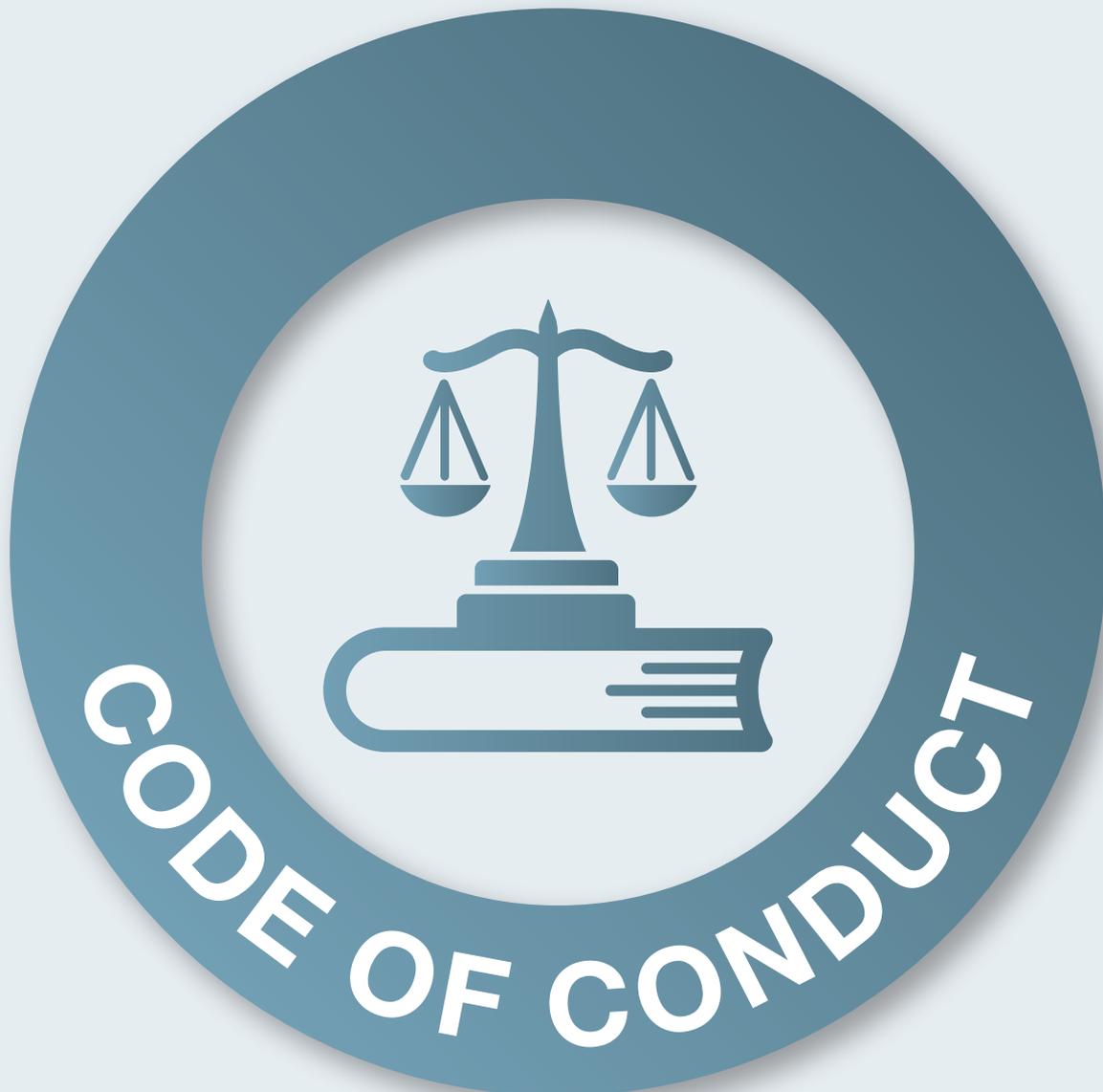


Code of Conduct
Version 2019





Foreword

“Our reputation stems from nearly a century of history, our acclaimed technical expertise and the quality of our relationships borne by the employees of our company and its partners.

This human dimension, initiated by the founders of SOCOMEC Group, has forged over time the values in which the company recognizes itself and which guide its activity: Openness, Commitment and Responsibility.

