



# EXACOMPTA CLAIREFONTAINE

## CODE OF CONDUCT

*Approved by the Board of Directors on 31 May 2017*

## 1 OUTLINE

### 1.01 Principles

The Code of Conduct for employees of Exacompta Clairefontaine and its subsidiaries ("the Group") describes:

- Attitudes to adopt within the Group
- Behaviour to avoid.

This Code specifically meets the requirements of the 8 November 2016 French 'Sapin 2' Act for the prevention and detection of corruption or influence-peddling, and its 20 April 2017 implementing decree. It also takes into account the European General Data Protection Regulation, which will come into force on 25 May 2018.

Given that the Group is decentralised, Group subsidiaries are all expected, with regard to their specific operations, to call attention to the attitudes to be adopted and behaviours to be avoided.

All employees are responsible for complying with this Code of Conduct and with their specific company policies.

### 1.02 Reminders

- ✓ Corruption consists of directly or indirectly offering, granting, receiving or requesting any property or benefit for the purpose of unduly influencing the actions of a third party natural person or legal entity.
- ✓ Fraud is any act or omission, including misstatement, which intentionally or negligently deceives or attempts to deceive a third party natural person or legal entity in order to gain undue financial or other benefit, or in order to avoid an obligation.

- ✓ Coercion involves directly or indirectly wronging or harming, or threatening to wrong or harm, any third party natural person or legal entity or property of the third party in order to unduly influence their actions.
- ✓ Collusion is an action consisting of an arrangement between two or more parties that aims to achieve a dishonest purpose, including unduly influencing the actions of a third party.

## 2 CODE OF CONDUCT

### 2.01 Consideration

Everyone should feel welcome in their work environment:

- ✓ Others must be respected regardless of their responsibilities, differences or similarities.
- ✓ Harassment, whether by offensive gestures, intimidating or aggressive words or written or oral denigration, is not tolerated.
- ✓ Protection of personal data - of employees, customers, suppliers or subcontractors - must be effective.

### 2.02 Performance

To appreciate everyone's performance, it is essential to establish clear and regular communication.

- ✓ The Group hires and promotes people based solely on ability and work performed.
- ✓ Employees are entitled to know how their performance is assessed.

### 2.03 Health and safety

Group health and safety policies are aimed at safeguarding employees' health.

- ✓ Managers must know and apply health and safety regulations.
- ✓ Everyone must immediately report dangerous situations so that corrective measures can be taken in order to reduce the number of workplace accidents.

### 2.04 Sustainable development

The Group recognises its corporate social and environmental responsibilities.

- ✓ Group employees contribute towards the achievement of sustainable development, business, environmental management and social development objectives.

- ✓ They are required to comply with the letter and spirit of laws and environmental regulations while respecting their own environment, wherever they work.

## 2.05 Tools

The Group makes every effort to provide its employees with the tools, equipment and information they need in order to work efficiently.

- ✓ The Group's assets are intended for business use.
- ✓ Property, plant and equipment, intellectual property assets and information must be protected to avoid loss, theft or deterioration.
- ✓ Such information includes manufacturing technologies and processes, marketing and advertising studies and business development plans.

## 2.06 Information systems

Specifically, it should be noted that:

- ✓ Any information produced or stored on the Group's information systems is the Group's property.
- ✓ Any information transmitted to an employee, regardless of its source, must be considered confidential by the employee, who will limit access to it to those who need it in order to perform their work for the Group.
- ✓ All external communication by email or by letter shall be considered a statement made by the Group.
- ✓ Legislation covering copyright, defamation, discrimination and other forms of written communication apply equally to online and email communications.
- ✓ It is forbidden to install software without express approval from each employee's specific IT department or without a properly purchased licence.
- ✓ The Group's information systems must not be used to damage the integrity of the Group's network or data, or those of a third party. This includes the creation or forwarding of chain letters or unsolicited commercial emails (spam).
- ✓ The Group shall protect its own secrets and respect the intellectual property rights of third parties.
- ✓ Employees shall not obtain confidential information from third parties by inappropriate means, nor divulge them without approval.

