



# BUSINESS ETHICS ALERT PROCEDURE



SUBSIDIARY OF



	Name	Title	Date	Signature
Drafter	SIPH Ethics Committee	Represented by the Ethics Committee President	01/01/2020	
Drafter	Olivier ODOUKOU	Group Internal Audit Director		
Drafter	Bertrand VIGNES	SIPH Chief Executive Officer	01/01/2020	

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# Introduction

Values are Responsibility, Ethics, Quality

SIPH vision is to “become a global reference as regard SUSTAINABLE GOVERNANCE and operational performance”.

Business ethics is essential in SIPH’s culture, which must devote all necessary efforts to achieve and maintain irreproachable conduct in all its operations.

## Purpose

This procedure covers all SIPH Group’s alert mechanism regarding business ethics and details their operational mode.

SIPH Group committed throughout its operational scope (SAPH, GREL, RENL, CRC) to follow and abide by the Sapin 2 law, which defines the eight mandatory principles of the anti-corruption mechanism.

the second action consists in setting up an ethics alert mechanism.

### 1. Whistleblowing Mechanism Principles on Business Ethics

SIPH’s ethics alert mechanism is based on 2 major axes.

- To get information and detect anything that may constitute an alert.

it is essential to facilitate all information feedback channels. Some channels depend on internal or external people’s willingness to inform us about infringements, fraud, or improper behavior. This implies that they clearly know our commitments and have contact details and guarantee of confidentiality so as not to expose the source of information.

But the company also has a duty to seek, with maximum efficiency, any deviation from ethics: this is clearly part of the internal audit mission.

- To process incoming alerts

Information detected or reported must be verified, analyzed, and processed so that the infringers are sanctioned, and above all that the conditions which led to this offense or fraud do not repeat.

To achieve this, internal audit, and the Ethics Committee work together. The alerts and processing decided upon will be brought to the attention of the concerned Audit Committee’s entity.

◇ SIPH’s business ethics whistleblowing mechanism is based on 3 aspects:

- Internal whistleblowing mechanism in the terms defined by the employee code of conduct.

- External whistleblowing mechanism allowing information to be reported from all sources.
- Internal audit

## **2. Internal Whistleblowing Mechanism:**

### **2.1 CODE OF CONDUCT**

Each employee, regardless of his position, reads and signs the SIPH's Code of Conduct (see appendix 1)

The purpose of this Code of Conduct is to:

- Formalize SIPH's expectations as regard professional conduct.
- Promote ethics to enable to meet SIPH Group's objectives, maintain and consolidate its brand image.
- Oversee and standardize occupational SIPH staff's conduct
- Establish a formal and transparent framework for exchange and decision-making on questions related to ethics.

The rules enacted in the code of conduct are not limitative, but supplement the general rules, policies and other rules governing the conduct of all employees, senior staff, and directors. They do not limit the management rights and direction of the Group about these people.

This Code of Conduct covers the following points.:

- Compliance with laws and regulations.
- Theft, fraud, and corruption.
- Conflict of interest and business opportunity for the company.
- Confidentiality, information reliability and preservation.
- Protection of company assets and resources.
- Working ability,
- Discrimination and harassment
- Internal control

These Group's senior staff and executives play a key role in upholding the Company's reputation for integrity and honesty, as well as respecting its code of conduct. They must particularly:

- lead by example by always respecting the Code of Conduct.
- ensure that senior, junior staff and employees have a copy of the code of conduct and understand its content and observe its principles.
- establish and maintain a working climate conducive to compliance with the code of conduct.
- promote a work environment based on openness, where issues can be raised and discussed without fear of reprisal.
- respect the application of the code of conduct by preserving the confidentiality of information exchanged between the employee and his supervisor.

SIPH Group's expectations towards its employees are therefore shared and known to all. The presentation of the code of conduct is subject to specific training.

At the end of this training, the employee receives a copy of the code of conduct, signs a certificate and a commitment to respect this code (see appendix 2)

"Any director, manager or employee must, at the time of taking office or enforcement of this code for those who were already in office, certify in writing that they have received, read and understood this code of conduct (or the simplified code for staff other than senior, junior and administrative staff) and undertake to respect it. "

Each employee also signs the conflict-of-interest statement (see appendix 3)

## **2.2 ENTITY ETHICS COMMITTEE**

The internal whistleblowing mechanism is based on information reporting, in confidential way, if necessary, to the ethics committee.

