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KFW Anti-Bribery and Corruption Policy

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1. Introduction

The main purpose of this Policy is to provide a framework for the prevention and detection of bribery and corruption in Korea Floating Wind (“Company” or KFWind”) operations and to promote KFWind’s full compliance with applicable laws and regulations.

KFWind opposes corruption in all forms following a zero-tolerance approach to bribery and corruption and it is committed to conducting its business in accordance with the high ethical standards reflected in KFWind’s Code of Conduct and in compliance with all applicable laws, regulations and international standards and guidelines.

This Anti-Bribery and Corruption Policy (“Policy”) is anchored on KFWind’s Code of Conduct. It aims to elaborate the key principles and provide specific functional guidance to create common understanding and practices across KFWind in order to fight corruption.

This Policy sets out the mandatory rules and regulations in respect of corruption for KFWind.

1.1 References

- KFW Code of Conduct (KRKFW-KFW-LCF-CMP-POL-00001 Rev.1)

1.2 Definitions


Bribery: Where a person promises, delivers, or manifests a will to deliver a bribe to a public official, or a person who is to become a public official, in relation to official duties.

Forms of bribery pursuant to the Korean Criminal Act:

- Public official, or a person who is to become a public official, is prohibited from receiving, demanding, or promising to accept a bribe in connection with his or her duties.
- Public official is prohibited from causing, demanding, or promising a bribe to be given to a third party on acceptance of an unjust solicitation in connection with his or her duties; and
- Public official is prohibited from, by taking advantage of his or her post, receiving, demanding, or agreeing to receive a bribe concerning the use of the goods of office in connection with the affairs that belong to the functions of another public official.

Commercial Bribery: Where a person receives or gives bribes by breach of trust pursuant to the Korean Criminal Act. Specifically, a person receives or gives bribes by breach of trust if that person administering another person's business receives property or obtains pecuniary advantage from a third party, or aids and abets a third person to receive property or obtain pecuniary advantage, in response to an improper solicitation concerning his or her duty.

Improper Solicitation and Graft: Where a person engages in corrupt practices related to public officials outside the scope of the Korean Criminal Act. The scope of public officials under The Improper Solicitation and Graft Act includes public officials, persons who are regarded as public officials, public service-related organizations, employees of public institutions, employees of schools, officers and

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employees of educational foundations, officers and employees of the press, spouses of a public official and private persons performing public services (Public Official Etc.).

Pursuant to this law, if a Public Official Etc. receives money or valuables prescribed in the law is greater than the permitted amount, the Public Official Etc. is punished even when such money or valuables are not in relation to official duties.

Corruption: Where a person or organization offers, gives, receives, or solicits Anything of Value by a person or organization, for the purpose of influencing - directly or indirectly - officials or private parties for an improper purpose, including to obtain or retain business or any business advantage. For the purpose of this Policy, Corruption includes Bribery, Commercial Bribery, and Improper Solicitation and Graft.

Anything of Value: Anything of Value shall be interpreted broadly to cover anything that could benefit the recipient. It comprises payments of money in any amount and in any form, including cash, gift cards, discount cards, commissions, rebates, loans at favourable terms, use of houses, cars, or other property without economic consideration, offers of employment, or other compensation, as well as donations, in-kind services, gifts, meals and entertainment, travel, contractual rights, other business advantages, favours, and anything else of economic value.


Facilitation payment: Also called “speed” or “grease” payments, are payments made to a Public Official to secure the expeditious performance of a routine, non-discretionary government action which the Company may already have a legal or other entitlement.

Public official: Any officer or employee of a government, a government department, branch, agency, or government owned or controlled state enterprise, any person acting in an official capacity for or on behalf of a government or government entity/branch or of a public international organization, any political party or party official, or any candidate for political office. Public officials include not only elected officials, but also consultants who hold government positions and political party officials. Additionally, public officials can also include representative, officers and employees of public service-related entities and institutions, the representative, officers and employees of press, the head of each level of schools and its teachers and officers and employees, and the respective spouses of any of the foregoing persons. For the purpose of this Policy, Public Official shall include Public Official Etc.

Whistleblowing Channel: Platform made available by KFWind to submit and receive Reports.

