



The Valeo
Business Partners
Code of Conduct
September 2018



Content

1. INTRODUCTION TO THE CODE.....	6
1.1. To whom the code applies	6
1.2. Implementation and code enforcement.....	6
1.3. Consequences for code violations	7
2. INTEGRITY VIS-A-VIS ALL STAKEHOLDERS INVOLVED	8
2.1. Health and Safety	8
2.2. Respecting people’s and children’s rights	8
2.3. Fighting discrimination, encouraging diversity	9
2.4. Freedom of association, union rights and rights to collective bargaining agreements	9
2.5. Environmental stewardship	9
2.6. Continuous improvement	10
3. DOING BUSINESS FAIRLY	11
3.1. Combating antitrust practices	11
3.2. Prohibiting any form of bribe	11
3.3. Conflict of interest	13
3.4. Committing to professionalism and quality	13
3.5. Confidentiality	14
3.6. Data Protection	14
3.7. Background checks	15
3.8. Complying with Export/Import and Economic sanctions restrictions	15
3.9. Conflict minerals	17
3.10. Detecting and preventing issues	17
4. COMMITMENT TO INTEGRITY	19



Introduction from Jacques Aschenbroich, CEO

Dear Business Partners,

It is Valeo's culture to globally promote and abide by a strict business Ethics and to do business, wherever we operate and who ever with do business with, in compliance with applicable laws and regulations.

We believe that Ethics and Compliance are essential to the trust and satisfaction of all of our stakeholders and to the pride of our employees. We also believe in a culture of personal and professional integrity that, combined with clear rules and expectations, set the right framework for a sustainable and profitable growth.

As a committed member to the sustainable development values of the United Nations Global Compact, we uphold the universal principles of human rights, labor, environment and anti-corruption. Our values and commitment to the highest business standards are reflected in Valeo Code of Ethics that outlines the policies and ethical principles and laws to which Valeo adheres.

Over time, we have developed partnerships with an extensive network of suppliers and Business Partners. Our choice is obviously based on quality, needs, performance, and costs but we want our partnerships with all our stakeholders to be lawful, ethical and mutually beneficial.

This is why we chose to team with Business Partners who are as committed as we are to business ethics, to fair sales and marketing practices, to confidentiality and intellectual property protection, to zero-tolerance standards for bribery and corruption.

Their commitment to innovation, quality, values, integrity, respect for human rights, safe workplaces, non-discrimination, environmental stewardship and ethical sourcing of materials are also key selection factors.

As we need to ensure that those acting on Valeo's behalf are operating in accordance with all laws, our policies and this code, Valeo Business Partners Code is mandatory for all of Valeo's suppliers, providers, consultants, agents, intermediaries, joint venture partners and their personnel assigned to a Valeo project or working with and/supporting Valeo.

Please take the time to read this code carefully and understand it. While no code can answer every question you may have or address every ethical dilemma that may arise, this document is meant to provide a solid foundation for making ethical decisions. Thank you and we look forward to working together.

Sincerely,
Jacques Aschenbroich, CEO

1. Introduction to the Code

The purpose of **Valeo's Business Partner Code of Conduct** (the code) is to describe Valeo's expectations in terms of business ethics and compliance vis-a-vis its third parties (hereafter "Business Partners") and to provide them with guidance for actions in many areas in which we operate.

Consistent with our **Code of Ethics**, the guidelines and standards contained in the code come as a complement to Valeo's requirements in terms of Sustainable Development vis-à-vis its suppliers (i.e. Sustainable Development criteria contained in the supplier evaluation form).

This code is a practical guide to the ethical business practices that will ensure our mutual long-term success.

1.1. To whom the code applies

This code is a mandatory requirement for doing business with Valeo. It applies to all of our Business Partners and their employees. Business Partners are defined as, but not limited to, the following entities:

- ▶ Vendors
- ▶ Suppliers
- ▶ Service providers
- ▶ Agents and Intermediaries
- ▶ Distributors
- ▶ All other similar parties that provide goods or services to, for or on behalf of Valeo

1.2. Implementation and code enforcement

It is critical that this code be put to use on a daily basis and that our Business Partners uphold and convey its values within their organizations. Business Partners need to apply and communicate the code to their employees, as well as their sub-contractors and next-tier suppliers and to reinforce its key points on a regular basis.

