

# Code of conduct

Sonepar's policy to do business and to deal both with its associates and its business partners is based on strong founding values, such as respect and integrity.

These core values as well as Sonepar's philosophy have always been embedded in the longstanding operating principles of Sonepar and included in its governance chart, which advocates, beyond the respect of laws and regulations, honest behaviors and, more particularly, the fact that, in case of doubt, everyone should ascertain the feasibility, compliance and acceptability of his/her actions.

This **Code of Conduct** of Sonepar and its affiliates is the continuance of current practices and aims to further emphasize what integrity entails, for each of us, facing an increase in compliance regulations. This **Code of Conduct** is also based, by reference, to the combined existing Charters and Governance manuals, which are already in force.

In addition to the reminder of the commitments included in this document, Compliance Guidelines. ("Guidelines") are added, constituting an integral part of this Code of Conduct.

These Guidelines, set by theme, listing of which is enclosed, shall be updated as new challenges arise and regulations applicable to Sonepar evolve. In case of a difference between the dispositions of this Code of Conduct and a local code, the stringent rules will apply

Our commitments are based on compliance covenants to:

- All relevant applicable laws, regulations and internal rules applicable to Sonepar;
- The relevant applicable laws in each country, in respect of competition, fighting against corruption and influence peddling, and import and export control;
- The proper accounting rules, including yearly audited accounts and no tolerance with respect to fraud;
- The laws and regulations requiring a surveillance plan to identify and prevent risks to serious violations of human rights, fundamental freedom, health and safety of people and environment.

The Code of Conduct is applicable to associates in all countries where Sonepar operates. All associates must respect the principles contained herein and implement these principles in their daily business actions.

In case of proven violation to the Code of Conduct, disciplinary measures may be initiated against the associate at fault. These measures shall be adjusted to be compliant with local laws.

Pursuant to the current procedures, should any question or should a risk of violation to the Code of Conduct arise, the associate shall ask or inform his/her immediate supervisor or the legal department, compliance, internal control, audit team or human resources.

Introduction of a whistleblowing procedure.

An associate who acts in good faith and in a selfless spirit cannot be subject to any sanction or discriminatory or disciplinary measures motivated by reporting the violation.

Marie-Christine Coisne-Roquette  
Chairman of Sonepar SAS

For any question, please contact Mr. Paul Trudel, Group Chief Compliance Officer:  
[chiefcomplianceofficer@sonepar.com](mailto:chiefcomplianceofficer@sonepar.com)



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**sonepar**

• Passion  
for your  
business

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# Code of conduct

## Compliance guidelines

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# PROHIBITION OF CORRUPTION AND INFLUENCE PEDDLING

Sonepar formally prohibits any form of corruption and influence peddling, directly or indirectly.

## CORRUPTION

Bribery may be defined as the act of directly or indirectly offering, promising, authorising or granting an undue advantage (understood here to have the broadest possible meaning) to a person vested with a public or private role, with a view to engaging in or refraining from engaging in an action that is directly or indirectly within that person's remit. Corruption also covers activity whereby a person vested with a public or private role solicits or accepts an undue advantage with a view to engaging in or refraining from engaging in an act that comes directly or indirectly within his or her remit.

Bribery is prohibited in the public and the private sector.

Bribery is described as:

- active when perceived from the briber's point of view: this means offering an advantage to a person/private sector company/state-owned company or government body to procure the accomplishment or lack of accomplishment of an act coming within the role of the recipient;

- passive when perceived from the bribe-taker's point of view: this means a person/private sector company/state-owned company or government body asks for or accepts an advantage in order to accomplish or refrain from accomplishing in an action that is within the bribe recipient's remit.

Bribery can be direct or indirect (i.e. conducted through third parties such as agents, consultants, business finders, commercial intermediaries, etc.).

Bribery arises from the mere fact of offering or seeking an advantage, irrespective of whether the advantage was actually granted or accepted, and whether or not the expected action was carried out.

## INFLUENCE PEDDLING

Influence peddling is prohibited behaviour that is close to bribery. However the purpose is not to procure the accomplishment or non-accomplishment of a given action but rather to procure an abuse of real or presumed influence so as to obtain honours, employment, contracts, or any other advantageous decision or situation from a public authority or office.

