

Code of Conduct

for Business Relations



Industrial and CSR Department
Contact: Vignal Lighting Group - France

MESSAGE FROM THE GROUP PURCHASING MANAGER

The Code of Conduct for Business Relations describes the commitments we expect from our business partners in the environmental, social and ethical spheres and regarding supply chain management.

Initiated in 2013, this is a long-term approach and we now consider compliance with the code as a selection criterion in the same way as the cost, quality, service, innovation and risk management aspects.

The Group Purchasing Department wishes to base its business relationships on the principles of ethics, professionalism, transparency and mutual trust.

This code comprises a benchmark and a reference. It is signed by each of our business partners when it becomes a supplier to the Group.

Hervé Richonnier
Group Purchasing Manager

OBJECTIVES AND RECIPIENTS

It is the Group's intention to be recognised as a responsible company whose activities comply with international standards.

Aware of the challenges and opportunities for progress presented by the supply chain, the Group has decided to formally specify a series of guidelines to promote responsible behaviour on the part of its business partners.

This Code describes the minimum standards to be met by each partner. It is not intended to replace the applicable national and international legislation, with which the business partners must ensure strict compliance.

The principles mentioned in this Code are based on major international agreements such as the 10 principles contained in the United Nations Global Compact, the International Labour Organisation's fundamental and priority conventions in addition to the various declarations concerning human rights and children's rights.

With this Code, the Group is seeking not only to protect its own business interests but also to guarantee and promote a responsible attitude from everyone involved in its supply chain.

The themes covered (human rights, respect for the environment and business ethics) are fundamental.

This code applies to all suppliers and service providers (hereafter referred to as the "Business partners").

Moreover, the Group invites its Business partners to also ensure that their own business partners are aware of and comply with the CSR principles detailed hereafter.

THE BUSINESS PARTNERS' COMMITMENTS

Compliance with national and international laws and regulations

Our business partners must comply with all laws and regulations, including regulations related to exports applicable to their activities, in each country in which they carry out their activities. In the absence of such standards, as a minimum they must ensure compliance with the CSR commitments detailed in this code in as far as possible.

Respecting human rights in the workplace

Our Business partners agree to promote, respect and ensure respect for human rights in their professional activities. They must ensure that their employees' working conditions are decent and comply with the applicable local and international legislation.

▶ Banning child labour

Our Business partners must not employ persons under the minimum age required by law in each country in which they carry out their activities. Consequently, they are invited to check the age of their employees by all legal means. The minimum working age set by the ILO is 15 years old, except in certain countries for which child labour from the age of 14 onwards is authorised. The age limit is also dependent upon the strenuousness of the job in question. Persons under the age of 18 should not carry out any night working, any dangerous work or any activities which may be harmful to their physical or mental health.

▶ Avoiding the use of forced labour or slavery

Our business partners agree not to have any work performed by or to require any services from an individual under the threat of any penalty or punishment of any form, and for which this individual has not volunteered of his own free will. The confiscation of employees' identity papers and the payment of a deposit or bond at the time the person is hired are also practices which are both prohibited.

Our Business partners may not practice or benefit from any form of servitude, human trafficking or slavery.

▶ The payment of fair wages

Our Business partners will respect the right of employees to receive fair remuneration which should be sufficient to guarantee a decent standard of living for them and their families. The remuneration paid to the employees must be at least equal to the minimum fixed salary set by the legislation of the country in which the work is performed. It must be paid on time, regularly and in full, in a currency recognised as legal tender.

▶ Guaranteeing decent working hours

Our Business partners will ensure that their employees work to set business hours and benefit from holiday and leave entitlement pursuant to the legal and statutory provisions in force in the country in which they perform their activities.

According to local regulations and the status applicable to the employees concerned, overtime working must be voluntary, paid at a higher rate and should not pose a professional risk for the employee. Our Business partners may also agree by means of a collective agreement or other agreement that all or part of this additional remuneration will be replaced by equivalent compensatory time off.

▶ **Guaranteeing the absence of discrimination, harassment and inhumane treatment**

Our Business partners agree that they will not carry out any form of discrimination based on gender, age, origin, religion, sexual orientation, physical appearance, state of health, family situation, political opinions, pregnancy status, trade union membership, disability or any other form of discrimination, including at the time of recruitment or for any access to training or a promotion, etc.

All forms of harassment, threats of violence, abuse, coercion and corporal punishment directed at employees are inadmissible and intolerable. Our Business partners guarantee that their employees will receive decent and humane treatment at all times.

