



**ADEO'S ETHICAL
CODE OF CONDUCT**

leadership



adeo

January 1st, 2018

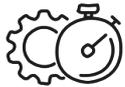
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All ADEO companies have strong values that are shared by all employees and lived daily. Our values define our behaviour within our companies but also within our ecosystem of customers, suppliers, service providers, administrations, etc.

ADEO complies with applicable laws fighting against discrimination, harassment and corruption.

The ADEO Code of Ethical Conduct incorporates all the rules allowing us to live in coherence with our strong values and our legal obligations.

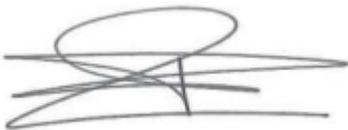
This document provides, an operational translation of these rules. Each main principle is illustrated by examples.

An Ethical Code of Conduct is the rule for all employees of our ADEO business communities worldwide and at all levels of the company without exception.

Ethical conduct issues are rarely simple. Consistency with our values leads us to address them individually. Questions relating to harassment or discrimination topics can be shared with your Human Resources adviser or your anti-corruption correspondent. You will always be supported in this process.

Philippe Zimmermann

ADEO LEADER



Pierre-Alain Vielvoye

CHAIRMAN





1. OUR LEADERS' INVOLVEMENT

The Global Leaders of ADEO and of each ADEO company, enact the values and principles of this Ethical Code of conduct and ensure its proper application. As such, they are strongly involved in the activities of awareness, dissemination and compliance with the Ethical code of conduct with their Management Committees.



2. TO WHO DOES THIS CODE APPLY?

This Ethical Code of Conduct applies to **all ADEO colleagues** worldwide (i.e. employees), subject to specific local legal conditions. When this Code is more demanding than local laws or practices, you must comply with this Code which must prevail.

The Code also applies to all Corporate Officers. It applies to the setting up of a new Business Unit (BU) and to the acquisition of a new company.

ADEO can modify the Ethical Code of Conduct at any moment, to adapt to legal developments or to new situations.

The Ethical Code of conduct is accessible on YOUNITY and /or on BUs' intranet. It is translated into the language of each BU thus understood by everyone.

A specific Supplier Chart of conduct exists for people and companies within our ecosystem, they are thus informed of our Ethics and code of conduct.



3. HOW TO USE THE CODE?

This Code explains the different types of proscribed behaviour in terms of discrimination, harassment, corruption and undue influence. It does not contain the answer to every situation which might be encountered or to every concern you might have. For all questions, it is important to ask either your Manager, or your anti-corruption correspondent, within your BU, on topics of corruption and undue influence, or your Humans Resources correspondent, on harassment and discrimination topics.

Each time you are faced with one of these situations, ask yourself the following questions:

- Is it in line with the ADEO'S Ethical Code of Conduct?
- Is it lawful?
- Can I justify my decision?
- Would I feel at ease if my decision was made public, either internally or externally?

If the answer to one or more of these questions is negative, you must not proceed.

If any doubt exists, you must contact either:

- Your Manager, or
- Your anti-corruption correspondent or your Human Resources correspondent following the topic.

They are there to listen to you and to advise you. You will find their contact details on YOUNITY and /or on intranet.



4. OUR COMMITMENTS

1. Gifts, invitations and travel

Gifts, invitations and travel gifts can influence your freedom of judgement in terms of business relationships and also the judgement of your partners.

The rule is to: not accept anything in a personal capacity.

Therefore, you must:

- Refuse any invitation to a sports or cultural event,
- Have ADEO pay for all costs related to discovery trips / exploratory expeditions which you have been invited to by a contractor, supplier or customer. In case it is not possible for ADEO to bear the costs given the specific organization of the event (example: supplier invites ADEO as well as other customers without the possibility of specific invoices), you must ask your manager's prior authorization. To this end, you must use the follow-up / tracking system implemented in your company.
- Concerning meals, you must suggest your interlocutor for each of you to bear the cost of his/her meal. Eventually, you may offer to invite her/him while respecting the applicable financial rules in your Company. Exceptionally, you may ask your manager's authorization to be invited by your interlocutor. To this end, you must use the follow-up / tracking system implemented in your company.
- Refuse any gift be it money, services, material goods unless these goods are clearly of a symbolic value: branded pens, memory sticks, etc....
- Make edible gifts (wine, chocolates) available to all in your department / company or hand over to either the employees' representatives committee or a charity organization. The donor must be informed of this procedure,
- Refrain from offering gifts except for small promotional « goodies »,
- Refrain from soliciting, in exchange for some benefit, a service or other, whatever advantage (commercial discount, material goods etc.) which could influence your professional decision making.

