



**·Faurecia**  
inspiring mobility

# CODE OF CONDUCT

## Sourcing and Supply Chain



*"We have a responsibility as a company to make a positive contribution to society. Sharing our convictions across our ecosystem ensures that our collective efforts help advance key issues of our day from sustainable economic development, tackling global warming to supporting the life-long employability of our people."*

A handwritten signature in blue ink that reads "Koller".

*Patrick Koller*

*Faurecia CEO*

## Introduction

In today's world, with the many environmental and societal challenges posed by urbanization, growing populations, technology disruption and global warming, Faurecia has a responsibility as a company to make a positive contribution to society and to all its stakeholders. This role is described by Faurecia's Convictions Available on our Faurecia Web site. They are an integral part of the Group's Being Faurecia culture and are supported by the six values that guide all Faurecians daily behavior.

FAURECIA, a worldwide automotive corporation, is committed to growth founded on socially responsible actions and behaviors in all countries in which it operates and in all fields in which it does business.

Faurecia is a signatory of the United Nations Global Compact. Consequently, the Group is committed to aligning its operations and strategy with ten universally accepted principles in the areas of human rights, labor standards, the environment, and anti-corruption.



This commitment is reasserted in Faurecia's Code of Ethics, which is structured around four topics: respect of fundamental rights, development of economic and social dialogue, skills development, ethics and rules of conduct.

This Code of Ethics is regularly updated and is available in the FAURECIA website. It puts forward a common set of key references applicable to our suppliers, their sub- contractors and each individual, from top executives to all employees.

Furthermore, on a specifically environmental level, FAURECIA has an ambitious policy to deal with the long-term local and worldwide impact of motorized vehicles. FAURECIA expects its suppliers to support a sustainable approach throughout a vehicle's lifecycle.

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## Purpose

Within the framework of invitations to tenders, FAURECIA considers social, environmental and fair business principles as key elements in business award decision, both for new and existing suppliers. Supplier compliance with the commitments outlined below is of utmost importance for FAURECIA.

FAURECIA reserves the right to carry out, at any time, audits at Supplier's various sites, by FAURECIA or by a third party appointed by FAURECIA, to verify conformance of the Supplier's practices with the FAURECIA requirements.

## Commitments

- Compliance with law & local practices

Suppliers and their direct/indirect contractors must respect and comply in all areas with the laws (including all export control and economic sanctions laws) regulations and local practices in force in all the countries in which they operate and/or sell. When the international standards outlined below are stricter than the local legislation requirements, Suppliers and their direct/indirect contractors must comply with the international standards.