▶ **Promoting diversity**

Our Business partners will encourage diversity within their companies and will take measures favourable to ensuring the integration of persons in difficulty (disabled people for example).

▶ **Protecting health and guaranteeing hygiene and safety in the workplace**

Our Business partners will analyse and assess potential health and safety risks within their companies in order to apply appropriate processes to avoid and remedy these, where applicable. Training must be organised for the employees exposed to such risks.

Our Business partners will ensure that the procedures to ensure suitable hygiene and safety conditions are respected in the workplace and among other things will check the compliance of the facilities vis-a-vis the country's standards regarding indoor air quality (ventilation), sound levels, temperature and lighting. Fire protection and firefighting equipment must be in place and must be the subject of training (including evacuations) at regular intervals.

Our Business partners agree to (i) identify and reduce their employees' exposure to risks related to the company's activities and (ii) to improve the protection of employees in the event of an accident, including by signing up to insurance schemes. Our Business partners must also provide employees with appropriate individual and collective protective equipment.

▶ **Guaranteeing and respecting the freedom of association and trade union freedom**

Our business partners agree to respect and guarantee freedom of association and trade union freedom for their employees as provided by the applicable national and international laws. Our partners will ensure that they maintain a collaborative attitude vis-a-vis their employees at all times, and will seek to avoid conflicts through effective ongoing social dialogue.

Reducing economic dependency

Our Business partners must diversify their customer base to avoid any economic dependency vis-a-vis the Group. They will inform the Group as soon as possible of any risk of economic dependency in order to introduce the necessary corrective measures, which may include a significant reduction in business dealings with the Group.

Ensuring the confidential nature of information

Our business partners are invited to ensure respect for the confidential nature of the non-public data obtained during their commercial dealings with the Group. No confidential information belonging to the Group may be revealed, transmitted, divulged or used by them other than with regard to our business relationship.

The Group's confidential information must remain strictly confidential, even following the termination of its relationship with the Business partners concerned.

The Business partners will protect all professional data and information received from the Group throughout the business relationship and even after the termination of the said relationship.

Individual information concerning the Group gathered or held by our Business partners must be strictly subject to the principle of limited use.

The fight against corruption and money laundering

Our Business partners must fight corruption in all forms in every country in which they carry out their activities. They must not directly or indirectly offer, promise, grant or demand illegal payments or other undue benefits to/from the public authorities to obtain or maintain a contract or any other illicit advantage. In particular, they must avoid any extortion, fraud or bribery.

Our Business partners must combat money laundering in every country in which they carry out their activities. They must show heightened vigilance concerning financial transactions undertaken in order to detect any irregularities (including verification of the country of origin of the funds and of the payment body concerned, the location of the bank and its non-inclusion on a "blacklist" etc.).

Avoiding conflicts of interest

The Business partners must avoid any real or potential situation which may compromise the Group's interests and reputation.

The fight against anti-competitive practices

Our business partners must take all measures to avoid anti-competitive practices. Among other things they agree not to participate in cartels and/or abuses of a dominant position.

They should avoid sharing any sensitive information (customer files and databases, marketing plans, commercial and business strategies, purchase and sales prices, etc.) with third parties, and in particular with the Group's competitors. They are moreover invited to familiarise themselves with the applicable legal and regulatory measures regarding competition in each country in which they carry out their activities and to consult a professional when necessary.

Respecting and protecting the environment

Our Business partners agree to comply with national or international legal and regulatory requirements regarding environmental law.

They should adopt a precautionary approach: detecting, identifying and assessing potential environmental risks and taking all appropriate measures to reduce or eliminate them.

Our business partners should minimise their impact on the environment

- By contributing to efforts to combat the climatic crisis,
- By reducing their consumption of energy, their CO₂ emissions and their water consumption,
- By limiting their impact on biodiversity in the use of raw materials and the production of waste and emissions
- By reducing the use of non-renewable resources or products which are not environmentally friendly.

As part of their innovation processes, suppliers should encourage the development of products which have the lowest possible environmental impact throughout their entire life cycle.

Our business partners proposing services of an industrial nature also agree to:

- Implement programmes to ensure that their products do not contain banned raw materials or those obtained illegally (for example the hides of protected animals or substances from protected plants) while at the same time guaranteeing the very best breeding, transport and living conditions;
- Identify and manage any chemical products or materials which present a risk if discharged into the environment. They shall ensure that their handling, transport, storage, recycling or re-use and disposal takes place in a risk-free manner and in compliance with the regulations;
- Monitor the waste water and solid waste produced by their activity and process these in compliance with the laws governing their discharge or elimination;
- Monitor, inspect and process atmospheric emissions arising from chemical substances, aerosols, corrosive products, particles and volatile chemical substances which deplete the ozone layer, in compliance with the applicable legislation;
- Reduce or dispose of waste of all types, including through recycling, composting, the reuse of materials, in addition to limiting their quantity from the outset, including via reductions in packaging;
- Favour the use of materials designed to be environmentally friendly.