In practice (some examples):

- 1- A new supplier invites me to visit his production site along with other customers, while paying all the costs.
⇒ Can I accept?

Yes: You can participate in this business trip, as long as ADEO pays for it. If due to organization constraints ADEO can't pay directly e.g. unable to divide the invoice - you must ask your manager's prior consent through the follow-up / tracking system implemented in your company. Your Manager can accept this request if the invitation is in the interest of the company and that it doesn't influence your independent judgement in terms of this supplier.

- 2- My paint supplier, offers to do small repairs at my house in exchange for more shelf space in my store. There is no extra cost for him and we need to extent his product range in our store.
⇒ Can I accept?

No: By accepting this gift, you would be committing an act of corruption, by accepting a personal service in exchange for a promise or an advantage relating to your professional activities.

2. Conflicts of interest

You must be particularly vigilant so as to prevent or avoid any conflict of interest between your personal interests and the interests of ADEO. You must always act in the interest of ADEO only, so that neither the reputation of ADEO, nor any of its colleagues is harmed.

Therefore, you must :

- Inform your Manager of any potential or actual conflicts of interest. He/She will decide about the course of action to be taken after possible consultation with the anti-corruption correspondent,
- Forbid yourself from hiding a potential or actual conflict of interest which concerns you,
- Refuse to participate, supervise, influence any professional decision which concerns a member of your family, someone close to you, or a person with who you might have a financial commitment.
- Forbid yourself from investing personally in a company in which Adeo has also invested.

In practice :

1. One of my cousins works as a salesman at a supplier which I am considering working with. I'm concerned that there might be a conflict of interests.
⇒ Is there a possible conflict of interests?

Yes : However, this should not prevent your Business Unit to contract with your cousin's company if the use of the latter is justified and that the proposed services meet a proven need. To prevent any suspicions about you influencing the listing of this supplier, as your cousin might have a direct or indirect financial interest, a clear decision process must be followed. Therefore, you must inform your Manager and not participate in the decision making which must be based on unbiased and professional criteria.

2. I've been responsible for a range of products for several years and I've just been put in charge of the lighting product range. It so happens that I personally invested in a lighting supply company some years ago.
⇒ Is there a conflict of interests?

Yes : Even in the absence of commercial ties between the company where you have invested and your ADEO company, you could be in a conflict of interests. You should therefore inform your Manager who, after possible advice from your anti-corruption correspondent, will advise you accordingly.

3. I am working as an expatriate. My partner hasn't yet found work in the host country, however my company is looking for someone with my partner's skills to act as consultant.
⇒ Should I request the hiring of my partner to the host company? would I be in a conflict of interests?

Yes : However, it is possible for your company to use your partner's services but without your involvement in the decision process. You must inform your Manager of this conflict of interests so as that the decision is made by people who are informed and not affected by the conflict of interests.

3. Non-discrimination and non-harassment

The respect due to each colleague in the workplace is a dominant value of ADEO. Therefore, all forms of harassment are strictly forbidden. Also, all discrimination be it regarding origin, sex, an impairment, the family situation, pregnancy, state of health, sexual orientation, age, political or philosophical opinions, union activities, true or supposed ethnicity, nation or religion must be forbidden.

ADEO fully subscribes to International Laws and Agreements which fight against such behaviours. Our colleagues come from all origins and ADEO considers diversity as one of its greatest assets.

Our decisions in terms of recruitment, employment, training, remuneration, advantages, nominations and promotions are based on objective criteria such as qualifications, job responsibilities, experience and employee performance.