As in the case of bribery, influence peddling is described as:

- active when engaged in by a person who offers an advantage of some kind to another person in a public office or private capacity where the latter has actual or presumed influence over public authorities or officials, in order to obtain advantages or favours of any kind from said authorities/officials
- passive when engaged in by a person in a public office or private capacity who asserts actual or presumed influence and seeks or accepts an advantage of some kind in order to obtain advantages or favours of any kind for another person, which advantages or favours are presumed to be dispensed by the public authorities.

Most of the countries have their own anti-corruption legislation. In France, it is the Sapin II law applicable worldwide to Sonepar and all its subsidiaries.

#### GIFTS AND ENTERTAINMENT

Goodwill gestures by or to a Sonepar associate must be strictly limited and reasonable to avoid having such associate deriving personal benefits because of his/her position within Sonepar.

Such benefits include gifts and entertainment (except of low value), non-business-related trips, interest free loan to or from a business partner, the remittance of an excessive number of promotional items and any other benefit

that is or could be considered as excessive, unreasonable or inappropriate. Local business practices with respect to gifts and entertainment cannot overrule Sonepar's anti-corruption guidelines.

#### FACILITATION PAYMENT

It is a payment, even small, made to a public officer to smoothen the process of a service to which the payer is otherwise legally entitled. Such payment is prohibited. In all cases, payment to a public official is prohibited.

#### USE OF INTERMEDIARIES / AGENTS

Sonepar is prohibiting the hiring and retention of intermediaries or agents (who, as an example, could be the link between Sonepar and Sonepar's customer) enhancing corrupt practices. Therefore, before using such intermediaries or agents, a due diligence must be conducted to assess the risk of being confronted with corruption.



## CONFLICT OF INTEREST

All associates must always act in the best interests of Sonepar and must avoid any situation in which their personal interest, or those of family members or friends, could conflict with their obligations towards Sonepar.

Any associate must be in a situation where he/she can take a fair and reasonable decision.

The following is strictly prohibited:

- Using your position or influence to get an improper personal benefit;
- Using Sonepar confidential information to get a personal gain;
- Taking advantage of inside information on Sonepar to get a personal gain;
- Having an interest in an outside business doing business with Sonepar where there is an opportunity for the associate to get preferential treatment.

## ACCOUNTING CONTROL PROCEDURES

Sonepar is subject to accounting regulations and requirements compelling it to record accurately and faithfully all the assets and liabilities of Sonepar, together with all its business operations. Sonepar maintains its books and records accordingly and its accounts are audited annually by an independent audit firm.

All Sonepar associates must be cooperative in preparing and recording accurate and timely financial information and data to prevent and avoid corruption and influence peddling events.

Sonepar's Internal Audit team assists the Sonepar Internal Control team to achieve these goals.

All Sonepar associates must carry out and register all business transactions in order for Sonepar's management to generate accurate and timely financial reports.

## FAIR COMPETITION

The Sonepar Group conducts business in an open and fair manner, respects the principles of free competition and requires its associates to strictly comply with all applicable laws and regulations relating to competition in all countries where it operates. The purpose of competition laws is to promote fair competition for the benefit of customers. At Sonepar, we take our obligations under these important laws very seriously.

### MANDATORY RULES

All associates must deal honestly and fairly with all customers and suppliers, and must abide by the following rules:

- seeking advice before acting, whether through conversations, e-mails, text messages or other form of communication.
- competing vigorously, independently and fairly at all times.
- setting prices and commercial conditions independently, while considering production costs, related costs, associated services, client requests and market conditions.
- not entering into any agreement, understanding nor discussing with any competitor about pricing and allocation of customers, suppliers, territories or contracts.
- avoiding all unnecessary formal or informal business contacts with competitors.

- refraining to discuss sensitive matters with competitors, such as prices, rebates and allocation of customers, suppliers or territories.
- refraining to share business sensitive information at trade association meetings.
- refraining to take measures prohibiting competitors to enter into a market.
- using only publicly available information on competitors.
- not sharing with a customer prices and conditions offered to other customers.