Intermediary: Any agent, consultant and any other third party used by KFWind acting on behalf or in the interest of the Company for the purpose of, for example, pursuing business opportunities, lobbying, support the obtention of licenses and public permits necessary for the development of certain activities or similar.

KFW Relevant Person: Any employee, director, officer, fixed term contractor, agent, or Shareholder secondee which supports KFWind.

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2. Operating Principles

2.1. Expectations

All KFWind Relevant Persons shall comply with this Policy. Further, KFWind shall seek to obtain that also their suppliers, partners and consultants adhere to anti-corruption rules or policies with similar content as this Policy.

If a KFWind Relevant Person is uncertain on how to resolve a particular problem, he/she shall contact his/her line manager and seek guidance. KFWind leaders are expected to actively lead, promote, and implement this Policy and be role models for the organisation. KFWind has responsibility for adherence to the internal framework of the shareholders and compliance with external laws and regulations at any given time.

2.2. Where to seek guidance and to where to report concerns

It is important that no KFWind Relevant Person hesitates to seek guidance in case of uncertainty in respect of compliance with this or other KFWind policies and procedures.


Where this Policy does not answer his/her questions, guidance may be sought from line managers or others from the senior management. KFWind Relevant Persons are always encouraged when possible and feasible to raise questions and to report on concerns to their line managers, representatives of senior management and KFWind Compliance Officer.

If you fail to obtain a response to your notification or if you would prefer not to notify any of those identified above, you are urged to report the matter to KFWind's Whistleblowing Channel.

Reports can be sent anonymously. The Whistleblowing channel is open for all employees and non-employees to report a concern of misconduct. All reports to this whistleblowing channel will be sent to KFWind's Compliance Officer and will be treated with strict confidentiality.

KFWind will ensure that there will be no retaliation against a whistleblower, nor any impact on a whistleblower's professional career, for reporting possible violations in good faith. Any employee knowingly making a false report for the purposes of harming another individual will be subject to disciplinary action.

In case a KFWind Relevant Person realises in hindsight that a situation that he/she has been involved in may have been a breach of law, the Code of Conduct, this Policy, or international recognised standards for ethical behaviour, he/she shall report the situation to the Compliance Officer. The Whistleblowing Channel can also be used.

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2.3. Disciplinary actions and criminal sanctions

KFWind will not accept any violation of relevant laws, regulations or of this Policy without taking appropriate actions to mitigate such violation. Properly founded allegations or evidence of violations of this Policy will result in investigations which will result in disciplinary responses if allegations are proved. Disciplinary responses will range from verbal warnings (from line managers or HR) to dismissal. KFWind will also support criminal investigations and prosecutions when relevant.

3. Corruption and improper payments


3.1. Corruption: Typical red flags

One of the key aspects related to the fight against corruption is the identification of “red flags”. A “red flag” issue is a fact or circumstance out of the ordinary which may be an indication of fraud and/or Corruption and should merit further investigation and caution before proceeding.

If any KFWind Relevant Person encounters any of these red flags while working for the Company, it must be reported to the Compliance Officer to be aware of necessary actions to comply with this Policy.

The following list is not intended to be exhaustive and is for illustrative purposes only. Typical red flags are:

- a. Activities based in a country with a low score on Transparency International’s Corruption Perception Index (CPI). The index may be found at www.transparency.no.
- b. A business relation that refuses to adhere to the principles set out in the KFWind Code of Conduct or does not itself have ethical guidelines.
- c. A business relation who refuses to provide complete information or required disclosures.
- d. A business relation with a needlessly complicated corporate structure; or who makes use of shell or holding companies or a blind trust.
- e. A business relation who requires that payment be made to a third party or in a country which has no connection to the transaction or operations, including tax havens.
- f. A request for an unusually large commission, success fee, or irregular payment structure
- g. A request for entertainment or gifts over any reasonable amount by local standards or permitted by any law, or the provision of employment, or some other advantage to a friend or relative
- h. A request for reimbursement of poorly documented or questionable expenses
- i. A business relation facing financial difficulties.
- j. A request or insistence from a Public Official to use a particular third party or Intermediary.
- k. Credible reports of fraudulent behaviour or improper business practices

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4. Laws and regulations

4.1. Introduction

KFWind Relevant Person shall not, either directly or indirectly through a third party, offer Anything of Value to influence the actions or decisions of any official, other person in public or legal duty, any person acting on behalf of customers or subcontractors/suppliers, or any other third party, or to otherwise obtain any improper advantage, in selling goods and services, conducting financial transactions, or representing the company's interests.