This Code of Conduct confirms our Responsibility. It establishes our commitment to integrity and our respect for the rule of law and the individual. It is built on clear ethical rules. It is widely circulated to all Group collaborators and partners and enables each of us to take initiatives to further satisfy our customers each day.

Faced with a demanding and fast-moving market, our Code of Conduct consolidates the essential relationship of trust that we must maintain with all Group stakeholders.

The Group will improve its performance and ensure its long-term sustainability through the exemplary and irreproachable behavior of all its collaborators and partners.

It is for this reason that we attach such great importance to this Code of Conduct.”

Ivan STEYERT,
Chief Executive Officer of SOCOMEC HOLDING SA

Michel KRUMENACKER,
Deputy Chief Executive Officer of SOCOMEC SAS



The Code Of Conduct

Who does the Code of Conduct apply to?

The Code of Conduct applies to:

- All collaborators of the SOCOMEC Group, be they permanent or occasional;
- All directors and legal representatives of the SOCOMEC Group companies (including, without limitation all members of executive or advisory boards, managing directors...);
- All SOCOMEC partners.

In all of its international installations, representing as many different cultures and laws, SOCOMEC is committed to respecting the applicable regulations.

Some situations may be open to interpretation as certain behaviors deemed tolerated or acceptable in certain countries may not be so in others. Our Code of Conduct establishes the Group standards for a certain number of these particular situations and provides information on SOCOMEC's expectations and standards regarding ethics.

Its contents will be updated according to the evolution of "field" situations and to the feedback we will have had.



1. FOR AN ETHICAL RELATIONSHIP WITH OUR BUSINESS PARTNERS

zoom on...



Gifts and invitations

The exchange of gifts or invitations can contribute to the improvement of business relationships in the interest of the Group but may also generate a conflict between personal interests and professional duties.

We must

- Ensure, when establishing a new business relationship that our partner has been informed of the SOCOMEC policy regarding gifts and invitations, as described in the following paragraphs. Likewise, we must enquire about our new partner's policy concerning this subject,
- Ensure that the gifts and invitations we offer are appropriate, reasonable, proportionate, legitimate and in compliance with SOCOMEC's ethical principles. The gifts offered must be approved by the hierarchy (N+2), and respect local laws,
- Inform the hierarchy (N+2) immediately of any gifts or invitations given or received,
- Question how the gift or invitation might be publicly perceived.

We must not

- Accept gifts or invitations unless they are clearly of symbolic value. As an indication, a maximum value of 100€ may be acceptable, after validation by the hierarchy,
- Accept or give gifts in cash.

zoom on...



Corruption, influence peddling, and “facilitation payments”

What is meant by corruption?

There are two types of corruption: “active” and “passive” corruption.

“Active corruption” means the act of promising, proposing, offering or requesting, directly or indirectly from a third party any undue advantage, monetary or otherwise, with the aim of accomplishing, delaying or failing to complete an act (for example in order to obtain or retain a tender), or any other undue advantage in the course of a business.

“Passive corruption” means the act of receiving from a third party, directly or indirectly, the same type of advantage with the same intent.

What is meant by influence-peddling?

Influence peddling results from the direct or indirect proposal of offers, promises, donations, gifts or advantages with the intent of obtaining improper use of a person’s influence.

What is meant by facilitation payment?

Facilitation payments are non-official payments made to intermediaries or public agents with the intent of obtaining a market or contract, or accelerating the performance of formalities of any type.

Corruption (including passive corruption), influence-peddling and facilitation payments are not authorized in the SOCOMEC Group. We apply a “zero-tolerance” policy to any dealing of this nature as they are incompatible with our values and contrary to many legislations around the world.

We must

- Inform our partners and intermediaries about our anti-corruption policy from the very beginning of the business relationship and make sure of their commitment to respecting this policy, especially if they intend to represent us in regions with a high corruption risk,
- Immediately inform your manager and/or the Regional Commercial Director if you have been made aware of dealings likely to be illicit or contrary to our standards.

