Attestation.

## **15. REPORTING ETHICAL CONCERNS**

There are many different ways to report ethical concerns or concerns about behaviour that is not in line with that required by CCL policies or CCL Secure policies (including but not limited to the CCL Code and this supplement).

### **15.1 The External Ethics Hotline**

CCL Secure representatives can report concerns by contacting Global Compliance who is the third party operator of CCL's Ethics Hotline. They are an independent company that specialises in ethics reporting and ensure complete confidentiality of all concerns and complaints. A CCL Secure representative can choose to identify themselves or remain anonymous. The contact details are as follows:

**Website:** <https://www.integrity-helpline.com/CCL.jsp>

**Phone:** as listed in the CCL Code or on information sheets displayed in CCL Secure sites.

The CCL Code contains more details about the Ethics Hotline and the procedures for reporting ethical concerns. It also has address details if a CCL Secure representative wants to write directly to the CCL Corporate office.

### **15.2 CCL Secure internal managers**

The people within CCL Secure with whom a CCL Secure representative can discuss ethical issues include their local line manager, the Regional General Manager or, as necessary, a member of the CCL legal team. Concerns may also be escalated to the General Counsel, CCL Industries Inc.

Part of each CCL Secure representative's role is to help protect CCL Secure from the risk of unethical behaviour. One way this role can be carried out, is by properly reporting any ethical concerns.

## **16. FAILURES TO COMPLY WITH THE PRINCIPLES IN THIS SUPPLEMENT**

A CCL representative who does not act in accordance with the principles in this supplement may be subject to serious consequences, up to and including termination where appropriate. Breaches of the law may also be required to be reported to relevant enforcement agencies. All non-compliance with the principles in this supplement will be reported to the Regional General Manager and the Vice President & Managing Director.



## **17. REFERENCES**

This supplement is aligned with the CCL Code. For the latest version of the CCL Code refer to the CCL Industries website: <http://www.cclind.com/docs/default-source/investors/global-business-ethics-guide.pdf?sfvrsn=4>

## **18. WHO MANAGES THIS SUPPLEMENT**

The Regional General Manager is the custodian of this supplement. The Regional General Manager must review this supplement every two years (or earlier to align with any update of the CCL Code).

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**SCHEDULE 1: GIFTS, HOSPITALITY AND EXPENSE COVERAGE**

**Table A: Approval and Reporting Limits for Gifts, Hospitality and Expense Coverage**, sets out the approval and reporting limits for the giving and receiving of gifts, hospitality and expense coverage (**GHE**). All CCL Secure representatives must comply with the approval and reporting requirements set out in Table A.

Examples of GHE include:

- Physical gifts such as a hamper or wine.
- Hospitality in the form of:
  - paying for a person to attend a live entertainment event or experience such as a theatre show, sporting event or tourist attraction; or
  - taking a person out for a meal and paying for their drinks and/or food, with the person providing the hospitality normally also attending or participating in the event, experience, meal or other form of hospitality.
- Expense coverage in the form of paying or reimbursing a person’s travel, accommodation and meal expenses; or conference or event fees.

**TABLE A: APPROVAL AND REPORTING LIMITS FOR GIFTS, HOSPITALITY AND EXPENSE COVERAGE**

	<b>AMOUNT<sup>2</sup></b>	<b>APPROVAL</b> (Email approval is acceptable)	<b>REPORTING OBLIGATION</b>
<b>GHE, other than cash</b>	Less than CAD 100	None	None
	Between CAD 100 – 300	Approval from direct line manager	Report, with evidence of approval
	CAD >300	Approval from Regional GM, Corporate Office Leaders or VP/MD, CCL Secure	Report, with evidence of approval
<b>Cash / Legal Tender<sup>1</sup></b>	Less than or equal to CAD 10 (on any Guardian™ denomination)	None	Self-report
	More than CAD 10 to CAD 100 (on any Guardian™ denomination)	Approval from Regional GM, Corporate Office Leaders or VP/MD, CCL Secure	Report, with evidence of approval
	More than CAD 100 (on any Guardian™ denomination)	Approval from: VP/MD	Report, with evidence of approval

**NOTES:**

1. Cash gifts of any value are strictly prohibited. For promotional/ presentation purposes, legal tender on Guardian™ substrate may be distributed to third parties as a demonstration of CCL Secure’s technical capability.
2. GHE amounts are to be calculated:
  - per person;
  - per transaction (i.e. a hotel booking is to be considered on a total, not per night, basis)
  - if given to the same recipient, on a cumulative / combined basis for the quarter.

The following requirements also apply in respect of all GHE:

- The limits in Table A apply even if the GHE is paid for from an individual’s personal funds. If any GHE is to be paid for from company funds, any applicable budget controls and operating expenditure/ capital expenditure delegation limits must also be followed. Hospitality and other



expense coverage extended to any third party must comply with local regional travel expense policies.

- Each CCL Secure representative (including, for the avoidance of doubt, each person involved in market development activities for CCL Secure) must promptly record in writing any GHE above the reporting limit, and provide this record on request to the person nominated for this purpose by the relevant Regional General Manager. The current form of the record to be used is set out in Annexure A but may be updated by CCL Secure from time to time. Each CCL Secure representatives must use the form of record most recently notified in writing by CCL Secure.
- CCL Secure representatives in High Exposure Roles must provide a positive attestation if no GHE has been received or provided during the relevant reporting period.



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<b>New Version No.</b>	<b>Date of Change</b>	<b>What was the change?</b>	<b>Why was it changed?</b>	<b>Who made the change?</b>
V1	15 May 2018	New document	To supplement CCL Code	Corporate Governance