Regardless of the country/countries where business is conducted, KFWind Relevant Person are prohibited from paying or receiving bribes under any circumstances. In KFWind, no one shall offer, authorize, or pay bribes or Anything of Value to anyone. Particularly caution should be taken with respect to any:

- a) Business partners; and/or
- b) Public Official, political candidate, or political party, in order to obtain or retain business or secure any business advantage.

KFWind does not allow bribery in any form. The Company has zero-tolerance for Bribery and corruption which, as defined above, is prohibited in KFWind and violations will result in disciplinary actions. It is the responsibility of each KFWind Relevant Person to be sufficiently acquainted with applicable laws, including local laws, and to seek legal advice as needed.


KFWind is a diverse company with KFWind Relevant Person having many different nationalities. Those who are not Korean by birth, are subject to Korean anticorruption legislation and the anticorruption legislation of countries which they hold nationality and/or residency, regardless of whether the act is a criminal offence in the other country or not. For guidance in respect of the legal framework, KFWind Relevant Person should contact KFWind Legal and Compliance team.

4.2. Korean Anti-corruption legislation

KFWind is subject to the corruption provisions of the Criminal Act, Improper Solicitation and Graft Act, Aggravated Punishment of Specific Economic Crimes, Aggravated Punishment of Specific Crimes, Act on Combating Bribery of Foreign Public Officials in International Business Transactions (based on OECD Recommendation of Amendment of Prevention of Bribery in International Commercial Transactions), Act on Regulation and Punishment of Concealment of Criminal Proceeds, Act on Reporting and Using Specified Financial Transaction Information (reporting transactions suspected of AML or in excess of 20M KRW) etc.

4.3. Other applicable anti-corruption legislation


As a multinational organisation doing business worldwide, KFWind is subject to different laws, regulations and international anti-corruption treaties, prohibiting corruption of public officials and private parties, such as:

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- United States Foreign Corrupt Practices Act (FCPA)
- UK Bribery Act issued in the United Kingdom;
- Spanish Criminal Code
- Norwegian Penal Code
- French Criminal Code and law No. 2016-1691 of December 9, 2016 (Sapin II Law)
- United Nations Convention against Corruption.
- OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions.

In general terms, the main international anti-corruption laws state the following prohibition principles:

- i. Bribery of public officials:
 - a. The promise, offering or giving to a public national official, foreign public official or an official of a public international organisation (directly or indirectly) an undue advantage, for the officials themselves or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties, in order to obtain or retain business or other undue advantage;
 - b. The solicitation or acceptance by a public national official, foreign public official or an official of a public international organisation, directly or indirectly, an undue advantage, for the officials themselves or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties.
- ii. Bribery in the private sector. Intentionally commit in the course of economic, financial or commercial activities:
 - a. The promise, offering or giving, directly or indirectly, of an undue advantage to any person who directs or works, in any capacity, for a private sector entity, for the person himself or herself or for another person, in order that he or she, in breach of his or her duties, act or refrain from acting;
 - b. The solicitation or acceptance, directly or indirectly, of an undue advantage by any person who directs or works, in any capacity, for a private sector entity, for the persons themselves or for another person, in order that he or she, in breach of his or her duties, act or refrain from acting.
- iii. Trading in influence:
 - a. The promise, offering or giving to a public official or any other person, directly or indirectly, an undue advantage in order that the public official or the person abuse his or her real or supposed influence with a view to obtaining from an administration or public authority, an undue advantage for the original instigator of the act or for any other person;
 - b. The solicitation or acceptance by a public official or any other person, directly or indirectly, an undue advantage for themselves or for another person, in order that the public official or the person abuse his or her real or supposed influence with a view to obtaining from an administration or public authority of an undue advantage.

