




ANTI-CORRUPTION

CONFLICTS OF INTEREST



OUR CULTURE, OUR COMMITMENTS



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POLICY ON CONFLICTS OF INTEREST		

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I. SCOPE OF

This policy defines the internal rules to be followed by :

- Group employees;
- occasional employees (temporary workers, trainees, etc.).

This conflicts-of-interest policy may need to be adapted to comply with local laws and regulations.

II. DEFINITION

A conflict of interest situation arises when a person's personal interests are likely to influence the way in which he or she carries out his or her professional responsibilities.

In the event of a conflict of interest, its judgment may be distorted, resulting in decisions being taken that are more favorable to a personal interest than to those of the Group.

The term "personal interest" is used to describe interests of very different kinds: family, friends, business, politics, associations, trade unions...

The interest may be direct or indirect, i.e. of direct concern to the individual or one of his or her relatives.

III. IMPLEMENTATION

All employees must complete a conflict of interest declaration¹ in order to prevent any situation that could lead to a breach of the Group's ethics and compliance policy (corruption, influence peddling, sharing of confidential information, sharing of personal data, discrimination, engaging in a competing activity, fraud, etc.).

This declaration will be given by the Human Resources department to all new employees and/or by the employee's line manager where applicable.

Employees are asked to update this declaration as soon as an event likely to give rise to a new conflict of interest occurs, and to forward the updated declaration to the relevant line manager and/or the Compliance Officer. In any event, an annual communication campaign will be organized by the Compliance Officer to remind all employees of the importance of updating their conflict of interest declarations.

In order to protect privacy and personal data, declarations of conflict of interest made by Group employees must be treated, stored and archived in a strictly confidential manner. To this end, employee declarations of conflict of interest may only be accessed by duly authorized persons.

¹ See Appendix 1 of this document

3.1 IDENTIFYING A CONFLICT OF INTEREST

- **Conflicts of interest**

When you have to make a decision that commits the Group (recruitment, negotiation of a customer or supplier contract, R&D partnership, etc.), your objectivity must not be altered or appear to be altered.

The following situations are examples of situations that must be declared as likely to give rise to conflicts of interest and alter the objectivity of employees' professional decisions:

- **Relations between employees or corporate officers and a close relative linked to the Group's business:** Any employee may have a close relative whose private interests may be linked to the Group's business (supplier, customer, competitor, candidate, etc.). **When your personal relationship interferes with your mission** within the Group (when making a decision, for example), you are in a conflict of interest situation.
- **Functions, jobs or activities of employees or corporate officers outside the company:** Any investment in a competitor, supplier or customer of the Group, giving decision-making power or influence, whether in the form of an interest or a professional activity, may alter the objectivity required of all employees when committing themselves to the Group. This type of situation may lead to a conflict of interest, and must therefore be declared in advance to management and/or the Compliance Officer.
- **Family relationships within the Group:** it may happen that members of the same family work within the same group or even the same entity/department. In such a situation, if your personal relationship interferes or is likely to interfere with your duties (for example, when making a decision, handling a file, etc.) then you are in a conflict of interest and should declare this situation to your line manager and/or the Compliance Officer.
- **Working as a public official under the general status of civil servant:** certain public officials must undergo an ethics transfer check before they can be recruited by a private company. The aim is to ensure that the transfer of a public official to the private sector does not compromise or jeopardize the normal functioning, independence or neutrality of his or her former administration, disregard the principle of impartiality, or place the person concerned in a situation of illegal interest-taking or pantouflage. These situations therefore present a risk of conflict of interest.
- **Political activities:** employees standing for election or holding political office must disclose any conflict of interest and refrain from committing the Group or any of its entities by disclosing their political affiliation.



> CASE STUDY

You're a Human Resources Manager looking for a trainee.

If your niece is a candidate for an internship, you are in a conflict of interest situation.

You must declare the situation and withdraw from the trainee selection process. Subsequently, if the trainee's application is accepted, she will also have to declare any family ties she may have with you, in order to prevent and detect any conflict of interest that may arise throughout her career with the Group.

- **Questions to ask yourself to help identify a conflict of interest**

To help you identify whether a situation could lead to a conflict of interest, you need to **ASK** yourself the right questions **every time you have to make a decision**:

- Does my decision benefit the company or someone close to me?
- Does my relationship or position seem to compromise my ability to make an objective decision?
- Do I feel a sense of obligation to someone or something?
- Could the situation affect the decision I have to make? The mission I have to carry out?
- Would I feel comfortable if the situation were made public? Could my colleagues feel that the situation might affect my decision? Declare any situation that, for one reason or another, would make you feel uncomfortable, or would risk making your interlocutor or those around you feel uncomfortable.

If the answer to any of the above questions is "yes" or "maybe", you are faced with a conflict of interest situation that you must declare to your line manager and/or Compliance Officer.



> CASE STUDY

You're an R&D manager looking to recruit a new engineer for your team. One of your close friends has applied for this position.

What to do?

- Report this situation to your line manager and your Human Resources manager, and declare the existence of a conflict of interest.
- Withdraw from participation in the candidate selection process.

