

4. Anti-corruption



Operating with integrity, honesty, and respect

SUNLIGHT is one of the most dynamically growing companies in the international market of energy storage systems. Having now achieved to export more than 84% of our produced products to over 100 different countries and to 600 different clients all over the world, we must manage the complexity in our collaborations, while we frequently participate in international tender procedures. To this end, fighting corruption is a major priority for us. The SUNLIGHT Group's vision is to be the most reliable partner and to continue being the first option for our clients, by operating with integrity. For this reason, we pay special attention to monitoring transactions with our external partners, as well as fostering integrity to our employees, by creating on a daily basis an environment of transparency that is free from corruption.

To this end, in the past three years, we have launched a series of very important initiatives and we have created the following:

- > Anti-corruption policy, with rules that affect our daily practice.
- > Questionnaires addressed to all our suppliers, including compliance with our anti-corruption rules.
- > Policy that expressly prohibits Bribing, supported by strict internal and accounting audits.
- > Regular training sessions at various levels of our organization.

Finally, in 2016, we participated in the discussion held by the internationally renowned anti-corruption organization, TRACE International. Our collaboration with such a major organization proves our commitment for the increase of transparency in our global transactions at a global scale.



Tania Chadouli
Legal Counsel & Compliance Director

Commitments and Policies

SUNLIGHT Group is committed to maintain a work environment free from corruption. To this end, our Group expects that all its employees and its Management adhere to the Code of Business Conduct, to the bylaws and respective policies of the Group, while also strictly adhering to applicable legislation.

Specifically, our Group follows an anti-corruption Policy that is binding for the Management, the executives, the employees, and all other persons providing services to the Group or on its behalf, without allowing any exceptions or deviations. We are all committed to comply with the requirements of this Policy and ensure its proper application.

In addition, our Group is committed to comply with the requirements of the Greek and European competition law, as well as of the national competition laws in the countries where we operate. The ultimate purpose of the Group's Anti-Trust Policy is the identification of the possible points of conflict with the requirements of the competition laws and the creation of suitable knowledge to avoid them at every hierarchy level of our Group.

Risk Assessment Study

In the context of the new international Standard ISO 37001 on Anti-Corruption, we have proceeded to procedures for the evaluation and management of possible risks for possible corruption areas. We applied a five-tier methodology:

- 1st tier > Risk recognition
- 2nd tier > Risk evaluation
- 3rd tier > Preventing measures
- 4th tier > Remaining risk calculation
- 5th tier > Corrective actions

Objectives

- > Achieving a work environment free from corruption.
- > Recording zero cases of corruption.
- > Our objective is to become the first company to receive the ISO 37001 certification in Greece in 2017.



Principle #10
Businesses should work against corruption in all its forms, including extortion and bribery

4.1 Steps to ensure a work environment free from corruption

Our approach

We are committed to strictly adhering to the provisions of Greek and European Union's (EU) anti-corruption laws, as well as to the national anti-corruption laws stipulated in the countries where we operate. The ultimate objective of our Group's Anti-Corruption Policy is to provide information on any possible violations of the anti-corruption rules and avert such violations by our personnel, employed at any level, from workers to middle and senior management.

In addition, the Compliance Programme promotes and ensures clear understanding by the Group's personnel and management of both anti-corruption rules and the impact thereof on our everyday operations and on the formation of our commercial and operational practices. Understanding is necessary to avert any possible violations of anti-corruption laws, which could expose our Group and every member of our personnel, individually and jointly, to the risk of serious sanctions.

Regarding bribery, our Group prohibits offering objects or services of value with the purpose of influencing or obtaining an unfair advantage in order to acquire or preserve a business relationship. We follow strict internal accounting audits to avert any hidden bribes or other similar financial transactions. Our employees, suppliers, consultants, representatives, or dealers are chosen and act always with the purpose of protecting the reputation and integrity of the Group in the international market.

As far as money laundering is concerned, we fight it by paying special attention when doing business with new business partners, in order to specify the origin of the capitals and assets in a prompt and effective manner.

The compliance and application of the Anti-Corruption Policy, including the disclosing and reporting procedure concerning any possible violations, fall within the responsibility of the **Legal Affairs and Compliance Division**; the Division is regularly assigned to examine a series of events to ascertain the application of the Compliance Policies.

Any member of the Group's employees and Management who discovers any law violations concerning competition or has suspicions or doubts about the compatibility of an action or contract with anti-corruption laws, or has doubts about the application of this Policy may:

- > report this information:
 - to the Manager of their department;
 - to the Human Resources department;
 - to the Legal Affairs and Compliance Division;
 - to the Compliance Officer;
 - to the Chairman of the Compliance Committee, acting as whistle blowing line (compliance@sunlight.gr), by providing their name or anonymously.
- > request advice and discuss the issue of concern by the Compliance Division or with any person suggested to them;
- > submit written questions requesting clarifications, advice, and instructions;
- > file a relevant written report;
- > submit questions and reports via email at: compliance@sunlight.gr
- > call the whistle blowing line for issues concerning the fight against corruption.