## 2.07 Company and consolidated financial statements

Shareholders and partners have a legitimate interest in the Group's financial statements. The truth and fairness of said financial statements depend on the accuracy, completeness and compliance with reporting periods of the accounting entries for each company.

- ✓ Commercial and other transactions must be recorded in full, impartially, in accordance with legal requirements and accounting principles.
- ✓ Inaccurate or fraudulent documents are illegal.

## 2.08 Insider trading

Information concerning shares in Exacompta Clairefontaine or any other company, of which an employee becomes aware during the course of their work, is said to be “privileged” insofar as it has not been made public. Given that disclosure thereof could influence the judgement of an improperly informed market investor, insider trading is prohibited under criminal legislation designed to maintain public confidence in financial markets.

- ✓ Trading in securities such as shares and bonds while in possession of privileged information is both unethical and illegal.
- ✓ The same applies to advising or sharing privileged information with other people, including work colleagues.

## 2.09 Conflicts of interest

Employees must avoid situations in which their personal, relational, family or financial interests may be in conflict with those of the Group. If such situations exist, they must be clearly justified and officially approved by Group senior management.

Examples of potential conflicts of interest include the following:

- ✓ On behalf of the Group, dealing with a business managed or owned by a family member or friend,
- ✓ Being an employee and/or shareholder in a partner company, supplier, customer or competitor of the Group,
- ✓ Acquiring a holding in real estate or in a company which the Group could have an interest in purchasing.

## 2.10 Misappropriation and money laundering

Evasion of bank regulations, usually organised from a foreign country, represents a real threat of massive financial misappropriation. Fraudsters are real experts. Their tactics must be foiled by healthy scepticism on the part of relevant employees and through internal controls established in company accounts departments. There is also a risk of internal fraud.

The main procedural principles in force are as follows:

- ✓ Systematic segregation of duties so that no Group employee can initiate payment and approve it by themselves, or enter the bank account numbers of a third party while also initiating payment.
- ✓ Systematic double approval of all payments out.

Internal controls have been established in each Group company to ensure that:

- ✓ Rules governing company commitments (purchase order signatories by amount, contract signatories, staff recruitment etc.) are established,
- ✓ Customer credit notes are duly checked prior to issue,
- ✓ Provision of free products is duly controlled.

Money laundering refers to funds transferred from fraudulent sources into the regular financial system so that they appear to be legitimate.

- ✓ Group employees should be on their guard when customers are reluctant to provide full information or want to make payments in cash.
- ✓ Cash payments must be made in strict compliance with local legislation, be approved by a Director and only occur on an exceptional basis.

## 2.11 Customers

Customer success underpins the Group's own success. Customers seek high quality, innovation, reliability and integrity. Customers lose trust in the Company if it does not treat them fairly based on objective criteria.

- ✓ Dealings with Group competitors to set prices or share products, markets, territories or customers are strictly prohibited.
- ✓ Information on prices, profit margins, bids, distribution processes and sales terms shall not be disclosed to Group competitors.

## 2.12 Suppliers

The Group seeks healthy competition between its suppliers.

- ✓ Favouritism towards individual suppliers based on anything other than the Group's best interests is prohibited.
- ✓ Purchase of goods and services may not be influenced by personal or family interests.
- ✓ Purchases must be conducted pursuant to Company policies.

- ✓ Commissions or fees paid to agents or advisors must be reasonable in relation to services provided.
- ✓ Contracts with consultants, brokers, partners, agents or other intermediaries must not be used to mask payments to one or more third parties, including officials or customer employees.

## 2.13 Gifts

Gifts, invitations or services given to customers or suppliers must:

- ✓ Comply with local legislation,
- ✓ Be of reasonable value and appropriate given specific circumstances and practices,
- ✓ Not be intended to obtain undue advantage.