Therefore, you must :

- Support and promote our commitments in favour of a work environment, free from all forms of harassment or discrimination, both internally and with third parties with whom we are in professional contact,
- Treat your work colleagues and commercial partners as you would like them to treat you,
- See to it that a culture of mutual respect is maintained and promoted,
- See to it that each person feels accepted,
- Putting an end to all behaviour which you are told is undesirable.

In practice :

1. During a team evening, one of my female colleagues found that a member of our company behaved inappropriately towards her, with gestures, looks and statements which were out of place. She doesn't dare talk about it, as she doesn't want to appear prudish, nor risk her career development.
⇒ What should I do about this?

You must encourage your colleague to talk about this to her hierarchy if she feels capable of doing so. Otherwise, she must inform the Human Resources correspondent in charge of such topics in your company. It is essential to stop all unacceptable behaviour before it might degenerate.

2. I don't feel at ease when I hear bad jokes about some of my colleagues who are homosexual.
⇒ What should I do? Should I talk about this to Human Resources?

Homophobia is completely unacceptable. It is essential to forbid all behaviour which might offend colleagues, male/female, even under the cover of humour. Each one of us has the right to be respected by others. We want a work environment which is open and inclusive. If you come across such a problem, try to explain to those making such jokes that their behaviour is unacceptable. Otherwise talk to your hierarchy or your Human Resources correspondent about this.

3. My supervisor makes me feel a bit uncomfortable. He makes comments about my country of birth and where I grew up and thinks that I have little or no education. Since his arrival in our company I have only been given basic tasks to do, unlike the important projects which I was used to.
⇒ Is it discrimination? What should I do?

It is essential that you talk to your Human Resources correspondent in charge of these topics in your company to address the situation appropriately. It will be up to him/her to qualify the facts and to make all the decisions to put an end to this, because ADEO forbids any form of discrimination.

4. Payment of facilitation fees

The payment of facilitation fees meaning: any sum of money or advantage such as even a modest gift, given as a personal advantage to officials or partners in either the private or public sectors to ensure the completion or expediting of current activities (customs formalities, construction permits, etc...) are forbidden.

In all cases, the personal conviction of acting in the company's interests cannot justify, not even partly, behaviour which is contrary with applicable law or this Ethical Code of Conduct.

Therefore, you must :

- Refuse any solicitations for the payment of facilitation fees,
- Verify that the sums on invoices correspond with the services delivered,
- Follow ADEO payment guidelines,
- Refrain from offering, promising, allowing or authorizing, either directly or indirectly, the payment of a facilitation fee to a private person or officials, including to support a political or trade union organization, locally, regionally or nationally.
- Refuse to answer any request which you might receive. As it could also be a strategy, for instance, by a civil servant to check the honesty of our company.

In practice:

1. I am in charge of opening a new store. I must obtain from the local authorities an authorization permit to open. Local public officials ask me to pay an "unofficial" supplement to obtain the necessary authorization. I must respect the opening schedule of my store to avoid a delay in my project and additional costs to the company.

⇒ Can I pay the amount requested by these public officials?

No : You must refuse to pay by explaining that we prohibit the payment of these "supplements" unless it is legally and officially required. Please inform your Manager of the requested supplements which, if necessary with the help of the anti-corruption correspondent of your company, will be able to implement an action plan.

5. Relations with suppliers and intermediaries

All first-rate suppliers as well as all intermediaries will have to follow a process enabling ADEO to do a background check and to confirm that they do not appear on any international economic sanction lists.

Therefore, you must:

- Check the potential risks linked to suppliers and partners concerning their *bona fides* (politically linked persons, reputation, judgements, international economic sanctions which apply to persons or legal entities). The verification must be proportional to the potential risks and be in line with the ADEO guidelines on the matter,
- Respect the ADEO contractual rules, integrating the specific clauses relating to international financial sanctions thus fighting against corruption in all supplier contracts,
- Ensure that the supplier is informed and complies to the "Supplier Charter" available on YOUNITY and / or the intranet of your BU.
- Abstain from working with a supplier or a partner for whom the results of the background check do not allow it.