### ABUSE OF DOMINANT POSITION

Any company having a significant market share (over 30-35%) may be considered having a “dominant position” towards its competitors, and must therefore refrain to set excessive or discriminatory pricing, as well as conditions of sale having the effect of foreclosing the market to competitors.

### SANCTIONS

The competition authorities may impose large fines and prison terms for violation of competition laws, both to companies and their employees, and such employees may be subject to disciplinary measures.

## EXPORT AND IMPORT REGULATIONS

Sonepar has business relationships with commercial partners worldwide and therefore is subject to various rules and regulations on export/import controls of products it sells to its customers, or buy from its suppliers.

The products Sonepar is selling through exportation or importation from/to the country of origin may be subject to trade restrictions.

Restrictions could be on the type of products, country of origin of the products, country of destination of the products, final use of the products or end user of the products.

It is of the utmost importance for all Sonepar associates to abide by export and import regulations and Sonepar internal rules applicable in the country where he/she is performing services.

For any question, please contact Mr. Paul Trudel, Group Chief Compliance Officer:  
[chiefcomplianceofficer@sonepar.com](mailto:chiefcomplianceofficer@sonepar.com)

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# Whistleblower Procedure

## **PURPOSE**

This Whistleblower Procedure (“WP”) is an integral part of the Sonepar Code of Conduct (“SCC”) and is applicable to all Sonepar associates, worldwide, and aims at facilitating the cooperation of all in the fight against corruption at Sonepar. This procedure is also open to third parties.

## **REPORTING PROCEDURE**

The formal reporting of an alert must be directed through an alert system, on the following web site:

[www.sonepar.com/alert](http://www.sonepar.com/alert). Any reporting should include actual facts and circumstances, and documents if available.

## **ACTING IN GOOD FAITH**

Any associate filing a complaint about a violation of the SCC must act entirely in good faith, in a selfless spirit and have reasonable grounds and evidence to believe that a violation of the SCC has occurred or may occur. Any filing of a complaint that, following investigation by Sonepar’s compliance resources, prove not to be substantiated and made in bad faith or maliciously, or knowingly to be false, is a serious offense and could entail disciplinary measures, leading up to and including termination of employment.

## **DISCLOSURE OF IDENTITY**

The associate filing a complaint under the WP must disclose his/her identity, job title and the Sonepar entity for which he/she is working. The anonymity of the associate is preserved and secured. Sonepar shall take all reasonable steps to protect the associate from any harm against him/her resulting from such filing. An anonymous complaint may be examined by Sonepar according to the allegations and documents produced.

## **CONFIDENTIALITY AND COMPLAINT HANDLING**

Any and all facts, events, actions and communications originating or resulting from the filing of a complaint, as well as the identity of people involved or potentially involved in the complaint, and the actual facts pertaining to the complaint shall be kept strictly confidential, consistent with the need to conduct an adequate investigation. Sonepar will take the necessary measures to ensure this confidentiality. All complaints will be promptly investigated and appropriate corrective actions will be taken if warranted by the investigation. The results of the investigation shall be shared with the complainer, shall the complainer have acted in good faith. Sonepar takes the necessary measures to ensure the destruction of elements to preserve the confidentiality, should no further action be taken towards the alert.



## **NO RETALIATION**

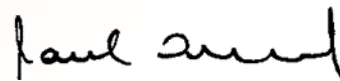
It is contrary to Sonepar's values and to the law for anyone, in whatever role and capacity, to retaliate directly or indirectly against any associate who, in good faith, and under the terms and conditions of this WP, is reporting a violation to the SCC. Any associate found to be in violation of this non-retaliation obligation is subject to disciplinary measures up to and including termination of employment. "Retaliation" is inclusive of demotion, termination, suspension, threaten, harassment or discrimination in any other manner, as a result of reporting an alert.

## **QUESTIONS**

An associate having questions or concerns about the SCC is encouraged to share first with his/her supervisor, Human Resources Department or entity Compliance Officer and, if he/she wishes, with the Sonepar Chief Compliance Officer, at [chiefcomplianceofficer@sonepar.com](mailto:chiefcomplianceofficer@sonepar.com).

December 19<sup>th</sup>, 2017

Sonepar Compliance Department



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December 19<sup>th</sup>, 2017



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