

# CODE OF CONDUCT FOR THE PREVENTION OF CORRUPTION

*Being Faurecia*

# INTRODUCTION

Faurecia's **Code of Ethics** clearly states the principle of prohibiting corruption within the Group's companies. Faurecia Group considers any act of corruption to be extremely serious and will have zero tolerance in this regard.

This Code of Conduct for the Prevention of Corruption re-affirms this principle, with the specific objective of enabling all of the Group's managers and employees worldwide to:

- familiarize themselves with the basic principles of the prevention of corruption;
- resist attempts at corruption by providing them with concrete examples of risky situations and reminding them of how to conduct themselves;
- protect them, the Group and its subsidiaries, from the risk of prison sentences and fines, and preserve their reputation and integrity.

Any infringement of this code may have serious legal and financial consequences, and may cause long-term harm to our Group's reputation.

This Code of Conduct applies to all Faurecians.

Faurecia Group therefore counts on each of its employees to respect the principles and rules of this Code. In addition to this Code of Conduct for the Prevention of Corruption, there is a body of rules relating to how the Code should be applied (Faurecia Core Procedures). All Faurecians are invited to refer to these procedures.

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# WHAT IS CORRUPTION?



## I - WHAT IS CORRUPTION?

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Faurecia Group has a zero-tolerance policy regarding corruption.

**CORRUPTION** is defined as an act whereby an individual offers, at his/her initiative or after solicitation, a gift, promise or some advantage (bribe) to :

- A public official or a person holding a specific private sector function to carry out, obstruct or abstain from performing an act pertaining directly or indirectly to his/her function.
- Any individual to use his/her influence, whether real or supposed, in order to obtain from an authority or public administration distinctions, jobs, contracts or any other favorable decision.

The term public official refers to a person holding public office or discharging a public service function<sup>1</sup> or an electoral mandate.

Corruption can be **active** or **passive**:

- It is said to be active when the person (the corrupter) offers a bribe, even if it is not at his/her initiative.
- It is said to be passive when the person (the corrupted person) solicits or accepts a bribe.

In the example below:

*"I can make progress with your case if you give me €100 in cash/gift card."*

The corrupter (active corruption) would be the one giving €100 in cash/gift card and the corrupted person (passive corruption) would be the one receiving the €100 bribe and making progress with the case of the corrupter.

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<sup>1</sup> This may notably, but not exclusively, include anyone working for a state-controlled company or who, although working in a private sector company, carries out a public service mission, or working for an international public organization.

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Corruption can be direct or indirect. It is said to be indirect when a bribe is paid by a third party working on the company's behalf.

**Corruption, in the wider sense, is prohibited in all its forms, whether it be active or passive corruption.**

The bribe offered or accepted may take various forms:

- Monetary advantage: cash, gift voucher, price reduction, etc.
- Personal benefit: gift, invitation, free service, service rendered, etc.

The bribe may be hidden in **various ways**, which are sometimes complex and difficult to trace, for example:

- *"It would be too risky for me to directly take this €5,000 you are offering me for signing. So I'd prefer that you appoint an intermediary (one of my friends, of course) from whom you would commission a "technical study" for which you will pay €5,000."*
- *"Give me 10% of your margin, I will make sure you win the bidding with good price. Since I am the logistic manager with good friends internally who can help me, I have the power to choose the freight vendor."*



# WHAT ARE THE RISKY SITUATIONS?





## II - WHAT ARE THE RISKY SITUATIONS?

### 1. Gifts and hospitality

In principle, the offer and acceptance of gifts and hospitality (for example, invitations to sporting events, shows or the restaurant) may be authorized so long as they are for a reasonable value (and therefore capped), are connected to your professional activity and without the expectation of an undue advantage in return.