Our commitment to Responsible Purchasing - Minerals originating from conflict zones

▶ International Regulations

On August 22, 2012, the United States Securities and Exchange Commission (the "SEC") adopted a number of rules concerning declaration and divulgence requirements regarding the use of "Conflict Minerals" prohibited by the "Dodd-Frank Wall Street Reform" and the "Consumer Protection Act" 2010.

These rules establish an obligation to divulge all use of "Conflict Minerals" necessary to the production or features of certain products.

▶ Minerals concerned and Impacts

The term "Conflict Minerals" refers to tin, tantalum, tungsten and gold ("3T & G"), regardless of where they are purchased, converted or sold. These requirements have the humanitarian objective of bringing an end to violent conflicts in the Democratic Republic of the Congo (DRC) and the neighbouring countries.

These minerals from conflict zones may be used to directly or indirectly finance armed groups and support the civil war in the DRC, entailing the violation of human rights in addition to serious social and environmental problems.

▶ Management process and Commitments

The Vignal Lighting Group invites its business partners concerned by the use of these minerals to complete the standard "*Conflict Minerals Reporting Template*" developed by the CFSI (Conflict-Free Sourcing Initiative).

This system makes it possible to take decisions concerning "Conflict Minerals" in full knowledge of the facts and to achieve progress throughout our entire supply chain.

If the Vignal Lighting Group becomes aware that one of its Partners is obtaining metals from conflict zones, the Group will take appropriate measures to rectify the situation.

ACCEPTANCE OF THE CODE OF CONDUCT FOR BUSINESS RELATIONS

We, _____, in our capacity as a business partner of the Vignal Lighting Group, hereby confirm that we:

- Have received and fully familiarised ourselves with the Vignal Lighting Group Code of Conduct for Business Relations;
- Formally accept the commitments detailed in the Vignal Lighting Group Code of Conduct for Business Relations;
- Understand that non-compliance with the Code of Conduct for Business Relations may result in the suspension or termination of our business relationship with the latter, should a corrective action plan fail to produce the desired results;
- Understand that it is our duty to notify our business partners of the commitments we have entered into via this Code of Conduct for Business Relations and to invite them in turn to ensure compliance with the CSR principles enshrined therein;
- Where applicable, will allow auditors to be appointed by the Vignal Lighting Group given the task of verifying compliance with the Code of Conduct for Business Relations, on our premises.

Company: _____

Represented by _____

Signed at _____ on _____

IMPLEMENTATION OF AND COMPLIANCE WITH THE CHARTER

The Group's objective is that this Code of Conduct for Business Relations should be an integral part of all relationships with the Group and its Business partners, and that it should be applied at every stage of the business relationship, in compliance with the above-mentioned CSR principles.

▶ **Acceptance and signature of the Charter**

This Code of Conduct for Business Relations must be accepted when joining our list of approved suppliers and subcontractors, and will remain in force for the whole lifetime of the business relationships in question.

▶ **Audits may be performed**

The Group reserves the right to audit its Business partners or have them audited at any time, in order to verify their compliance with the requirements of the Code of Conduct for Business Relations. The Partners are strongly advised to periodically check that they are in compliance with the Code of Conduct for Business Relations by any means they consider appropriate, both concerning their employees and their own business partners.

Finally, the Business partners are invited to provide the Group's CSR Management Department with any documents such as ratings or certificates concerning their responses and solutions to CSR-related issues.

▶ **Procedures for reporting anomalies may be introduced**

The Business partners are advised to introduce a system providing for the reporting of anomalies, with the aim of encouraging their staff to report any behaviour they consider contrary to the ethical principles detailed in this Code of Conduct for Business Relations.

For the Group and for its Business partners, those persons reporting violations of the charter will face no punishment or discriminatory measures on condition that they have acted in good faith, even if the facts concerning the reported violations are found to be inaccurate or are taken no further.

▶ **Corrective measures may be envisaged**

In the case of proven irregularities or violations of the Code of Conduct for Business Relations, the Business partners will propose a corrective action plan to the Group accompanied by a schedule, at the end of which the irregularity or violation in question should no longer exist. In compliance with the legal and contractual provisions, the Group will be free to terminate the business relationship with the Business partner concerned if the irregularities continue.