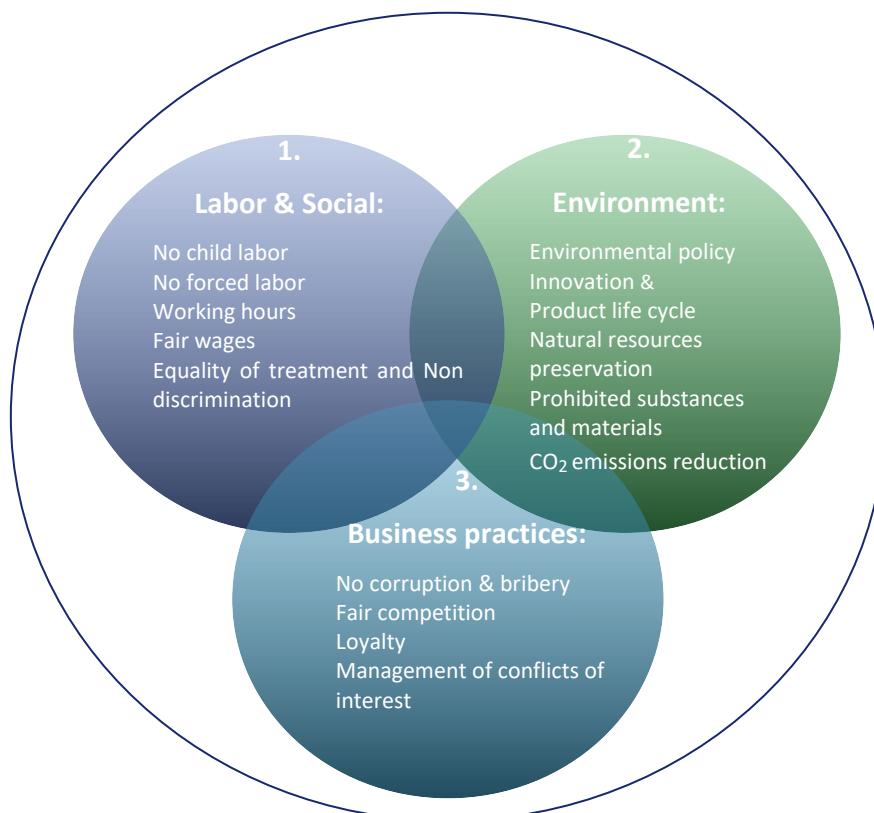
- Responsible Supply Chain Management

Suppliers must prevent any contravention of human rights and prevent or mitigate environmental impacts that their enterprise may cause or contribute to through their own activities, or which may be directly linked to their operations, products or services by their business relationships.

Suppliers carry out human rights and environmental assessments, to identify, prevent, mitigate and account for how they address their potential adverse impacts.

Suppliers will cascade this Code to their own supply chain.

Notwithstanding the above commitments, Suppliers will comply with the following commitments as described below.



## 1. Labor & Social

### 1.1 No Child Labor

Suppliers are prohibited from employing children in violation of the stipulations of the International Labor Organization's convention (ILO Convention n° 138, 182). The minimum age for employment shall be the country legal minimum age, or the age for completing compulsory education in that country, whichever is higher. In any case, Suppliers will not employ children under the age of 16 and will comply with the provisions of the ILO regarding the health, safety and morality of young people aged between 15 and 18. As an example, but not limited to, Suppliers will ensure workers younger than 18 do not exceed the prescribed working hours within the countries they operate.

### 1.2 No Forced Labor

Suppliers must not, under any circumstances, resort to forced or compulsory labor. Forced or compulsory labour is any work or service which is forced upon any person under the menace of a penalty and which the person has not entered of his or her own free will. Forced labour can include practices such as restricting people's movement; withholding wages or identity documents to force them to stay on the job; or entangling them in fraudulent debt or wage deductions from which they cannot escape; or developing their dependency of in-kind payments; or deprivation of food, shelter or other necessities; applying compulsory overtime; or loss of social status; etc. (see ILO Conventions n° 29, 105).

Suppliers will ensure that workers understand their rights regarding payment of wages, overtime, retention of identity documents, etc.

Migrant workers, workers who are part of a group that has suffered from long-standing discrimination, young people & unskilled or illiterate workers, and women among these groups, constitute populations which may not be aware of their legal rights. Therefore, Suppliers will ensure that they are treated fairly, and their rights are respected.

In the case workers are recruited by third parties, Suppliers will pay attention that these principles are properly applied.

### 1.3 Working Hours

Working hours (including overtime), as well as break times and periodic days off, shall be compliant with applicable laws, regulations, local practices, collective-bargaining agreements and international conventions. Overtime work should be voluntary and paid as such. Work or service outside normal daily working hours will not be imposed by exploiting a worker's vulnerability under the menace of a penalty. For example, employers shall not set performance targets that result in an obligation to work beyond normal working hours because of the worker's need to be able to earn the minimum wage.

### 1.4 Fair Wages

Suppliers will comply with all applicable laws, regulations, local practices, including those relating to minimum wages, overtime hours and legally mandated benefits. In places where no legal requirement exists for defining a minimum wage, ILO Convention n° 131 can serve as a basis for the definition. Workers must be paid in a fairly and timely manner, and the basis on which workers are being paid must be clearly conveyed.

### 1.5 Equality of treatment and Non-Discrimination

Suppliers must not discriminate against any worker based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, social origin, or marital status in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, termination and retirement (see ILO Convention n° 100, 111).