Group employees receiving any gift, invitation or service from a customer or supplier must report this to their line manager, who may only approve it if it expressly meets the conditions set out above and is in the Group's interests.

Gifts to charities are allowed:

- ✓ If made to organisations whose objectives are compatible with Group values,
- ✓ If carried out in full transparency (i.e. no payments in cash or into private accounts).

## 2.14 Meetings

- ✓ Only business meetings of associations or groups which are of real interest to the Group shall be attended.
- ✓ Any meeting agenda item that appears questionable shall be forwarded to the relevant managers.
- ✓ In the event of apparently illegal discussions, employees must leave the relevant meeting and report the matter to management.

# 3 APPLICATIONS

## 3.01 Warning system

Non-compliance with the Code of Conduct or a Group company's ethical rules:

- ✓ All employees who witness a breach must report this to their direct manager, location general manager, department manager or a Group director.

- ✓ Confidentiality of such notification is guaranteed.
- ✓ There is no risk of reprisals against the person making the notification.

Whistle-blowing about corruption or influence-peddling.

- ✓ Any communication by whistle-blowing employees shall be reported to their direct or indirect line manager or the following Group officer:

*Monique-Brigitte Prissard,  
15-17 rue des Ecluses Saint Martin  
75010 Paris*

- ✓ Such notification must be sent in a sealed envelope marked “Confidential”; whistle-blowers shall detail the relevant facts in good faith and state their name, job title and personal address.
- ✓ Additional information may be required in written or verbal form.
- ✓ An answer will be returned to whistle-blowers within a month, including follow-up action taken in response to the notification.
- ✓ Strict confidentiality is guaranteed, including where communication is made to third parties when necessary.
- ✓ Within two months after completion of checks, of which the whistle-blower shall be informed, all information in the relevant file that allows the whistle-blower to be identified shall be destroyed.

### 3.02 Group locations

All Group plants are located in France or Western Europe. One workshop in Morocco and two in North America work exclusively for the Group.

Consolidated Group revenues are earned 65% in France, 30% in Western Europe and 5% in the rest of the world (i.e. North America, Japan, Australia and French-speaking Africa).

- The Code of Conduct is the same in all regions.

### 3.03 Assessment procedures

Group company operations are exclusively designed to produce high-turnover consumables, which are primarily sold to retailers, but also to processing firms, printers and, to a very small extent, end-users.

Raw materials and energy required for Group operations are purchased on the open market in France and abroad.

The paper pulp used is certified by accredited bodies that guarantee respect for local communities.

- There is no need to assess risks of corruption or influence-peddling with all the Group's current customers and suppliers.

### 3.04 Accounting controls

In the Group chairman's report to the general meeting, in Article 4 he shall describe the Group's current internal control procedures:

*"Internal controls ensure the Company's operations are properly controlled and protect it against various risks, including:*

- *Irregularities and fraud*
- *Material omission or inaccuracy in reporting and financial statements*
- *Non-compliance with the Company's legal and contractual duties*
- *Destruction, deterioration or disappearance of assets or misvalued assets."*

Group and sub-group accounting managers regularly meet to identify risks and establish procedures in all Group companies in order to prevent banking regulation fraud.

- In June 2014 a Group memo was circulated to all accounting staff with a view to securing payments out and minimising the threat of internal and external fraud.

### 3.05 Information and training

The Code of Conduct must be displayed on the Group website [www.exacomptablefontaine.fr](http://www.exacomptablefontaine.fr) in its original French version with its English translation, together with the dates of any updates. It shall also be:

- ✓ Circulated to all Group companies to be attached to the various local company policies,
- ✓ Handed personally to employees most concerned by the various articles.

Specific training must be provided for all accountants.

### 3.06 Disciplinary proceedings

- ✓ All employees whose behaviour is considered unacceptable in view of this Code of Conduct, or any additions thereto made by the subsidiary to which they belong, shall be disciplined pursuant to said subsidiary's policies.
- ✓ In the event of corruption or influence-peddling, criminal proceedings cannot be ruled out.