

PSA' Group Responsible Purchasing Policy

The PSA Group 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.

Since 2003, by signing the Global Compact, the PSA Group made the commitment to adhere to and promote the ten principles of the Compact, which are based on the Universal Declaration of Human Rights, The International Labour Organization's Declaration on Fundamental Principles and Rights at Work, The Rio Declaration on Environment and Development and The United Nations Convention Against Corruption.

The corporation's ethics charter implemented in 2003 confirms these commitments. Each individual, from employees to top executives, must refer to and comply with the charter in all circumstances particularly in its relations with suppliers.

The PSA Group signed in 2006 a Global Framework Agreement that formalizes the PSA Group commitments on social and environmental responsibility (CSR) and fundamental human rights. In 2017, the PSA Group signed a new Global Framework Agreement with the trade union federations IndustriALL Global Union and IndustriALL European Trade Union that renews these commitments and constitutes a reference for the PSA Group and for the suppliers who constitutes its supply chain.

The PSA Group is also strongly involved on environmental issues (greenhouse gas and pollutant emissions, recycling, the use of natural resources, circular economy, etc.) and expects not only a support from suppliers along the entire lifecycle of a vehicle but also innovative proposals contributing to the PSA Group ambitions announced publically.

The PSA Group undertakes to make the principles of the Global Compact and International Labor Organization conventions one of the key elements of its purchasing policy. The PSA Group undertakes to put in place best practices to implement and achieve the objectives of the OECD Guidelines for Multinational Enterprises adopted in 2011 as well as the Guiding Principles on Business and Human Rights ("Ruggie Principles ") approved in 2011 by the United Nations Human Rights Council.

The supplier selection and retention in the PSA Group supplier base are guided by corporate and social responsibility criteria

The ethical, environmental and social criteria are crucial for the selection of a new supplier and the retention of an existing supplier.

The supplier social and environmental performance is regularly assessed by a third party. This assessment covers the following topics: environment, labor practices, fair business practices and sustainable procurement. This assessment is used for the risk identification and for the selection of sites to be audited. Each supplier assessed receives a score card covering all relevant aspects of the evaluation.

For each non-compliance, the Supplier must implement corrective action plans to be compliant with the PSA Group requirements. In the event that the Supplier fails to respect these rights and principles, the PSA Group reserves the right to impose penalties up to the exclusion of the Supplier from the Group's panel of suppliers.

Social and environmental criteria selected by the PSA Group

Compliance with social principles

■ Support and respect the protection of internationally-proclaimed human rights

The Supplier respects human rights in all of the countries in which it operates, including in geographical areas where human rights are not yet sufficiently protected

The Supplier agrees to work towards preventing situations of complicity or acts of collusion concerning fundamental human rights violations

The Supplier pledges its commitment to fulfill its responsibility toward respecting human rights and promotes their respect throughout its entire supply chain.

■ Uphold freedom of association and the effective recognition of the right to collective bargaining

The Supplier acknowledges the global right of workers to form labour unions and join the labour union of their choice and agrees to ensure that union independence and pluralism are maintained (ILO Convention no. 87).

The Supplier is committed to protecting union members and leaders and to abstaining from all forms of anti-union discrimination (ILO Convention no. 135).

The Supplier is committed to promoting collective bargaining, a key aspect of relations between labour and management (ILO Convention no. 98).

■ Eliminate all forms of forced and compulsory labour

The Supplier recognises the principle of the freedom of choice of employment. The Supplier must not, under any circumstances, resort to forced or compulsory labour. Labour is deemed to be forced or compulsory when it is imposed by means of a threat (withholding of food, confiscation of land, non-payment of salary, physical violence, sexual abuse, or non-voluntary prison labour, etc.) (ILO Conventions 29 and 105).

■ Effectively abolish child labour

The Supplier is prohibited from employing children in violation of the stipulations of the International Labour Organisation's conventions (ILO Convention 138 and 182).

■ Eliminate discrimination in respect of employment and occupation

The Supplier is prohibited from making any discrimination based on race or ethnic origin, gender, religion or belief, political opinion, trade union activity, disability, age and sexual orientation in recruitment and career development and ensures equal treatment. (ILO Convention 111).

■ Remuneration

The Supplier is committed to ensuring that remuneration is at least equal to the minimum amount mandated by law and the guaranteed minimum for the profession or as set forth in the relevant collective bargaining agreements.

The Supplier acknowledges the principle of equal pay for equally valued and productive work, in particular between men and women (ILO Convention 100).

■ Working hours

The Supplier undertakes to ensure that the total number of hours worked is equal to or less than the totals set forth in the national legislation or the collective-bargaining agreements in the country concerned.

The Supplier is committed to ensuring that break times and periodic days off correspond at the very least to the minimum conditions.

■ Respect for health and safety at work

For PSA Group, the only acceptable target is an accident-free workplace. The Supplier is committed to ensuring that effective occupational health and safety policies based on prevention are applied at its various sites in the form of concrete action plans that involve each employee at his level of responsibility in the company, including labour and management representatives (ILO Convention 155).