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Although this Policy is intended to comply with all relevant laws and regulations, there is no guarantee that complying with this Policy automatically ensures compliance with all applicable laws and regulations, and employees operating or conducting activities into jurisdictions where other laws and regulations are relevant should seek advice with regard to such regulation if in doubt.

5. Use of Intermediaries, including agents and lobbyists

The employment of Intermediaries can create risks for KFWind as while they act on behalf of or in the interest of the Company any conduct of these third parties that might violate any applicable legislation or KFWind’s ethical standards, could potentially lead to KFWind’s image and/or reputation being damaged. Therefore, all interactions with Intermediaries must follow the principles set out in this Policy and in the Intermediary Agreement Procedure.


KFWind Intermediary Agreement Procedure must be followed to engage any Intermediary, allowing proper documentation of the engagement process, appropriate screening of the Intermediary in accordance with the Integrity Due Diligence Procedure, and the inclusion of specific contractual provisions.

6. Facilitation payments

Facilitation payments, also called “speed” or “grease” payments, are payments made to a Public Official to secure the expeditious performance of a routine, non-discretionary government action which the Company may already have a legal or other entitlement to e.g., the return of a passport at an airport or faster handling of material through the customs. Such payments are most often small but can also be substantial. Other examples include paying small amounts to officials to secure permission to leave or enter a country, to clear goods through customs, or to unload shipments within reasonable time (sometimes avoiding costly delays). Facilitation payments are normally cash payments but could also involve other favours. The payment demanded or paid may be modest and the consequences of not paying may be significant.

KFWind Relevant Persons shall never give nor encourage facilitation payments unless he/she is the victim of extortion - where demands for facilitation payments are associated with expressed or perceived threats to health or life (Safety Payment), for example if he/she is placed in prison on a remote location with a demand for facilitation payment in order to be released. In such circumstances, the KFWind Relevant Person shall, if possible, contact the Compliance Officer to have pre-approval of the payment, preferably before the payment takes place. Otherwise, as soon as reasonably possible, KFWind requires that the Safety Payment is reported to the line manager and the Compliance Officer. When reporting the Safety Payment, the following information is required in writing:

- Information about parties involved.
- Amount of the payment
- Circumstances given rise to the payment.
- Receipt (if the circumstances allow it)
- Whether the payment was made by cash, cheque or credit card.

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7. Gifts and Hospitality

Genuine business gifts and hospitality or other legitimate business expenditure can be an important part of building and maintaining business relationships, but they can be used to hide bribery and corruption.

KFWind does not allow gifts or hospitality when giving or accepting them could influence business decisions, violate any local laws, including but not limited to the Graft Act, or the policies of the recipient company or agency, or cause others to perceive such influence or violation. KFWind does not expect gifts or hospitality from any of our business partners.

Gifts and Hospitality may only be accepted or offered if it is directly related to the promotion, demonstration, or explanation of the Company's facilities, plans, assets or services, and the expenditure is within applicable amount limits as set out in the Gift and Hospitality Procedure and not in violation of the Graft Act.

All offered and received gifts and hospitality shall always be properly recorded in KFWind's Gifts and Hospitality Register. This applies to both gifts and hospitality accepted in accordance with the Gifts and Hospitality Procedure, and when gifts or hospitality are offered but declined as non-compliant with our policies.


Gifts, hospitality or any financial or other advantage shall not be promised, offered to or received from public officials unless this is subject to specific written pre-approval from the KFWind Compliance Officer. The Republic of Korea has specific laws that apply to gifts and hospitality provided to anyone working for a local or federal governmental body in the Republic of Korea. More detail on this is provided in our Gifts and Hospitality Procedure.

KFWind Relevant Persons may refer to this mandatory Policy and the Gifts and Hospitality Procedure when refusing a gift exceeding the above thresholds, in order to avoid insulting the person or entity offering the gift or hospitality. It is important that all gifts and hospitalities are given and received in an open and transparent matter, and all KFWind Relevant Persons are themselves responsible for ensuring that all relevant taxation and reporting regulations are complied with when offering or receiving a gift or hospitality. The Compliance Officer may assist in case of doubt in such situations.