3.2 WHAT TO DO IF THERE IS A CONFLICT OF INTEREST?

In situations where the objectivity of the employee's decision could be challenged, the employee must **inform his/her line manager and/or the local Compliance Officer of the existence of a conflict of interest before any decision is taken, and refrain from interfering in the decision-making process.**

- **Declaration of a potential conflict of interest for an employee**

In the event of a potential conflict of interest, an employee must inform his or her line manager or Compliance Officer so that he or she can take the necessary decisions.

The employee's declaration of a potential conflict of interest to his or her superiors may take various forms, but must be made in writing and forwarded by the employee's manager to the local Compliance Officer and/or CFO and to the local Human Resources Department.

The declaration specifies: the date, name, position, department and company of the employee, as well as the nature of the potential conflict of interest.

- No-conflict-of-interest clause in supplier relations

Certain sectors and functions are at risk, as conflicts are more likely to occur and require greater monitoring.

To enable conflicts of interest to be identified and dealt with in supplier relations, subsidiaries will be required to include a no-conflict-of-interest clause in the supplier approval or contracting process.

A sample clause is attached: [No conflict of interest clause](#).

- **Decisions taken following a declaration of a potential conflict of interest**

Once the employee concerned has forwarded his or her declaration of conflict of interest to his or her line manager and/or Human Resources, the latter will contact the Compliance Officer to analyze the situation. Additional information may be requested from the declarant, and recommendations made if necessary.

The employee making the declaration will be informed of any recommendations made. The aim of these recommendations is to prevent and/or limit the harmful effects of a conflict of interest situation. The protection of the company is at stake, as is that of its employees.

The employee's line manager is responsible for ensuring that the employee complies with the recommendations, and the Compliance Officer is responsible for general follow-up of the recommendations made.



> CASE STUDY

You're in charge of purchasing and, during a supplier selection meeting, you notice that you own shares in one of the candidate companies.

What to do?

- Report this situation to your superior by declaring the existence of a conflict of interest;
- Remove yourself from the candidate selection process;
- Implement any recommendations made by the compliance department in cooperation with your line manager.

IV. ARCHIVING

Declarations of potential conflicts of interest must be centralized and archived by the compliance department, which must also retain documents detailing the measures taken to safeguard the company's interests.

Personal data collected in the context of declarations of conflict of interest are accessible only to duly authorized persons and are kept in strict confidence for the period required for the purposes for which they were collected, without exceeding 6 years after the conflict of interest has ceased (unless otherwise prescribed by applicable legislation).

V. CONTROL FRAMEWORK

In order to ensure the effectiveness of the system for preventing and managing conflicts of interest, a number of controls must be carried out at three levels:

- **Level 1 control:** this control is carried out by operational staff and relies primarily on human resources and/or line managers, who must ensure that employees complete the conflict of interest declaration as soon as they join the company. They also ensure compliance with any recommendations made in the event of a conflict of interest situation being detected.
- **Level 2 control:** this control is carried out by the Compliance department. It consists in ensuring that the Level 1 controls have been properly carried out, notably through regular monitoring of the various declarations made and any recommendations issued.
- **Level 3 control:** exercised by the audit department, this control consists of ensuring that level 1 and level 2 controls have been carried out correctly, and more generally, that the present procedure has been complied with.

VI. TO DO / NOT TO DO



WHAT TO DO

- ✓ **Maintain** professional, impartial, objective and conflict-free relations with your customers, suppliers, candidates and business partners.
- ✓ **AVOID** investing in suppliers, customers, competitors, consulting firms or business partners.
- ✓ **DO NOT participate** in the recruitment, supervision, management or career planning of a person to whom you are closely related.
- ✓ **DO NOT participate** in the recruitment, supervision, management or career planning of anyone close to you.
- ✓ **BE AWARE** of potential conflicts of interest that may arise from a new position you, or someone close to you, may occupy.

When faced with a potential conflict of interest situation, you must :

- ✓ **WITHDRAW FROM** the case or mission
- ✓ **DECLARE any potential conflict of interest to** your line manager and Human Resources Manager **as early as possible**.
- ✓ **APPLY** the recommendations made by the Compliance Officer, in cooperation with the line manager where appropriate.



WHAT NOT TO DO

- ✗ **PARTICIPATE** in a case if there is a conflict of interest.
- ✗ **TAKE on** a second job, **create or participate in an ancillary activity** (e.g. consulting or self-employment), if your other employer is a direct or indirect competitor, supplier, customer or business partner, **unless you have the Group's express, prior and written consent**.
- ✗ **DO NOT ACT IN CASE OF DOUBT:** if you have any doubts about the existence or otherwise of a conflict of interest and do not wish to make an "unnecessary" declaration, contact your Compliance Officer for advice.
- ✗ **HIDE** a conflict of interest: by knowingly concealing a conflict of interest, you may expose yourself to disciplinary sanctions (see your company's internal regulations). The declaration of conflict of interest aims to protect the company **AND ITS EMPLOYEES**.