Environmental protection

■ System of environmental quality management

The Supplier undertakes to implement a policy of management and of continual improvement of its industrial facilities geared towards protection of the environment reduction of its energy consumption, management of water etc. It carries out the necessary monitoring with permanent and reliable measurements.

To this end, the Supplier must have ISO 14001 certification, or certification of an equivalent standard or must demonstrate that it is taking steps to become certified.

■ Research and environmental policy

The PSA Group is particularly attentive to marketing, in all countries, vehicles with better

standards of environmental performance and endeavours to research and promote innovative technical solution contributing toward this.

Consequently, the Supplier is committed to adopting a voluntary policy in the field of research in order to develop its products and bring them up to a still higher standard in terms of respect for the environment.

The supplier is committed to meeting PSA Group commitment to green materials by proposing solutions integrating recycled materials and / or materials of natural origin. Moreover, it is committed to contributing to the objective of recyclability of vehicles through its material proposals. The supplier must produce a complete material itemization of his parts.

The supplier undertakes to implement a policy to reduce CO2 emissions in order to contribute to PSA Group commitments made in line with the Paris agreement. To this end, it will communicate each year to the PSA Group the CO2 emissions related in particular to the production, upstream and downstream transport of the goods and services purchased by PSA Group.

Compliance with ethical principles

■ Prohibited substances and materials

The supplies, products or parts bought from the Supplier by the PSA Group, whether they are standard or specifically developed by the Supplier for the Group, must respect legislations or regulations applicable in the production countries but also in the areas/ countries where the product is sold or used (European Union, etc.), products or parts in terms of prohibition, restriction of use or traceability of substances of concern for the protection of health or the environment.

■ **Fight against the use of conflict minerals**

The PSA Group intends to exercise its duty of vigilance and participate in the development of responsible procurement.

The Group's policy is to establish transparency with suppliers on the origin of minerals used in particular from conflict zones (including tungsten, tantalum, tin and gold).

The supplier undertakes to submit in writing:

- the detailed composition of the materials used in the manufacturing of the parts supplied as well as any changes in this composition.
- any information necessary to comply with the enforced legislation, on "conflict minerals" via the EICC-GeSI form
- the smelter from whom he buys directly or through subcontractors.

The Supplier refrains from sourcing from illegal channels and, is committed to promoting a responsible supply process.

■ **Fair trade practices**

The Supplier agrees to comply with all applicable anti-corruption laws, including, without limitation, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, and that neither it nor any of its subcontractors, vendors, agents or other associated third parties will engage in any form of commercial bribery, nor directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority or of any government-owned, government-controlled or government-affiliated entity to obtain or retain any contract, business opportunity or other business benefit, or to influence any act or decision of that person in his/her official capacity.

The Supplier agrees to know about and comply with any applicable rule relating to competition, and will implement any anti-competitive practices (cartels, etc.). The Supplier must independently determine its behavior and its commercial policy on the market in order to maintain healthy competition between all players.

The Supplier shall ensure that its employees avoid any conflict between the interests of their business and their personal interests or those of their relatives.

The Supplier undertakes to respond transparently and sincerely to requests for information from the PSA Group, whether financial or non-financial.

The Supplier guarantees the confidentiality of the exchanges with the PSA Group and the protection of the information communicated by the PSA Group.

The Supplier is committed to effectively fighting counterfeit throughout its supply chain and respecting intellectual property.

■ **Animal Welfare**

As part of its supply, the Supplier undertakes to respect and to ensure that its own suppliers respect the five animal rights formalized by the World Organization for Animal Health (OIE) concerning animal welfare.

■ **Compliance with the law**

The Supplier complies in all areas with the laws and regulations in force in all of the countries in which it operates. He is required to notify the PSA Group of any legal restrictions of which he may be aware (export control, environment, safety, transport, etc.) on resale.

As required by the PSA Group global framework agreement, the Supplier is asked to go beyond the mere respect of national standards in the field of fundamental human rights, by making all of the ILO conventions, set out below, its frame of reference.

On an environmental level, the Supplier applies the international conventions applicable to its business activity and products

■ **Retention and use of personal data**

The Supplier undertakes to comply with the regulations in force concerning the collection and use of personal data. No use and treatment other than those provided for in the contracts may be implemented by the Supplier.

Sustainable procurement

■ **Supplier's relationships with its own suppliers**

The PSA Group asks its suppliers to accompany the deployment of the above principles throughout the supply chain. The Supplier therefore undertakes to raise its own supplier's awareness

on CSR issues and to establish a responsible procurement policy respecting these principles. It implements all due diligence measures with respect to its own subcontracting chain.

Supplier's Agreement

The Supplier acknowledges having read the text above and agrees to apply it throughout its company/group. If necessary, it commits itself and all of its subsidiaries throughout the world.

The Supplier formally accepts the principle that self-assessment questionnaires will be sent out, that they should be completed, and that audits can be carried out at its various sites, or at those of its subsidiaries, by PSA Group or by a third party appointed by PSA Group for this purpose.

Company name:

Last name First name:

Function:

Email :

Date :

I undertake to comply with the social and environmental responsibility requirements of the PSA Group.

Signature :