All our employees confirm that they have read and understood the SUNLIGHT Code of Conduct and agree to apply its provisions, by signing a form of acceptance. It is required from all our employees to provide similar confirmations at a regular basis. Failure to read the code or sign the acceptance form does not release anyone from the obligation to comply with the Code.

Communication and Training

Our company communicates regularly its commitment to fight corruption to its employees, while it also organizes anti-corruption training sessions for all its employees. In 2015, we launched and implemented a special training seminar for all employees on the SUNLIGHT Code of Conduct, paying special attention to issues of integrity, protection of our assets, respect to fellow citizens, to society, and to the environment, while focusing on our clients and on the good policies on Competition, on Anti-Corruption, and on the application of the Code of Conduct. The participants of these seminars received named participation certificates, confirming that all Group employees have been informed about the Code and the Anti-Corruption Policies, including the sanctions imposed following a failure to comply with them.

In addition to the above, and especially for middle / senior executives, the training sessions were focused more on issues of competitive behaviour, while paying special attention to the issue of conflict of interest for all employees.

Specifically in 2016, we collaborated with TRACE International Inc., by adopting their innovative online tools for the conduction of training sessions on behalf of our company to all of our employees.

In addition, as mentioned above, all Group employees, regardless of their hierarchical level, gets informed through the Compliance Programme of our Group on the laws on good

competition practices, on the key clauses of the Greek and European competition law, on the reasoning behind them, on the practices prohibited and the related sanctions, as well as on the Administrative Authorities that are responsible for applying them. The provision of this information aims to assist both the Management and the employees of the Group understand firstly the fundamental principles of Competition Law and secondly the impact of these rules on the everyday operation of the Group and on the formulation of business practices. This understanding is necessary to avert any violations of the competition law that could leave the Group exposed or expose the employees to the risk of severe sanctions. Moreover, it is attempted to provide information and raise the awareness of the company personnel in relation to possible or actual foul play by customers, suppliers and/or Group competitors.

Our performance

GRI 419-1

Compliance with laws or regulations

During the reporting period (2014 - 2016), there has been no case of failure to comply with laws or regulations.

Internal & External Audits

Our performance is not audited separately but collectively through the Group's Internal Audit. During the reporting period, our Group did not conduct any External Audit on anti-corruption issues.

4.2 Communication of Anti-Corruption Policies and Procedures to third parties

Our approach

The preservation of strict ethics standards, in compliance with the national and international laws, constitutes a guiding principle of our Group and affects all its operations and activities around the world. Considering the complicated and peculiar characteristics of the global market where we are engaged, compliance with the anti-corruption laws requires continuous and updated information on the development of markets, understanding the fundamental need of complying with the laws in general, as well as showing vigilance, consistency, and integrity for the implementation of the anti-corruption policy by every member of the personnel, regardless of level.

We also align ourselves with the Council of Europe's Criminal Law Convention on Corruption.

Before concluding any agreement with any client, representative, partner in a joint venture, contractor, distributor, reseller, or other intermediary and third person, or anyone who shall act on our behalf, the Group, as appropriate, performs due diligence and ensure from the third party that they are fully aware of and agree with our Anti-Corruption policy. The employees of our Group must always consult the Legal Affairs and Compliance Division before proceeding to any such commitment, in order to allow for the performance of due diligence.

More specific instructions, regarding Public Servants, prohibit the conclusion of contracts with intermediaries (consultants, representatives, and other commercial partners) who may maintain relations with Public Servants or sign contracts on behalf of these persons, unless:

- > Approval has been secured in advance from the legal Affairs and Compliance Division.
- > A due diligence has been performed to ensure that the intermediary will refrain from actions of corruption.
- > A file is kept with the results of the due diligence study.
- > The agreement with the intermediary includes the following clauses:
 - Statement under which the intermediary pledges to comply with the current anti-corruption law.
 - Statement by which the intermediary pledges, upon request by the company, to provide copies of any document or security that may be related to the commercial collaboration in question.
 - Statement by which the intermediary confirms that they have been informed about this policy and agree to be bound by its clauses.
 - The terms of the agreement may be disclosed to competent state services, if the company considers this necessary.
 - The intermediary shall not assign or delegate to others any work undertaken without the prior and specific consent of the Group.
 - The intermediary shall disclose to the Group any relation that may arise between them and a public servant.
 - The intermediary shall file official statements confirming they have complied with anti-corruption laws, annually or, if deemed necessary by the Group, every six months.
 - The Group shall be able to retain payments based on the contractual terms, or terminate the contract, if they consider, while acting in good faith, that the intermediary has violated anti-corruption laws.
 - The Group shall have access, within reason, to the books and files of the intermediary, along with the right to audit them regularly, provided such access and audits are allowed under the standard commercial practices.

