

# SUSTAINABLE SOURCING CHARTER

## PREAMBLE

This Sustainable Sourcing Charter (hereinafter the "Charter") is a joint initiative by French companies of the "Bank & Insurance" sector<sup>1</sup> (hereinafter the "Signatories") who want to associate their suppliers in the implementation of due diligence measures as part of their Corporate Social Responsibility efforts (CSR).

Its purpose is to inform suppliers:

- On the one hand, of the Signatories' commitments to them in terms of responsible sourcing;
- On the other hand, of the Signatories' expectations regarding abidance by the basic principles.

The mutual commitments laid out hereinafter are based on the fundamental principles of the UN Global Compact, which all the Signatories have adhered to, in the field of human rights, working conditions, the environment and the fight against corruption and on the United Nations Guiding Principles on Business and Human Rights, which specify the modalities for the respect of human rights by enterprises.

The suppliers' ability to commit and to translate these commitments into appropriate practices is part of the evaluation criteria chosen by the Signatories for the whole the term of their relationship with suppliers.

## SIGNATORIES' COMMITMENTS TO THEIR SUPPLIERS

### Fairness, Ethics and Transparency

The Signatories undertake to:

- Ensure fairness in the supplier selection process by establishing the conditions for loyal competition and fair treatment of suppliers.
- Fight against all forms of corruption, active or passive, and avoid any situation where there may be a conflict of interest by abiding by the compliance rules in force in their company.
- Ensure transparency and compliance with the rules relating to the selection processes by providing clear preliminary information to the bidders regarding the terms and conditions applicable to any competitive process.

### Mutual dependence

The Signatories undertake to:

- Be vigilant about the risk of mutual dependence with their suppliers.
- Implement measures to detect, monitor and minimize the risk.

### Compliance with payment deadlines

The Signatories recall their obligation to pay their suppliers in accordance with the law in force in the countries where they operate.

### Confidentiality and intellectual property

The Signatories undertake to establish a sustainable relationship based on mutual trust with their suppliers, by ensuring the strict confidentiality of the information that is not public which they are transmitted, and the intellectual property rights of their suppliers, in compliance with applicable laws.

### Small and medium-sized suppliers

The Signatories shall endeavor to adapt their practices to facilitate access for these businesses to their competitive calls.

### Use of mediation

The Signatories undertake to offer their suppliers the possibility to use mediation to facilitate amicable settlement of any dispute which may arise during the term of a contract.

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<sup>1</sup> On 1st, April 2017, the Signatories are: Allianz, CNP Assurances, Crédit Agricole SA, Natixis and Société Générale. The updated list of Signatories to the Charter,

such as the Charter itself, is available on the website of each of the Signatories.

# SUPPLIERS' COMMITMENTS

## Environment

The Signatories require that their suppliers undertake to:

- Comply with the environmental laws and regulations in force in the countries where they operate.
- Control and/or minimize the impacts of their activities on the environment, as regards consumption (water, energy and raw materials), greenhouse gas emissions, pollution (water, soil, air) and waste (selective sorting, recycling).
- Develop environmentally friendly technologies by limiting the environmental impact of the products and services over their whole life-cycle.

## Human rights and labour law

The Signatories require that their suppliers undertake to implement the United Nations Guiding Principles on Business and Human Rights. These Principles clarify the modalities of compliance, regardless of the countries where they operate, with the principles of the Universal Declaration of Human Rights (enacted by the UNO in 1948) and the Conventions of the International Labour Organisation (ILO) referred to in the appendix, including:

- The prohibition of forced or compulsory labor and ill-treatment of their employees. This includes the prohibition of any practice of modern slavery and trafficking in human beings<sup>2</sup>.
- The abolition of child labour.
- The absence of discrimination: there must be no distinction, exclusion or preference based on colour, gender, age, language, religion, sexual orientation or identity, national or social origin, opinion or handicap.
- Compliance with health and safety requirements by providing their employees with safe and proper work environment and conditions.
- Allocation of decent salary and working hours by paying a minimum wage that is sufficient to meet basic needs and compliant with the regulations in force in the countries where they operate, as regards working hours and rest breaks.

- Respect of the freedom of expression, the right to organise and the right to collective bargaining.

## Business ethics

The Signatories require that their suppliers undertake to abide by the laws and regulations relating to the principle of loyalty in force in the countries where they operate. It covers:

- Fight against corruption in all its forms, including extortion and bribery.
- Prohibition of all forms of anti-competitive practices (illegal agreements, abuse of a dominant position which may prevent, restrict or distort an effective competitive process).
- Compliance with the rules governing the confidentiality of information that is not public transmitted by the Signatories and the intellectual property rights.

## Sub-contracting

The Signatories require that their suppliers undertake to:

- Promote and ensure compliance with the principles of the charter by their suppliers and subcontractors.
- Implement a monitoring system enabling them to prevent and deal with any risk having an environmental and/or social impact across the whole supply chain.

## Progress approach

The Signatories require that their suppliers undertake to implement progress plans with regard to their social and environmental practices, and to transmit them.

## Monitoring implementation of the Charter

The Signatories require that their suppliers undertake to supply, at any time, documentary evidence of compliance with the principles laid out above and to welcome auditors (internal or external) commissioned by the Signatories to verify compliance with the Charter.

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<sup>2</sup> Ref. the Modern Slavery Act UK

## REFERENCE TEXTS

### THE 10 PRINCIPLES OF THE GLOBAL COMPACT:

#### Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.

#### Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. Elimination of all forms of forced and compulsory Labour;
5. Effective abolition of child labour; and
6. Elimination of discrimination in respect of employment and occupation.

#### Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.

#### Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

### THE 30 ARTICLES OF THE UNIVERSAL DECLARATION OF HUMAN RIGHTS:

<http://www.un.org/en/universal-declaration-human-rights/index.html>

### THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION, e.g.:

- Convention n°29 on Forced Labour
- Convention n°87 on the Freedom of Association and Protection of the Right to Organise
- Convention n°98 on the Right to Organise and Collective Bargaining
- Convention n°100 on Equal Remuneration
- Convention n°105 on the Abolition of Forced Labour
- Convention n°111 on Discrimination (Employment and Occupation)
- Convention n°138 on the Minimum Age for employment
- Convention n°155 on Occupational Safety and Health
- Convention n°182 on the Worst Forms of Child Labour

### UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

[http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)