We must not

- Offer, promise or give money or other valuable thing (gifts, invitations...) to a public authority, political party, trade union or charitable organization representative or similar with the intent of obtaining an advantage of any kind for SOCOMEC,
- Offer, promise or give money or any other valuable thing (gifts, invitations...) to a collaborator or representative of another company which may cause them to fail to fulfil their obligations to their company,
- Accept or solicit money or any other valuable thing (gifts, invitations) which may cause you to fail to fulfil your obligations to SOCOMEC or which may be seen to influence a business relationship,
- Do not make use of intermediaries to circumvent the applicable laws and regulations. This requires careful selection and monitoring of our agents, consultants, subcontractors and other business partners.

zoom on...



Competitors

It is in our interest to operate in a sector where business practices have a good reputation as this will reinforce our partners' trust in us. The sharing of "sensitive" information with our competitors (for example regarding subjects such as price, cost or marketing strategy) is strictly forbidden in many jurisdictions and could give the impression that we engage in manipulation or distortion of competition (such as price agreements, sharing of territory or market segments, etc.).

We must

- Notify our managers without delay if we have fortuitously received or used confidential or exclusive information concerning our competitors, for which they or a third party are the legitimate owners,
- Abstain from any unfair or disloyal acts or behaviors depriving a competitor of a supply source or business opportunities,
- Abstain from discrediting our competitors (for example, by making false statements about their products or services).

We must not

- Discuss with our competitors about any "sensitive" topic (e.g. price policy, offers, discounts, sale promotions, etc.),
- Encourage our business partners in an unfair manner to breach contracts they may have with our competitors,
- Collect information on competitors by illegal means and/or by failing to present ourselves clearly as a SOCOMEC employee,
- Authorize new employees to communicate confidential information about their previous employer(s), particularly if the employer is a competitor of SOCOMEC,
- Establishing contracts compelling a customer wishing to purchase one product, to purchase a second one (known as "related products and services").

zoom on...



Patronage and sponsorship

The sponsorship and partnership actions undertaken by the SOCOMEC Group are part of its approach to corporate citizenship and social responsibility. They are an important vehicle for the Group's ethical values.

These specific actions are only permitted if they comply with the values and strategic orientations of the SOCOMEC Group (citizen engagement, links to the local community, support for our collaborators and our professions etc.).

They may relate to many areas (cultural, educational, charitable...), but support for the following is expressly excluded from the perimeter: They may relate to many areas (cultural, educational, charitable, etc.) but support for the following is expressly excluded from the perimeter: political and religious activities, as well as any initiatives linked to organisms or companies with racist or xenophobic purposes, or which do not share or conflict with the Group's ethics.

The patronage or sponsoring decision is made by the Chief Executive Officer, in accordance with the Group's Human Resources, Communication and CSR policies.

SOCOMECE does not engage in any action that does not reflect its ethical principles and the Group's vision in terms of projects of general interest.

Likewise, the selected actions must be in strict compliance with all local applicable laws.

zoom on...



Export control

Compliance with regulations relating to the export control is a priority for the SOCOMEC Group. All partners must comply with the applicable national and international regulations and fulfil all obligations to obtain the required permits, certificates or authorizations and/or duly send the required notifications.

In particular, SOCOMEC Group partners must check and ensure, using appropriate measures, that:

- Fulfilling a contract will not lead to the violation of an embargo imposed by local law, the European Union, the United States of America and/or the United Nations, and that local legislations regarding trade with entities, people or organizations subject to sanctions are observed;
- The purpose of the contract is not intended to be used in the development or manufacturing of armaments of any kind or of nuclear weapons or technologies, or to be used in support of their development or manufacturing if such a use is subject to a ban, unless specific authorization is provided.

zoom on...



Waste management

Protecting the environment is everyone's responsibility. SOCOMEC and its partners must always act in an effort to respect the environment. In this regard, they must respect the laws and regulations and the SOCOMEC Group's internal measures.

Given that the regulations concerning the elimination of electric and electronic equipment waste ("WEEE") can vary depending on geographical location, the following instructions are useful to determine who must take responsibility for the collection and treatment of waste, and how it must be carried out:

- ▶ **Contact the company which sold you the product: the company will know which WEEE regulations are applicable at this geographical location.**

Good to know:

in certain cases, this company will be under legal obligation to organize and finance the waste collection and treatment. In other cases, it will be able to advise on the best way to dispose of the waste.