All policies are connected to the suppliers, clients, representatives, or any kind of our Group's associates:

Suppliers

All our basic suppliers, domestic and foreign, fill in and sign on an annual basis the respective questionnaires, where, apart from the general information and their details, disclose if they have any specific certificates, such as a Quality Management System certified to ISO 9001, a Safety Management System certified to OHSAS 18001 and an Environmental Management System certified to ISO 14001/EMAS; otherwise, they must reply to a series of questions to allow us form a complete picture about whether or not they comply with regulations, while there are concrete questions also included on compliance with Anti-Corruption Rules.

Representatives

Respectively, all our representatives, who mediate for the sale of goods or services on behalf of our Group or for any of its affiliates, in alignment with the anti-corruption programme, are obliged to fill in and file a Disclosure Statement for review and approval.

Consultants

An assessment – review procedure is applied in all cases for consultants, requesting them to fill in a relevant form containing the details of the consultant, including details of persons who can provide references. These details include, among others, information about management, the shareholder composition, and other details (for example, whether there is a family relation with members of public administration) to evaluate whether they fall in the cases of increased risk. This form is accompanied by forms evidencing all the relevant information (e.g. certificate issued by the competent chamber, articles of association, and other documents, to the extent that no privacy laws are violated).

Clients

In every contract signed with clients, we expressly state the requirements of the SUNLIGHT Code of Conduct applicable to our Group, while also citing our own statement that the fees we are going to collect from them are not going to be used for corruption.

In case of doubt regarding the origin of the money collected from our business partners, we proceed to the respective procedures to ensure that they do not refer to money laundering, prior proceeding with any transaction with the partner in question.

Respectively, when we receive any information about any activity or transaction we consider or suspect that could be related to money laundering, we take the necessary steps, as set out in our code, and disclose all relevant available information.

When there is no direct contact with a business partner and the verification of their identity is complex, additional verification measures are requested.

Our performance

All Group partners, as described above, have been informed about our Policies concerning compliance with the law and Anti-corruption.

4.3 Participation in joint actions for anti-corruption

The most important action taken by the Group during the reporting period, regarding the joint actions for anti-corruption, was its participation in the round table discussion on anti-corruption, held by TRACE International, a globally respected anti-corruption organization, in Athens, on September 16, 2016.

The discussion was led by the President of Trace International, Ms. Alexandra Wrage, an executive with international reputation in the field of Compliance. The event was attended by representatives of companies from various business sectors, along with the SUNLIGHT Group, which was represented by Ms. Tania Chadouli, Legal Counsel and Compliance Director, and by Mr. Dimitrios Gkoumas, independent member of the Board and President of the Company's Compliance Committee.

This event was focused on the best practices to ensure corporate transparency and on the developments of the industry both regarding compliance and anti-corruption. The participants exchanged their views regarding the Greek economy and entrepreneurship, the current legislative framework and the methods by which corporate ethics can be improved, while promoting transparency in commercial practices.

Alexandra Wrage presented specific examples from Greek reality that refer to the application of relevant practices used for combatting phenomena of corruption in our country, while representatives of SYSTEMS SUNLIGHT discussed about the innovative tools developed by the Group, in addition to those provided by TRACE, seeking to ensure transparency in the corporate commercial transactions.

The participants unanimously agreed that the adoption of measures for preventing and fighting corruption in Greece could significantly boost the effort to end the financial crisis. Adopting suitable training tools for employees and the dedication of resources for the creation of departments of compliance are necessary steps to this direction, having TRACE as a precious ally.

“TRACE is very pleased from the round table discussion held in Athens. We have participated in high-level talks firstly concerning the international segment of fighting corruption and secondly about the steps that must be taken by Greek companies to improve their departments of compliance.”

TRACE, with the purpose of increasing transparency in commercial transactions at a global scale, offers its members training programmes, both online and through individual meetings, through which the companies become able to understand these practices and contribute to prevention against corruption. At the same time, TRACE provides audit services, including the TRACE Certificate, a certificate that underscores the commitment of a company to transparency in its commercial practices, and to compliance procedures against bribing.

SYSTEMS SUNLIGHT is very proud for its compliance programme, the adoption of international practices against bribery and about its commitment to transparent commercial transactions, as well as about its participation in the event held by TRACE International – the first event of such calibre held in Athens.

