

Code of Conduct
Responsible purchasing



Industrial and CSR Department
Contact: Vignal Group - France

MESSAGE FROM THE GROUP PURCHASING MANAGER

The Responsible Purchasing Conduct Code describes the commitments we expect from our Providers 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 Purchasing Group Department wishes to base its Responsible Purchasing 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 Providers 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 providers.

This Code describes the minimum standards to be met by each Provider. It is not intended to replace the applicable national and international legislation, with which the Providers 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 based on responsible due diligence.

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

This code applies to all providers of the Group (hereafter referred to as the "Providers").

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

THE PROVIDERS' COMMITMENTS

Compliance with national and international laws and regulations

Our Providers 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 Providers 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 Providers 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 Providers 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 Providers 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 Providers 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 Providers 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 Providers 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 Providers guarantee that their employees will receive decent and human treatment at all times.

▶ **Promoting diversity**

Our Providers 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 Providers 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 Providers 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 Providers 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 Providers must also provide employees with appropriate individual and collective protective equipment.

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

Our Providers 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 Providers 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 Providers 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 Providers 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 Providers concerned.

The Providers 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 Providers must be strictly subject to the principle of limited use.

The fight against corruption and money laundering

Our Providers 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 Providers in particular exclude all relations and / or commercial transactions with Japanese anti-social forces according to the guidelines and ordinance of the Japanese Government.

Our Providers 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 Providers must avoid any real or potential situation which may compromise the Group's interests and reputation.

The fight against anti-competitive practices

Our Providers 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 Providers 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 Providers 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, Providers should encourage the development of products which have the lowest possible environmental impact throughout their entire life cycle.

Our Providers 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.

Respecting the laws and regulations regarding minerals from high-risk areas

▶ Laws, regulations and international organisation: gold, tin, tantalum, tungsten

On the 22nd of August 2012, the **U.S.** Securities and Exchange Commission adopted rules regarding the statement and disclosure requirements related to the use of “Conflict Minerals” as stipulated in the “Dodd-Frank Wall Street Reform” and the “Consumer Protection Act” of 2010.

The Regulation (**EU**) 2017/821 of the European Parliament and of the Council of the 17th of May 2017 lays down supply chain due diligence obligations for Union importers of tin, tantalum, tungsten and gold originating from conflict-affected or high-risk areas.

The **OECD** ⁽¹⁾ establishes a conflict minerals supply frame. Appendix II of the Guide defines the concepts of conflict and corruption, along with their impacts on human rights.

▶ UN Recommendations: Cobalt

UN reports have highlighted concerns regarding social and environmental impacts, including child labour and unsafe working conditions in cobalt mining. The goal is getting rid of child labour and forced labour, contributing to the communities’ sustainable development and respecting human rights (SDG # 8 Decent work and economic growth and SDG # 17 Partnerships).

▶ **We therefore ask our Providers:**

- to state the conflict minerals used for each product they provide us by filling in the reporting **CMRT** ⁽²⁾ for tin, tantalum, tungsten and gold and the reporting **CRT** ⁽³⁾ for Cobalt.
These documents are provided by the RMI (Responsible Minerals Initiative);
- to reduce risks by favouring ConflictFree supply chains, the due diligence practises of which have been validated by an independent third party;
- to establish corrective action in case of known risk and to notify their diligence measures if need be;
- to keep up with the new requirements;
- to clarify all of the requirements defined above for their supply chains.

In case Vignal lays down that the efforts undertaken by the Provider to comply with this policy are insufficient and/or that the Provider didn’t collaborate to ensure the corrective action implementation, Vignal reserves the right to taking decisions regarding the continuity of both parties’ trading relations.

⁽¹⁾ OECD Guide: <https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>.

⁽²⁾ CMRT (conflict minerals reporting template).

⁽³⁾ CRT (cobalt reporting template).

ACCEPTANCE OF THE CODE OF CONDUCT FOR RESPONSIBLE PURCHASING

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

- Have received and fully familiarised ourselves with the Vignal Group Code of Conduct for Responsible Purchasing;
- Formally accept the commitments detailed in the Vignal Group Code of Conduct for Responsible Purchasing;
- Understand that non-compliance with the Code of Conduct for Responsible Purchasing 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 Providers of the commitments we have entered into via this Code of Conduct for Responsible Purchasing 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 Group given the task of verifying compliance with the Code of Conduct for Responsible Purchasing, on our premises.

Company: _____

Represented by _____

Signed at _____ on _____

IMPLEMENTATION OF AND COMPLIANCE WITH THE CODE

The Group's objective is that this Code of Conduct for Responsible Purchasing should be an integral part of all relationships with the Group and its Providers, 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 Code**

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

▶ **Audits may be performed**

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

Finally, the Providers 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 Providers 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 Responsible Purchasing.

For the Group and for its Providers, those persons reporting violations of the code 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 Responsible Purchasing, the Providers 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 with the Providers concerned if the irregularities continue.