While this code gives an overview of the topics that are most important to maintaining ethics in our business relationship, it is not

meant to be comprehensive and all-inclusive. Please contact us if you ever need more information about how to act in accordance with this code.

You may also need to consult with your own advisors or counsels.

1.3. Consequences for code violations

There are serious consequences for violating the code and any applicable laws, including the loss of future business dealings with Valeo and possibly the termination of contracts. Consequences for legal violations can include heavy fines for companies and individuals, as well as jail time.

Introduction from Marc Guedon, Group Purchasing Director

"I am pleased to introduce you to Valeo's Business Partner Code of Conduct.

This code, specifically directed to our Business Partners around the world, mirrors the Valeo Code of Ethics and describes our requirements and expectations, especially in terms of human rights, environmental protection, antitrust and anticorruption, export control and data protection.

Based upon common values and integrity, it establishes a solid framework for a long-lasting relationship between Valeo and its referenced suppliers or Business Partners, who must fully agree and adhere to its principles in order to work with Valeo. "

Marc Guedon - Valeo Purchasing Director



2. Integrity vis-a-vis all Stakeholders involved

By joining the Global Compact of the United Nations in 2004, Valeo has made a specific commitment to respect and promote wherever we work in the world, the fundamental rights established by the Universal Declaration of Human Rights, the dignity and intrinsic worth of individuals, minimum age-requirements, wages and benefits, equal rights for men and women and the private life of employees.

We expect our Business Partners to promote the same values, to comply with the Global Compact sustainable development principles and all related laws and to combat inappropriate or illegal behaviors.

2.1. Health and Safety

We are committed to maintaining safe workplaces and have developed multiple safety guidelines, procedures and policies to protect people working at Valeo. We also maintain drug and alcohol-free workplaces and forbid the distribution, sale, purchase, exchange, possession and use of illegal drugs in the workplace. Smoking is only permitted in designated areas at Valeo worksites.

We expect Business Partners' personnel working at Valeo premises to comply with Valeo's health and safety instructions.

2.2. Respecting people's and children's rights

We combat forced labor and child labor: we do not employ children under the age of 16. More generally, we comply with ILO Convention especially as it relates to the employment of children between 15 and 18 years of age and we expect our suppliers and partners to subscribe to the same obligation and strictly comply with the related legislations.

Similarly, we expect their employment practices to be free from forced labor and workers to be paid according to applicable wage laws, including minimum wage, overtime and mandated benefits and to be treated equally and fairly.

Specifically, no Valeo Business Partner may employ children under the age of 16 years, nor used forced or compulsory labor. Working hours, rest time and periodic leaves must also be respected, in line with local legislations or collective bargaining agreements, where applicable.

2.3. Fighting discrimination, encouraging diversity

Also as a global company, we value and encourage diversity. We also combat discrimination and harassment: Any sexual or psychological harassment, bullying or other such conduct that interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment, is totally forbidden at Valeo, even if there is no relation of job subordination between the parties.

In that respect, Valeo Business Partners need to ensure that their employment practices are free from any kind of discrimination, in particular vis-à-vis unionists, employees representatives, women or minorities. They also need to recognize the principle of equal remuneration for men and women, as per ILO Convention n°100.

2.4. Freedom of association, union rights and rights to collective bargaining agreements

We believe in freedom of association and support the effective recognition of the right to collective bargaining, in the countries where it is applicable. We expect our Business Partners to comply with all applicable legislations in that respect, to encourage dialog between employees and management and to respect collective bargaining agreements, if any.

They need to combat any kind of discrimination; harassment or retaliation vis-à-vis employee representatives or unionists.

2.5. Environmental stewardship

We work in compliance with all local environmental laws and forbid the manufacturing or selling of products that present an unacceptable risk for individuals' health and the environment.

We expect our Business Partners to abide by the same principles and to contribute to the protection of environment by helping us reduce our consumption of raw materials and energy, optimize natural resources and reduce waste discharges during the design, manufacture, distribution, use and recycling of all of our products. For more information, please refer to Valeo Sustainable Development Internet portal.

2.6. Continuous improvement

More generally, we encourage our suppliers to be transparent, accountable and engaged in the continuous improvement of their sustainable development commitment.

In that respect, the promotion of the principles and values contained in this code with their own suppliers and partners is strongly recommended. As a reminder, no agent can be hired by a Business Partner to indirectly represent Valeo without Valeo's formal written pre-approval.