## 1.6 Freedom of association

Suppliers must respect the right of workers to associate freely, form and join workers organization of their own choice, seek representation, and to bargain collectively, as permitted by and in accordance with the applicable laws and regulations. Suppliers shall ensure that representatives of such personnel are not the subject of discrimination and that such representatives have access to their members in the workplace as well as adequate working space in order to work effectively and without interference (see ILO Convention n° 98, 87). Where the right to freedom of association and collective bargaining is restricted under law, Suppliers should provide workers a parallel mechanism to make their views known to the management and take those into consideration.

## 1.7 Health and Safety

Suppliers shall ensure that the health and safety (H&S) risks to their policyholders, employees, contractors and members of the public which arise from their operations are reduced as far as is reasonably practicable. Suppliers will carry out their operations in a safe manner in line with relevant regulation, approved codes of practice and industry best practice and in a way that does not expose any person to the risk of injury or ill health. Accordingly, their chosen contractors or suppliers are expected to demonstrate a clear commitment to Health and Safety Management and that they maintain effective policies and procedures.

The social impact of accidents can be incalculable and may indicate a weakness in H&S controls and training. Suppliers will provide their H&S indicators, risk assessment and associated H&S improvement plan, when requested. Suppliers will adopt a continuous improvement approach, based on the collection and analysis of occupational incident and accident data and feedback. Suppliers will also respect workers' rights of participating in such activities and H&S decisions.

Suppliers will provide training to their employees and anyone else impacted by their activities, where the details may include training in use of work equipment; manual handling; risk assessments; fire safety, emergency response and preparedness; first aid; personal protective

equipment and training relevant to the particular health and safety risks relevant to or created by that organization's operations.

Suppliers will ensure the provision and maintenance of protection equipment, at no cost to the workers.

## 2. Environment

### 2.1 Environmental Policy

Suppliers will not only comply with all environmental laws and regulations, but also implement measures contributing to the protection of the environment. Therefore, they will strive to minimize the adverse environmental impact of their products and services during the whole product life cycle: conception, development, production, transport, use and disposal or recycling. To this end, Supplier should be ISO 14001 certified or equivalent.

### 2.2 Innovation & product life cycle

Suppliers commit to adopt a voluntary policy in the field of research to develop their products to achieve an ever-higher standard in terms of respect for the environment. Suppliers are expected, not only to consider the environmental impacts of their products during their design phase, but also in their production, procurement and after services processes as well.

### 2.3 Natural resources preservation

Suppliers focus on reducing the use of raw materials and resources as well as to eliminate the waste produced by all their activities. This goal will be achieved through the improvement of production, maintenance and cleaning processes, modes of conservation and transportation, as well as the substitution, re-use and recycling of materials, design, process changes, innovations, etc.

### 2.4 Prohibited substances and materials

Suppliers' products or parts, whether they are standard or specifically-developed by the Suppliers for FAURECIA, must not contain any product, material or substance prohibited by the legislation or regulations applicable in the Suppliers' countries, the European Union and,

more generally, in all of the countries in which these supplies, products or parts are used and should be validated beforehand by FAURECIA.

Suppliers must address the European REACH procedures or their national / international equivalent, such as the American Toxic Substance Control Act (TSCA).

Suppliers may be requested to provide disclosure on the use and provenance of certain substances and materials for legislation and regulations compliance purpose. As an example, to be compliant with US Conflict minerals legislation, Suppliers could have to disclose whether the products they manufacture or contract to manufacture contain "conflict minerals", which means minerals that directly or indirectly finance or benefit armed groups in specific countries.

## 2.5 CO2 emissions reduction

Suppliers promote the development of technologies limiting CO2 emissions as well as energy saving and recycling solutions and implement logistic strategies that minimize environmental impact.

## **3. Business practices**

### 3.1 No Corruption & Bribery

Suppliers shall prevent and fight all forms of corruption, bribery, extortion and improper advantage, and comply with all applicable laws pertaining to these issues.

Suppliers should not, directly or indirectly, offer, promise, give, demand or accept any bribe or other undue advantage, to FAURECIA employees, public officials or other private or public actors, with the intention to obtain or retain business or any other improper advantage. Suppliers should develop and adopt adequate internal controls, ethics and compliance programs or measures for preventing and detecting bribery. These may include promoting employee awareness of the company policies against bribery and a system of financial and accounting procedures, reasonably designed to ensure the maintenance of fair, transparent and accurate books, records, and accounts.

