



CHARTER OF ETHICAL PURCHASES OF SIPH GROUP

OBJECT

The Charter of Ethical Purchases poses the foundations of the responsible purchasing policy applicable to the SIPH Group and its suppliers. The process of ethical purchases extends our values of socially responsible company that integrates the environmental, social and economic pillars. It fits completely in the **Sustainability Policy promulgated by the Group SIFCA/SIPH**, and that *“applies, without exception, to all suppliers (third party) from which the Group buys or with whom he has a commercial relationship (including purchases of raw material)”*.

This Charter defines the commitments of all stakeholders involved in the process. It covers all of the families of purchases made by the SIPH Group on all the companies of its perimeter.

THE COMMITMENTS OF THE GROUP TOWARDS ITS SUPPLIERS

The buyer carries the image of its activity and of the Group outside: his personal ethics, integrity, professionalism impact the reputation of the company. Therefore, he has to:

1° Fair treatment of suppliers:

During a call for tender, provide the same information to the consulted suppliers through specifications. For example, ask the same timeframe and evaluate the offers based on the same objective criteria: vendor's financial capacity, quality, cost, supply conditions, CSR commitment... Similarly a regular call for competitive tendering is desirable.

2° Respect the confidentiality of business and technical information provided by a supplier:

All procurement information must, under no circumstances, be disclosed to third parties and a fortiori to other providers consulted in order to respect the free competition. Similarly a buyer shall not provide any strategic information about commercial or technical aspects during his discussions or consultations with suppliers.

3° Apply transparency and traceability throughout the purchase process:

In terms of transparency, buyers must be able to explain the objective reasons of their choice. They must be impartial about the promises, commitments, contracts, terms of payment agreements with suppliers. The same applies for the treatment of disputes and potential conflicts that may occur throughout the commercial relations.

Also a coordination with the legal service is essential on sensitive or strategic purchases to limit disputes or facilitate the resolution of conflict.



4° Prevent potential conflicts of interest and corruption:

In order to avoid any risk of conflict of interest, buyers must act in the interest of the group without having their personal or family interest, or their friendly relationship, interfere in their business decisions. The buyer is absolutely prohibited to make demands to suppliers for personal purposes, for his colleagues or for himself. For example, there should not be any request for employment of family members, or for execution of personal works. Likewise, it is forbidden to accept payments or commissions from suppliers.

So in order to prevent any risk of conflict of interest, buyers must inform their superiors of any link: family relationship, personal relationship, direct or indirect financial interest that they might have with suppliers, in accordance with the "Code of Conduct of the SIPH Group".

5° Respect the gift and invitation policy

For all types of purchases, especially during the bidding, buyers will not accept gift, invitation or benefits that may have an influence on the award of the contract.

Thus, if business meals can help to strengthen the climate of trust, they must however be limited to the minimum necessary and avoid being extravagant (see the thresholds established by the Code of Conduct SIPH).

It is common practice to accept courtesy gifts, i.e. they are limited in value and do not characterize by a single personal use. However, it is not allowed to receive gifts or 'free' at his home or his relatives home, and consequently to communicate his personal address.

One should also refuse or return any gift whose excessive character or value would exceed tax or legal limits, or the thresholds set out in the SIPH Code of Conduct. Beyond those limits, one should refer to its hierarchy, which will decide whereas it could be accepted or not.

Similarly, invitations to sporting, cultural or other events or trips must be subject to hierarchical validation.

Finally, participation in suppliers' events (forum, seminar...) must in all cases be submitted to the hierarchy and be limited to essentially professional activities.

6° Think in overall cost and impact:

At the time of purchase, include the life cycle of the product. i.e. take into account all of the manufacturing process, packaging optimization, delivery, storage, maintenance, disposal ...

7° Establish a progressive responsible purchasing process:

To engage in a process of continuous improvement is a virtuous circle that requires collaboration and support from our suppliers in improving the environmental and social quality of their offers, which may indirectly have an impact on our image. This does not exclude to be demanding on the practices of our suppliers.

Finally, the proximity and the partnership must not lead to excessive economic interdependence.

Bertrand VIGNES
Chief Executive Officer

Internal Warning System: Any information on non-compliance of these principles may be communicated confidentially to the Committee of ethics of SIPH :

comite-ethique@siph.com and Tel : +33 (0)141 16 28 01