3. Doing business fairly

At Valeo, we know that ethical business dealings ensure our success now and our sustainability long into the future. We believe that integrity and success are interlinked.

This is why we strictly adhere to the policies and laws that promote fair competition in the marketplace and safeguard against anti-competitive practices and bribery and corruption: we have zero tolerance for non-compliance.

3.1. Combating antitrust practices

We expect all of our Business Partners to abide by the same rules and to neither collude with competitors in cartels, engage in price-fixing, market sharing and bid rigging or exchange sensitive business data with competitors in an attempt to restrict competition.

Our third party contributors supporting Valeo in projects involving competitors, ie: service providers, contractors, trainees, interns must behave properly and comply with our standards of integrity. The **Valeo Third Party Antitrust Risk Awareness Handbook** and **e-learning** were developed for them and their teams.

3.2. Prohibiting any form of bribe

Similarly, bribery and corruption are totally prohibited at Valeo: We adhere to all applicable country laws (including Sapin II, the Foreign Corrupt Practices Act, the UK Bribery Act, etc.).

Our employees are not permitted to accept any gift or gratuity/invitation from customers or suppliers in any form whatsoever (in particular, amounts of money, merchandise, services, entertainment, or travel) except where the gift or gratuity/invitation is of minimal value.

We don't take actions that may be construed as attempts to unduly influence customers, government or administrative decisions in matters affecting Valeo. We avoid mere situations where Valeo might be perceived as opened to active or passive bribery for which we have

zero tolerance.

As a consequence, Valeo employees, directors or Business Partners, are forbidden from giving or promising to give, in exchange for or in order to obtain a contract or any other improper commercial or financial benefit or any undue advantage, directly or indirectly, any gift or gratuity in cash or any other form, any invitation and entertainment, to any representative of a customer or a supplier or any third party, including journalists.

Valeo's rigorous anti-bribery and anti-corruption policies also apply to our direct and indirect dealings with Government or Public Officials, administrative agencies, authorities.

Valeo Business Partners who interact with public officials, in our name, on our behalf or in our interest are strictly forbidden from giving or promising to give, offering, paying or promising to give or pay in any way, directly nor indirectly to any Government or Public Official in exchange for favorable action from a government, administrative agency or other intermediary.

This is why Business Partners are subject to a rigorous selection procedure that may include background checks. As to third party intermediaries and agents, they are selected and retained on the basis of **Valeo Retention and Selection of Agents and Intermediary policies** that reflects the highest standards of integrity and business ethics.

No service can be provided, no payment can be made and no contract can be signed, nor extended or renewed with a third party intermediary, unless he/she or his/her company has been approved as per the said policy. Agreeing to **Valeo Third Party Intermediary Contractual Provisions** among which the prohibition of offering anything to any public official and to **Valeo Code of Ethics**, the need to list the actual services to be performed, the basis for fees or the price, and all other terms and conditions is also a prerequisite.

Non-compliance with these policies is taken very seriously. They may lead to the termination of Business Partners' contracts.

Valeo Third Party Anti-bribery Risks Awareness Handbook and E-learning help Business Partners understand our policies and expectations.

3.3. Conflict of interest

A “conflict of interest” exists when an employee’s private interests supersede or interfere with Valeo’s interests or when an employee or a close relative might benefit personally from a transaction involving a company in the Valeo Group.

Employees are expected to make business decisions that are based solely on Valeo’s best interest and prohibited from entering into any conflict of interest.

Therefore, investing, directly or indirectly, in a Business Partner working with Valeo, a supplier’s parent company or its subsidiaries is not permitted. Business Partners cannot either lend money to Valeo employees, nor directly or indirectly propose or give any kickbacks or bribes.

3.4. Committing to professionalism and quality

Year after year, we work very hard to get the innovation and quality of our products and services valued by our customers and partners and recognized with awards of excellence by others in our industry.

We believe that the high quality of the products and services that we provide to our customers depends on the integrity and reliability of our production systems.

Valeo sets rigorous production and quality-control standards to ensure that our products meet all applicable legal, regulatory and customer requirements. The goal of improving quality motivates and empowers all of our work at Valeo and is guided by our values and all Valeo employees are responsible for implementing these quality-control procedures.

However, pro-activity is also key: vigilance and early reports to the management of any perceived issue, such as defective parts, actual or potential production difficulties and transparency are core foundations of our production and delivery business ethics.