Faurecia has strict policy as for the acceptance of gifts and gratuity from suppliers, for details please refer to Code of Ethics.

### 3.2 Fair competition

Suppliers shall strive for fair business practices, and in any case, suppliers must comply with all applicable laws and regulations related to fair competition.

### 3.3 Loyalty

Suppliers shall also commit to communicate its financial health, on business activities, evolution and forecast to business stakeholders.

### 3.4 Management of conflicts of interest

A conflict of interest exists when an employee or a close relative liable to benefit personally from a transaction involving a company in the FAURECIA group. Conflicts of interest shall be addressed by avoiding, identifying and revealing situations where there is an actual risk of conflict of interest in association with FAURECIA employees or their relatives.

## Reporting Infringements

Suppliers are offered to use a Whistleblowing Line ([www.faurecia.ethicspoint.com](http://www.faurecia.ethicspoint.com)) to report serious violations.

Serious violations are related to:

- Corruption; or
- Anti-competitive practices; or
- Violation of fundamental human rights; or
- Harassment in the workplace; or
- Accounting irregularities; or
- Breach of confidentiality; or
- Protection of environment; or
- Other serious crimes constituting a threat or serious harm to public interest.

The identity of the whistleblower will be kept confidential.

## References

- **Code of Ethics**

[FAURECIA Code Of Ethics 2019](#)

- **Conflict minerals legislation – US Security and Exchange Commission**

<http://www.gpo.gov/fdsys/pkg/FR-2012-09-12/pdf/2012-21153.pdf>

- **International Labour Organisation (ILO) Convention n° 138 and 182 – Child labour**

<http://www.ilo.org/ipec/facts/ILOconventionsonchildlabour/lang--en/index.htm>

- **International Labour Organisation (ILO) Conventions n° 29 and 105 – Forced labour**

<http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/forced-labour/lang--en/index.htm>

- **International Labour Organisation (ILO) Convention n° 131 – Minimum wage**

[http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100\\_ILO\\_CODE:C131](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_ILO_CODE:C131)

- **International Labour Organisation (ILO) Convention n° 100 – Equal remuneration**

[http://www.ilo.org/declaration/info/factsheets/WCMS\\_DECL\\_FS\\_84\\_EN/lang--en/index.htm](http://www.ilo.org/declaration/info/factsheets/WCMS_DECL_FS_84_EN/lang--en/index.htm)

- **International Labour Organisation (ILO) Convention n° 111 – Discrimination**

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_decl\\_fs\\_85\\_en.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_decl_fs_85_en.pdf)

- **International Labour Organisation (ILO) Convention n° 98 and 87 – Freedom of Association**

<http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/freedom-of-association/lang--en/index.htm>

- **International Labor Organisation (ILO) Convention n° 155 – Health and Safety**

[http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100\\_ILO\\_CODE:C155](http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_ILO_CODE:C155)

- **International Labor Organisation (ILO) 26000 – Social Responsibility – 2010**  
[http://www.iso.org/iso/discovering\\_iso\\_26000.pdf](http://www.iso.org/iso/discovering_iso_26000.pdf)
- **OECD Guidelines for Multinational Enterprises – 2011**  
<http://www.oecd.org/daf/inv/mne/48004323.pdf>
- **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas**  
<http://www.oecd.org/investment/mne/46740847.pdf>
- **UK Bribery Act 2010**  
[http://www.legislation.gov.uk/ukpga/2010/23/pdfs/ukpga\\_20100023\\_en.pdf](http://www.legislation.gov.uk/ukpga/2010/23/pdfs/ukpga_20100023_en.pdf)
- **UK Bribery Act 2010 - Guidance**  
<http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>
- **United Nations guiding principles on Business and Human Rights – 2011**  
[http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)
- **10 principles of the Global Compact from the United Nations**  
<https://www.unglobalcompact.org/what-is-gc/mission/principles>