- ▶ **Contact the local authority responsible for the collection and treatment of waste: the authority will know the procedure to follow and provide information on the applicable restrictions and collection points.**

If the electric and electronic equipment waste management falls to the SOCOMEC Group according to the regulations applicable to the location of the waste, the partner must contact SOCOMEC to warn of the WEEE-generating product's end of life. The partner must also ensure all measures are taken to separate and make the WEEE available in preparation for its collection by a SOCOMEC-mandated person. The partner must furthermore transfer this information and these obligations to each successive buyer, and if required, to the product's end-user.



2. FOR THE EFFECTIVE IMPLEMENTATION OF OUR ETHICAL POLICY



Corruption prevention measures

SOCOMECEC strictly condemns any behavior or action which constitutes or relates to corruption.

The implementation of a compliance program focused on the prevention and detection of corruption risks, as well as the monitoring and sanctioning of identified cases of corruption, are essential elements demonstrating our commitment to integrity in the conduct of our business around the world.

Accounting control procedures

SOCOMECEC has implemented a large number of controls and processes to prevent the risks of corruption and non-compliance with laws and regulations in its accounting and financial activities.

Business partners' monitoring

SOCOMECEC carries out controls and monitoring of its business partners through different steps:

- For suppliers: by comparing several commercial offers. Such offers are then subjected to hierarchical validation ;
- For all partners:
- Verifying that they satisfy SOCOMECEC's technical, human, financial, regulatory and ethical requirements before establishing a business relationship by gathering information from partners and third parties (the "Know Your Business Partner" method);
- Monitoring their activities from an ethical point of view throughout the business relationship.

Our aim is to include social, societal and environmental criteria to our partner selection in addition to the conventional criteria of cost, quality, service, innovation and risk management.

The SOCOMECEC Group requires its partners to respect and ensure respect from their own subcontractors for the following fundamental principles:

- Be open and transparent about their social and environmental policies,
- Respect the fundamental conventions of the International Labor Organization (ILO), the Organization for Economic Cooperation and Development (OECD) Guidelines and the United Nations Global Compact (UNGC) Principles.

- Accept the possibility of audits, both internal and external, commissioned by the SOCOMECEC Group to verify the implementation of this Code of Conduct and if required, take corrective measures,
- Implement actions aiming to converge with best practices regarding social and environmental regulations.

Training program

SOCOMECEC has also developed a training program for collaborators who are the most likely to face corruption.



Corruption prevention measures

Monitoring measures

For many years, SOCOMEC has developed a culture of compliance by conducting regular audits of its many activities, both in France and internationally.

This may include, for example, external audits by local auditors to detect irregular and/or abnormal transactions.

Periodic internal audits are also carried out to monitor the evolution of the Group's compliance with the Code of Conduct.

Control and sanction measures

SOCOMECE Group is committed to zero tolerance against any behavior in contradiction with this Code of Conduct. Employees infringing SOCOMEC Group rules or procedures may be subject to disciplinary sanctions proportionate to the seriousness of the breach. Similarly, any violation of the SOCOMEC ethical principles by a partner may lead to the immediate termination of the business relationship without any compensation whatsoever for the business partner resulting from this situation, and without prejudice to any rights or remedies to which SOCOMEC may be entitled to under the contract and/or any applicable law. Without prejudice to the above, SOCOMEC may request the implementation of an action plan by its partner with the aim to remedy the shortcomings observed and prevent the occurrence of further violations. SOCOMEC will assess the proposed action plan's pertinence in a reasonable manner while retaining the right to termination.



The United Nations Global Compact

By adhering to the United Nations Global Compact in 2003, the SOCOMEC Group is committed to respecting and promoting the following ten principles within its activities and sphere of influence, relating to human rights, labor standards, the environment and the fight against corruption.

1. Promote and respect the protection of internationally proclaimed human rights
2. Ensure that our partners are not complicit in human rights abuses
3. Uphold the freedom of association and the effective recognition of the right to collective bargaining
4. Uphold the elimination of all forms of forced and compulsory labor
5. Uphold the effective abolition of child labor
6. Uphold the elimination of discrimination with respect to employment and occupation
7. Support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally-friendly technologies
10. Work against corruption in all its forms, including extortion and bribery.

Reference texts:

- Universal Declaration of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- Rio Declaration on Environment and Development
- United Nations Convention against Corruption

Contact : ethics@socomec.com