Professionalism ensures the ability of our businesses and relationships to grow and thrive.

3.5. Confidentiality

At Valeo, we protect our information, know how, IP rights and more generally our confidential and strategic information.

We are extremely cautious as to the integrity and safety of our Information technology network and devices as well as the exchange of information, be it directly, via IT systems or on the social media.

We respect the intellectual property and confidential information of others as well as the confidentiality of their data, projects, trade secrets, copyrights and other intellectual property, including software, images and publications.

Confidential Information generally means information, knowledge or data of any nature whatsoever (including but not limited to financial, industrial, technical and commercial information, which may include personal data as defined by General Data Protection Regulation EU).

Ensuring confidentiality and IT security takes discipline and attention. We expect our Business Partners to strictly comply with our IT Charter when using devices provided by Valeo. We also expect them to respect confidentiality or rights and to use information disclosed or rights provided for the sole purpose of fulfilling their obligations vis-à-vis Valeo.

Valeo Business Partners are not permitted to talk on behalf of Valeo or talk or write about Valeo, a Valeo project, a Valeo customer. As a consequence, any request or invitation to an interview needs to be directed to Valeo Communication Vice President and no communication can be made on the social media or in any way, such as a Curriculum Vitae, that would lead to the disclosure of Valeo's or Valeo customers' or other stakeholders' confidential information.

3.6. Data Protection

We carefully protect personal data and have implemented a detailed Data Protection Compliance Program. We collect, use and store our Business Partners personal Data for the sole purpose of managing the business and/or contractual relationship. For more information you can contact the Valeo Data Protection Officer at: dpo.external@valeo.com

We expect our Business Partners to comply with the applicable laws and regulations related to processing of personal data and notably the European General Data Protection Regulation.

Should the Business Partner act as a data processor as defined in this Regulation, the Parties shall enter into a Data Processing Agreement. The Agreement will include the mandatory International Data Transfer clauses in case data are processed outside Europe.

The Business Partner shall ensure that its employees who have access to Confidential Information, especially those who may process Personal Data under such data processing agreement, are fully sensitized to the provisions of the Data Regulations and aware of the Business Partner confidentiality obligations.

3.7. Background checks

For legal reasons Valeo may need to conduct due diligence about its Business Partners. Valeo reserves the right to not enter into or to discontinue a relationship with a partner whose practices would not meet his business ethics standards.

The data collected in support of a selection or retention process will be used in accordance with the **Valeo Data Protection Statement and Privacy Notice** available on valeo.com, which also described the Business Partners' rights on their data.

For any further information you can contact the Valeo Data Protection Officer at: dpo.external@valeo.com

3.8. Complying with Export/Import and Economic sanctions restrictions

Valeo is committed to compliance with the applicable laws and regulations that govern the importing and exporting of goods, services, technologies and information, including re-exports and parallel trade. In particular, EU and/or US law in the following areas may be implicated depending on the nature of goods, services, technologies, currencies or parties involved:

- ▶ Sanctions regimes restricting direct or indirect imports from or exports to (including but not limited to payments to/from) a sanctioned territory, currently the Crimea region of Ukraine,

Cuba, Iran, North Korea, Sudan or Syria, or a sanctioned party (such as those targeted by the EU and/or US restrictions) including imports or exports made via third countries or third parties (such as resellers or distributors);

- ▶ Government controls on the physical or electronic export of specific goods and technologies, for example where those items are capable of being used for military or political repression purposes and require a license;
- ▶ Correct customs classification and declaration of imported items.

When interacting with Valeo, Valeo's Business Partners are required to act in compliance with these obligations including compliance with U.S. laws and regulations that have extraterritorial effect, and are expected to provide Valeo with information regarding their international business dealings, the origin and/or export classification of products/materials they are supplying to Valeo, and/or confirm in writing the end-use and/or end-user of Valeo products they are purchasing from, or distributing on behalf of, Valeo.

As a consequence, accepting an order from Valeo means for a supplier that neither the supplier nor any upstream suppliers, or other third parties benefitting financially from the supply of products, are included on any lists of restricted parties maintained by the US Government or the EU and its Member States or other countries.

When the export, reexport or transfer to Valeo identifies an item, software or material that is identified on the U.S Commerce Control List or the E.U. Control List, or other equivalent list, Valeo must be informed by the supplier as soon as possible and at the latest, at the time of order.