Here are some examples of appropriate practices:

- *"I must comply with our gifts and hospitality policy and ensure that the gifts and hospitality offered/received always remain within the limits of what is reasonable and acceptable."*
- *"I need to make sure that my business partners are familiar with our gifts and hospitality policy. In the same way, I need to be aware of the gifts and hospitality policy of my business partners."*
- *"In case of doubt on the appreciation of the value of a gift or a hospitality, I need to consult my manager or the Compliance Organization."*

Here are some examples of prohibited practices:

- *"There's a 3-Star restaurant I haven't had the opportunity to try. Invite me to a meal there. It might convince me to buy your new products."*
- *"I want to organize a family trip to Las Vegas, can you help for the hotel and transportation? The recent project you are bidding at the moment has reached the final stage, I will consider you for this opportunity."*
- *"Please take this box of sea cucumber as my blessing of the New Year Festival, I got them for a very cheap price but with good quality, only €1,000/gram. By the way, thank you so much about the last project, we couldn't make it without your help!"*

In this regard, you should refer to our **policy document FAU-S-LSG-2404 Gifts and Hospitality** (available on the Faurecia Documentation Intranet Library FCP). Employees must refuse gifts or hospitality if they do not comply with the **FAU-S-LSG-2404 Gifts and Hospitality** and **FAU-C-SPG-4051 Global Travel Policy**

## 2. Facilitation payments

Facilitation payments are small sums or gifts aimed at civil servants with a view to accelerating an administrative formality to which Faurecia may legally aspire.

Facilitation payments are prohibited at Faurecia, even if they are legal or tolerated in the country concerned. Employees solicited for such payments must turn down the requests.

They may be authorized in exceptional situations, in particular if the safety and/or physical integrity of a Faurecian is threatened. In such circumstances, the management or the Compliance Organization must be informed as soon as possible.

Here are some examples of appropriate practices:

- > *“While facing a request for a facilitation payment, I need to consult my manager or the Compliance Organization.”*
- > *“I must preserve the supporting documentation/evidence of a potential facilitation payment and ensure the transaction is recorded properly.”*

Here are some examples of prohibited practices:

- > *“Your visa would be issued faster with a €50 note.”*
- > *“I have so many applications for operating permit renewals and I really like French champagne.”*
- > *“Your pallet container is stuck at customs. I know someone who could help, but he’s asking to keep one of your pallets for this service.”*

## II - WHAT ARE THE RISKY SITUATIONS?

### 3. Charitable donations and sponsorship

**Charitable donations and sponsorship** are in principle authorized. However, before making a donation, it is important to be aware of the nature and of the identity of the managers/beneficiaries of the body receiving the contributions, namely how trustworthy and reputable they are, and their history.

Charitable donations are prohibited, even if the aim pursued by the charity is legitimate, when they are made with a view to, or could be perceived as being made with a view to encouraging inappropriate behavior or obtaining an undue benefit.

It is therefore advised to verify the reputation and background of the recipients of the charitable donations and sponsorship.

Finally, in any case, these charitable donations or sponsorship must never be paid in cash or to accounts opened in the name of individuals.

Here are some examples of appropriate practices:

➤ *"I should preferably contribute to worldwide renowned organizations and verify that the use of the funds is in line with the initial request."*

- *"Charitable donations and sponsorship must be subject to contractual agreements, including provisions relating to the prevention of corruption."*
- *"Charitable donations and sponsorship should be accurately and transparently recorded and documented."*

Here are some examples of prohibited practices:

- *"To thank me for signing with you, could you make a donation to the Animal Foundation charity? I know this foundation very well. It's run by a friend who will know how to thank me."*
- *"In order for us to buy your products, you must sponsor the sporting event we are organizing. You like sports as much as we do, don't you?"*

In this regard, you should refer to our policy document **FAU-S-LSG-2405 Donations and Sponsorship** (available on the Faurecia Documentation Intranet Library FCP). Employees must refuse to participate in sponsorship deals or charitable donations if they do not comply with the stated policy.

## 4. Conflicts of interest

**Conflict of interest** refers to a situation in which you have a personal interest likely to influence or appear to influence your activities in your function. The interest may be direct or indirect, and concern you or your close relations. This interest may be very diverse (financial, economic, professional, political, personal, etc.).