8. Charitable donations and sponsorships

Charitable donations are defined as payments made or goods given for the benefit of a community or disadvantaged people. Typical areas for such donations are education, health, sports, culture, support to non-governmental organizations and other social welfare causes. Payments are made without demand or expectation of a business return.

The Company needs to be certain that donations to non-profit entities, local communities, and people in need within disadvantaged groups will not be used to disguise illegal payments to public officials in

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violation of international and local anti-corruption or anti-bribery laws. In this regard, donations must meet the following criteria:

- Donations must be made only in favour of organisations not recently incorporated, well-known, reliable and with outstanding reputation or directly to people in need or to disadvantaged groups that have been awarded within programs directly managed by KFWind to improve the lives of people in the local communities where it operates
- A Third Party Integrity Due Diligence on the receiving organisation is required
- It is not permitted to offer or donate without the prior written approval of the line manager when the donation is between KRW 135,000 and 1,350,000 (informing the Compliance Officer); and if equal to or above KRW 1,350,000 it should be approved by the Compliance Officer and the CEO.
- No consideration of any form is received in return unless permitted by law.

A sponsorship is a transaction where a sponsor makes a payment, in cash or in kind, to associate its name with an activity or an organization, and receives specific rights and benefits in return, such as the promotion of the sponsor's name, products and services. There must be documented tangible benefits for the KFWind Companies associated with any sponsorship, such as commercial gain, professional development, enhanced profiling etc. Criteria used in the KFWind Companies are that sponsorships should be strategic and reflect the KFWind Companies' values, quality and profile.

Sponsorship activities must be compliant with the following standards:

- Partners under sponsorship agreements must be well-known, reliable and with outstanding reputations
- A Third Party Integrity Due Diligence on the receiving organisation is required
- No religious or political groups or organisations shall be sponsored.
- There shall be no personal conflict involved in the decision to sponsor an organisation. In situations where a conflict of interest exists, the conflicted individual shall withdraw from any associated decision-making process.
- Payments must not be made to any individual or entity other than those sponsored in question or to a bank account outside of the country where the sponsored entity in question resides or to the professional/educational organisation.
- Payments must not be made in cash or cash equivalent (payments must be performed by bank transfer)
- A written agreement with the above partners is required and must contain inter alia, the following specific wording:
 - To prohibit the partner under the sponsorship agreement from altering the nature or purpose for the use of the fees without written approval of the Company.
 - To provide, at the request of the Company, supporting evidence of the use of the fees in compliance with the specific purpose.
 - To comply with the Applicable Laws in relation to the receipt and use of the fees.

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Sponsorships must be offered in an open and transparent manner and accurately recorded in the Company's books and records, and a sponsorship log must be kept registering all sponsorships offered to external parties.

9. Political contributions

Political contributions are any contribution, made in cash or in kind, to support a political cause or party. Neither the KFWind Companies nor any of KFWind Relevant Persons shall make financial contributions to political parties on behalf of the Company. KFWind Relevant Persons may choose to participate in political or religious activities in their own personal capacity, so long as they do not use any resources that are the property of the KFWind Companies for these activities and it must be entirely clear that they are not representing KFWind in doing so.

10. Integrity Due Diligence

Integrity Due Diligence is an important tool to uncover improper behaviour by potential and existing business partners, suppliers and other third parties involved in the activities of KFWind. Such improper behaviour may reflect upon KFWind. It is therefore important to identify, prevent and mitigate any impacts or risks related to bribery and corruption of such third parties, money laundering and financing of terrorism, including sanctions and embargoes and human rights violations.

In this context, before entering into significant agreements or arrangements with third parties, KFWind must conduct an Integrity Due Diligence (IDD) of such counterparties, mainly suppliers and service providers, Intermediaries, partners, third parties to whom the Company sells energy, recipients of charitable donations and sponsorship, and candidates/employees. The level and detail of such due diligence shall be determined based on a risk-based approach.

When red flags are detected during a due diligence process, the gathering of information related to the red flag issues shall be expanded accordingly. In case of a red flag issue, the need for engaging an external advisor shall be considered.

The obligation to conduct IDD is explain with more detail in KFWind's Integrity Due Diligence Procedure.