The supplier must also provide Valeo with the related export classification of each product (e.g. the US Export Control Classification Number or EU Control List Number).

As to distributors and resellers, they are expected to strictly comply with all applicable economic sanctions, export controls, and import regulations of the U.S., E.U., and all other applicable jurisdictions.

Neither a Distributor, nor any parent, subsidiary, affiliate, supplier, or associated company can be included on any of the restricted party lists maintained by the U.S. Government and the EU's Consolidated List of

sanctioned persons and any other, nor can be owned or controlled by or acting on behalf of a restricted party (collectively, "Restricted Parties").

They cannot import, export, re-export, sell, resell, transfer or source any commodity, technical data, software, materials or supplies (i) in violation of any applicable Trade Control Laws; or (ii) to or from any country for which an export license or other authorization is required at the time of export or import, without first obtaining all necessary licenses or other authorizations.

They cannot, directly or indirectly, do business with, provide goods or services to or source goods or materials from any Restricted Party or any country with which trade is prohibited by OFAC or other applicable Trade Control Laws. The countries or territories currently subject to comprehensive U.S. sanctions or export restrictions include Cuba, Iran, North Korea, Sudan, Syria, and Crimea (collectively, "Sanctioned Countries").

3.9. Conflict minerals

Conflict minerals are certain types of raw materials that come from specific regions where human rights violations and violent conflicts are occurring. Typically these conflict minerals are tin, tungsten, tantalite and gold from the Democratic Republic of the Congo and surrounding areas. Valeo and all of our Business Partners must actively avoid acquiring, trading, possessing or otherwise furthering the use of these conflict minerals.

Valeo also helps customers meet their obligations pertaining to Conflict mineral legislations and expect its Business Partners to cooperate and provide required information. For more information, please refer to Valeo.com - Purchasing strategy.

3.10. Detecting and preventing issues

The most important thing is to detect issues early on, to prevent breaches and violations of laws and policies from happening and in case they happened, to prevent reoccurrence. Risks awareness and understanding is therefore essential to the detection and prevention of risks.

While it is of course, your responsibility to duly train your personnel,

Valeo Ethics and Compliance Program 2018

we have developed awareness development material aimed at helping your teams assigned to Valeo missions or projects, understand the risks that Valeo is specifically determined to combat and our expectations in terms of attitude and behavior. These are the so called **Valeo Third parties awareness handbook** and **Valeo Business Partners Awareness e learning**.

We ask you to take training when required to and to make sure at all time that your teams behave properly.

We also ask you to speak up and ask for help in case of any doubt about compliance on a Valeo mission or project especially if you witness or suspect any activity that may be in violation of Valeo's policies or other applicable regulations.

If you wish to share a concern confidentially, please talk as soon as possible to your key contact at Valeo or if you wish this alert to remain confidential, contact **Valeo's Chief Ethics and Compliance Officer at 33 1 40 55 20 20** or use the **Valeo Alert Line**.

Valeo does not tolerate retaliation against any internal or external parties for reporting in good faith a possible violation of any laws or Valeo's codes and policies, or for your participation in any aspect of an investigation, proceeding or hearing.

Reports made in good faith are honest and accurate, you should always feel safe to file good-faith reports without concealing your identity.



PREVENTION IS KEY

 **0800 374199**  **Valeo@expolink.co.uk**

 **www.expolink.co.uk/valeo**

4. Commitment to Integrity

It is strongly recommended that all Business Partners conduct code training sessions for their employees. Training of key personnel is mandatory for any Business Partners that are involved in government dealings or have direct contact with government officials or authorities. Likewise, any Business Partners that are working on dedicated Valeo projects must be educated on the code. Valeo may find it necessary to make code training mandatory for some Business Partners.

Valeo has a right to monitor and periodically review its Business Partners' compliance with the code, including unannounced visits and inspections. Business Partners must maintain proof of code availability and records of any training, certification and communications about the code when possible. It is expected that Business Partners take appropriate and effective means to self-monitor code compliance.

We hope you use this document as a platform to develop, implement, communicate and live out the values that Valeo views as universal and necessary to create an ethical and fair business environment for all.

ETHICS & COMPLIANCE

<https://sites.google.com/a/valeo.com/ethics-compliance-portal/home>

www.valeo.com

© Copyright 2018 Valeo. All Rights Reserved