Each Group's entity has an ethics committee made up of staff members enjoying credibility and recognized for their integrity.

The recommended composition of an ethics committee is as follows: the CEO, the director or head of internal audit, the human resources director, a staff representative and other members chosen for their integrity and objectivity.

Anyone who becomes aware of a fact or irregular situation, or likely to constitute a breach of law, the code of conduct or the Group's procedures, has the obligation and the duty to notify it as soon as possible the ethics committee and the entity concerned. The Group's ethics committee and the entity ethics committees' contacts are specified in Appendix 9.1 of this code of conduct.

The entity ethics committees meet at least twice a year for ordinary meetings. Extraordinary meetings may be called, in the event of situations requiring an urgent decision by the committee. The entity committee meeting minutes are systematically sent to the Group ethics committee.

## **2.3 GROUP ETHICS COMMITTEE**

Employees can also confidentially report information directly to the Group Ethics Committee, if they do not wish to address their entity committee members (and therefore to the highest hierarchy of their entity)

SIPH Ethics Committee oversees entity committees' activities and rules in a uniform manner on any issue common to SIPH subsidiaries. This committee comprises SIPH Chief Executive Officer, the General Secretary, the Group Internal Audit Director, and a director with relevant competence and chosen for its reputation.

The Group's ethics committee also oversees the entity ethics committees' activities of. Thus, the minutes of the meetings of the ethics committees of the entities are systematically communicated to the Group's ethics committee.

The Group's ethics committee meets at least twice a year to review the entity ethics committees' activities and rules on common issues for which it is referred to. Extraordinary meetings can be organized in case of emergency.

SIPH commits to keep adequate procedures in place to ensure confidentiality of information received and anonymity of any person who files a complaint relating to a reprehensible act to an ethics committee. To achieve this, a formal commitment is signed by the ethics committee members, and this commitment is published and displayed for everyone to know. (See appendix 4)

## **2.4 COMMUNICATION CHANNEL INFORMATION FOR INTERNAL ALERT**

The code of conduct, received by each employee, contains the telephone numbers and email addresses of the ethics committee members guaranteeing confidentiality of information.

This data is also mentioned on the confidentiality agreement of the ethics committee members which is disclosed and published.

About the Group ethics committee, the telephone numbers and e-mail address for whistleblowing are also available on the website [WWW.SIPH.com](http://WWW.SIPH.com)

The code of conduct clearly states the obligation for everyone to report any violation of which they may be witness, under penalty of disciplinary action.

### 3. EXTERNAL WHISTLEBLOWING MECHANISM

Any person external to the SIPH Group must also be able to report information concerning breaches or deviations surely and confidentially from ethics, involving natural or legal persons from SIPH Group entities.

#### 3.1. SUSTAINABLE PROCUREMENT CHARTER

SIPH formalizes and communicates its commitments via the "Sustainable Procurement Charter" (appendix 5)

these commitments relate to 7 axes:

- 1- To treat suppliers fairly.
- 2- To respect the confidentiality of commercial and technical information disclosed by a supplier.
- 3- To apply transparency and traceability throughout the procurement process.
- 4- To prevent potential conflicts of interest and corruption.
- 5- To respect the "Gift and Invitation" policy.
- 6- To think in terms of overall cost and impact.
- 7- To set up a progressive sustainable procurement process.

This charter is available on the website [www.siph.com](http://www.siph.com).

It contains details for any issue reporting:

"Internal whistleblowing mechanism: any information on non-compliance with these principles can be communicated confidentially to the SIPH Ethics Committee:

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

#### 3.2 SUPPLIER CODE OF CONDUCT

Through its "Sustainable Procurement Charter", SIPH is committed to its suppliers and stakeholders involved in the procurement process. At the same time as the suppliers undertake to respect the principles guaranteeing sustainable procurement established by the "SIPH Supplier Code of Conduct", which defines a set of conditions allowing the company to purchase sustainable products and services.

the standards of the code set our expectations from supplier with whom SIPH does business, including affiliated entities, as well as other persons with whom it has a working relationship (subcontractors), for all purchasing family. By accepting this code, the supplier will have to define and implement relevant and effective policies to guarantee respect of these provisions that he will have to regularly assess.