Here are some examples of appropriate practices:

- *"I must inform my management or the Compliance Organization of any potential direct or indirect conflict of interest, and refrain from participating in discussions and decision-making processes on the concerned matters."*
- *"In case of doubt about a potential conflict of interest, I must consult my manager or HR support, my N+2 in management or HR management, or the Compliance Organization."*

Here are some examples of prohibited practices:

- *"I'll buy your products if you hire my child."*
- *"Your parts will be inspected by my brother. So there won't be a problem with non-compliant parts."*
- *"My wife's warehouse company is quite close to our customer. Please rent the warehouse service for our purchased products there, I can find a way to compensate the cost in your purchasing contract."*

In this respect, you should refer to our policy **FAU-S-LSG-2406 Managing Conflicts of Interest ("COI")** (available on the Faurecia Documentation Intranet Library FCP) and comply with it.

## II - WHAT ARE THE RISKY SITUATIONS?

### 5. Assessment of third parties

#### a. Use of intermediaries

The **use of intermediaries** such as consultants, lobbyists, or any other business intermediary carries a high risk of corruption, in particular in certain countries. It is therefore essential to check the reputation and background of intermediaries by carrying out a due diligence audit. Depending on the information obtained, it may be decided not to initiate relations with this intermediary.

In this regard you should refer to our policy **FAU-S-LSG-2522 Third Party Ethics and Compliance Due Diligence** (available on the Faurecia Documentation Intranet Library FCP) and comply with it.

Regular monitoring of the work carried out by intermediaries must take place. Certain signs such as a poor business reputation, a lack of transparency, a disproportionate remuneration level of the intermediary and the demand for a payment to be made in cash should lead to closer analysis.

Here are some examples of appropriate practices:

- *"I must ensure that contracts concluded with intermediaries include provisions relating to the prevention of corruption and the possibility of rescinding contracts concluded in the event of these obligations not being respected."*
- *"I must conduct appropriate level of due diligence in selecting and engaging intermediaries."*

Here are some examples of prohibited practices:

- *"If you want to do the deal, I suggest that you pay \$10,000 in advance, that will also allow us to do the paperwork."*
- *"For my remuneration as an intermediary, I will ask you to pay in cash or to pay the money to my brother's account in Panama."*
- *"I have broad networks. If you want to sell your products in this region, you have to utilize my resource, so maybe we can reach an agreement of paying me 5% per total contract as a commission fee through a good friend of mine."*

**b. Merger & acquisition projects, contribution of minority investments or of commercial and strategic partnerships**

As with intermediaries, you should ensure, for certain operations involving the acquisition of companies, contribution of minority investments or search for strategic partnerships, that you correctly implement the due diligence verification procedures necessary for the identification of corruption risks linked to the operation planned.

Faurecia may be held liable for the actions of its associates within partnerships, and have its liability committed within the framework of mergers or acquisitions according to the terms of the acquirer's liability. This may apply to acts of corruption prior to the acquisition. It is therefore essential to carry out an in-depth investigation into the reputation and history of all targets in operations involving mergers & acquisitions or potential partnerships.

In this regard you should refer to our policy **FAU-S-LSG-2522 Third Party Ethics and Compliance Due Diligence** (available on the Faurecia Documentation Intranet Library FCP) and comply with it.

## **6. Political contributions**

The payment of political contributions is prohibited in the name of, and on behalf of, Faurecia.



# WHAT TO DO IN THE CASE OF DIFFICULTIES?





### III - WHAT TO DO IN THE CASE OF DIFFICULTIES?

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In case of doubt or a concern about a potential violation or about any subjects covered in this Code, Faurecians can consult:

- Their supervisor or management;
- The HR Manager; or
- The Compliance Organization.

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

Their identity will be kept confidential.

In this respect, you should refer to our policy **FAU-C-LSG-2402 Speak Up** (available on the Faurecia Documentation Intranet Library FCP) and comply with it.



# IV

## WHAT ARE THE SANCTIONS IN THE EVENT OF A BREACH?



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Not complying with the provisions of the Code of Conduct for the Prevention of Corruption will leave the employee liable to disciplinary sanctions, without prejudice to any civil and criminal sanctions, notably prison sentences and heavy fines.





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