



SUSTAINABLE PROCUREMENT CHARTER

PURPOSE

This sustainable procurement charter lays the foundations of the sustainable procurement policy applicable to SIPH and its suppliers. The sustainable procurement approach extends our CSR values that incorporate environmental, social, and economic aspects. It also fully includes the SIFCA /SIPH sustainability policy and “applies without limitation to third-party suppliers with whom SIPH purchases or maintains business relationship mainly purchasing of cup lumps.”

This charter defines all stakeholders’ commitment to the process. It includes purchasing family carried out by SIPH in concerned subsidiaries.

SIPH COMMITMENT TO SUPPLIERS

The buyer portrays the Group’s image from outside via its activity: its personal ethics, integrity, professionalism can impact the corporate reputation. Therefore, it must:

1- Deal fairly with suppliers:

Provide the same information during the call for bids to the consulted suppliers via the specifications for instance. To request the same deadline and analyse proposals as per the objective set criteria: financial strength, quality, cost, supplying conditions, sustainability approach and regularly introducing competition.

2- Respect the confidentiality of business and technical information shared with suppliers.

All purchase related information shall not be disclosed to third party all the more so to other consulted suppliers in order to respect fair competition. Likewise, a buyer will ensure not to disclose strategic business and technical information during negotiation or consultation with suppliers.

3- Guarantee transparency and traceability along procurement process:

In terms of transparency, buyers must be capable of explaining key reasons of choice. They must demonstrate impartiality regarding offers, commitments, contracts, term of payment concluded with suppliers. This also apply to dispute and potential conflict settlement likely to occur along the business relationship. Finally, a coordination with the legal service is recommended for sensitive or strategic procurement so to avoid disagreement or facilitate conflict resolution.

4- Prevent potential conflict of interest and corruption

To avoid conflict of interest risk, the buyers must work in the company’s interest ensuring that personal, family interest or friendly relationship do not influence personal decision making. It is excluded to personally contact suppliers or for colleagues. For instance, applying for job for family members or carrying out personal work is forbidden. Likewise, it is strictly forbidden to receive remuneration or commission from suppliers.

Thus, to prevent conflict of interest risk, buyers must inform their supervisor of any family or personal relationship, direct or indirect financial interest that they could have with suppliers in accordance with “the Group’s Code of Conduct.”

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5- Gift and Invitation Policy

For purchasing process during the call for bids, buyers should avoid taking present, invitation or benefits likely to influence contract awarding. Thus, if business meals can help strengthening trust, they must however be limited to bare minimum and avoid to be extravagant (refer to limits set in the Code of Conduct)

5- Gift and Invitation Policy (To be continued)

It is customary to accept business courtesies, that are limited in value and are not considered as private use alone. On the other hand, it is forbidden to receive presents at home or that of next of kin, hence communicating personal address. It should be made clear to refuse or send back any present which value can exceed legal or fiscal limits, or limits set in the Code of Conduct. Beyond this, inform the supervisor who is to give his consent or not.

Likewise, invitations to sports and cultural events or travel must be subject to supervisor's approval. Finally, the participation in suppliers' events (forums, seminars...) must in any case be approved by the direct supervisor and limit themselves to professional activities alone.

6- Think Cost and Overall Impact

During the purchasing process, the product lifecycle must be integrated, that is considering the whole production process, packaging optimization, delivery, storage, maintenance, and scrapping.

7- Implement Progressive Sustainable Procurement Approach

To embark on a continuous improvement approach is a virtuous loop that requires collaboration and assistance to our suppliers in improving environmental and social quality of their proposals that can indirectly impact our image. It does not exclude to be firm regarding our suppliers' practices. Finally, closeness and partnership should not give rise to a strong financial interrelationship.

Internal Alert Mechanism: all information regarding failure to respect the principles can be anonymously communicated to the SIPH Ethic Committee: comite-ethique@siph.com /Tel: +33 (0)141 16 28 01.

Bertrand VIGNES,
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