The supplier code of conduct is systematically integrated into the general conditions of SIPH purchase of goods and services

It is broken down into 6 axes:

- To commit to good corporate governance, integrity, and respect for the law.
- Guarantee the quality of goods and services provided.
- Respect social standards in operations.
- To respect the environment
- To do business in a way that honors its stakeholders
- Respect and ensure respect for the code of conduct.

The supplier code of conduct (see appendix 6) also contains information necessary for reporting any information or alert, at the level of SIPH and the concerned entity.

These contact details are displayed in the procurement departments, and particularly in cup lumps purchasing centers.

#### **4. INTERNAL AND EXTERNAL ALERTS PROCESSING**

Alerts received by the ethics committee (entity or Group) are sent to the concerned ethics committee members who analyze them and take appropriate measures:

- Investigation and audit of the cited offenses,
- Sanctions of infringers
- Possible modification of organizations or procedures to prevent these infringements from recurring.

Depending on the urgency and seriousness, and at the discretion of the concerned Ethics Committee Chairman, alerts may be dealt with during the Ethics Committee regular meeting or give rise to the immediate convening of an extraordinary meeting.

Depending on the seriousness, the concerned entity's ethics committee may deem it proper to immediately inform the Group ethics committee. Otherwise, the case will be incorporated into the meeting minutes, which will then be sent to the Group ethics committee.

The internal audit whose manager is the ethics committee member ensures investigation and audit coordination on the alerts received. He presents findings and makes recommendations to the ethics committee.

The ethics committee comes out with the decisions to be taken: sanctions, action plans, modification of the organization or procedures, which responsibility is incumbent on the entity Managing Director.

The entity's audit committee is systematically informed through reports.

## 5. SANCTIONS

The 7th Sapin II law's Anti-corruption principle is "the establishment of disciplinary sanctions"  
The code of conduct specifies that:

"Failure to comply with the letter and spirit of this Code of Conduct will be subject to disciplinary actions, including dismissal and prosecution if warranted. For instance, the following behaviors may give rise to disciplinary actions:

- Violate Group instruction or a provision of its code of conduct.
- Asking someone else to violate an instruction or the Group's code of conduct
- Deliberately failing to report a violation, delay in doing so or withholding information relating to the offence.
- Refuse to cooperate in an investigation of actual or suspected violation.
- Take action against a person who reported a violation of the Group's instruction or its code of conduct "

SIPH's entities' internal regulations clearly provide the penalties for breaching of the code of conduct.

## 6. INTERNAL AUDIT

Internal audit has two main roles regarding SIPH Group's ethics initiatives and procedures:

1- An advisory role, which translates into support for the establishment and strengthening of the internal control and ethical governance system, in particular:

- Participation in the implementation and periodic revision of the Group's code of conduct,
- A permanent seat at the Group's and entities' ethics committees,
- Support the implementation of the SAPIN II anti-corruption, particularly through assistance in carrying out corruption risk mapping and monitoring solutions to identified risks.
- Participation in staff training program on ethical issues.
- Assistance in establishing and reviewing procedures and any other internal control subject related to ethics.

2- An insurance role, which is materialized by the following activities:

- Considering the risks related to business ethics in the planning and implementation of annual internal audit programs,
- Conducting specific investigations related to business ethics, at the request of an ethics committee (Group or Entity) or any other Group governance body
- Monitoring the implementation of action plans relating to business ethics within the Group.
- Besides the approved annual audit program and specific requests from governance

bodies, internal audit objectively and independently assesses the need to carry out specific investigations on identified ethical risks, to have their point of view and issue alerts as needed.

The work of the internal audit in business ethics matters is reported to the concerned entity's ethics committee. In the event of a major incident reported, SIPH Group's ethics committee is also informed.

In addition, to guarantee its independence, the internal audit functionally reports to SIPH audit committee. Thus, the Group Audit Director includes in his report to the SIPH audit committee, any major point resulting from the internal audit work on business ethics, the SAPIN II anti-corruption and the code of conduct.

**Bertrand VIGNES,**  
*Chief Executive Officer*





53 rue du Capitaine Guyenemer  
92400 Courbevoie  
Phone: +33 (0) 1 41 16 28 00  
[www.siph.com](http://www.siph.com)