In practice:

1. I am finalizing a call for tenders after which I have identified a supplier with whom I would like to work. During the contractual negotiation, he told me that he did not want to accept our Supplier Ethics Charter, believing that these criteria did not have to be considered in our relationship. From his point of view, only technical and tariff conditions matter.

⇒ Can I sign the contract without the Supplier Ethics Charter?

No : ADEO's Ethical Code of Conduct represents our values. The constituent elements of our Code are essential in defining the relationships that we intend to have internally but also for all our partners and suppliers. It is therefore not possible for your supplier to refuse the application of the rules arising from our Code of Ethical Conduct and translated into the Supplier's Code of Conduct. This may be a simple misunderstanding. To dispel any doubt, you can, for example, be accompanied by your anti-corruption correspondent as to the arguments to use with your provider, giving him/her a better understanding of this document.

2. I plan to work with a new supplier. The audit carried out shows that the shareholder of this supplier is subject to sanctions imposing a freeze on his assets and prohibiting any provision of funds or economic resources for his benefit.

⇒ Can I sign the contract with this supplier?

No : You must refuse to contact this supplier because you would expose ADEO to heavy criminal penalties.

6. Accounting control procedures

ADEO puts into place accounting controls, internal or external audits to ensure that books, records and accounts are not used to hide the facts of corruption and / or trading in influence.

Therefore, you must:

- Ensure that all services and deliveries are defined as clearly as possible,
- Verify that the financial compensation is justified and proportional to the nature and scope of the services and deliveries supplied,
- Respect the rules of ADEO in terms of traceability and bookkeeping defined by your company as well as the Repositories of the Finance Professionals ADEO,
- To forbid yourself from paying for services and deliveries without proofs, without supports, example: delivery note, activity report ...
- Check that the contractual chain is respected when making a payment. Thus, it is one and the same company that signs the contract with the company ADEO, issues the invoice, is the holder of the bank account on which the transfer is made. All these operations must take place in the same country. It is possible that a supplier-specific mechanism justifies a deviation from this pattern. However, if an exception has to be accepted, the Financial Director of your company must validate it.

In practice:

1. I've been asked to verify the invoices of a consultant. The invoice presented doesn't correspond to the initial quotation. I have concerns about any differences between services rendered and the amounts paid as nothing is itemized. It further appears that all the administrative steps were taken in record time.

⇒ Should I pay?

No : The amounts in question mustn't have significant increased differences which aren't justified. Furthermore, it is important to ensure that in return for the invoiced services rendered an actual service was delivered. Clarification must be asked from your consultant as well as a more detailed invoice. If he refuses, you must contact your anti-corruption correspondent who will help you establish a course of action.

2. A supplier has a company registration in Belize, company head-office in Hong Kong, a factory in mainland China and banks in Taiwan. This doesn't seem dishonest. We have worked with him for ten years and don't want to bother him on this subject to not put our commercial relationship at risk.
- ⇒ Should I continue to pay him according to this set-up?

No : We should be very vigilant with this type of transaction that could be a money laundering technique due to the multitude of domiciliation involved. For the record, money laundering is a method of allowing illicitly obtained funds, such as drug trafficking, corruption, etc., to be concealed or turned into an apparently legal operation. The rule is that all payments of purchases of products or services made by ADEO must respect the principle that it is one and the same company that signs the contract with the BU, issues the invoice, is the holder of the bank account on which the transfer is made. However, in this case, you must request a written justification from the supplier who will be subject to the validation of the Financial Director of your company

7. Grants, patronage, sponsorship, lobbying

Grants, sponsorships or patronage operations of ADEO can be a way of promoting our image, supporting social actions. In order to ensure that donations do not constitute acts of corruption, it is necessary that they be authorized in advance and carried out in a transparent manner in order to justify their reasons objectively.

Lobbying, i.e. the activity of influencing the public decision, including the content of a law or regulatory act by communicating with public decision-makers, must respect national regulations and to be transparent. Lobbying must not be done to obtain or grant an undue advantage.

Therefore, you must:

- Follow the budgetary rules which apply to the financing of grant, patronage and sponsorship operations,
- Formalise in an agreement any operations except donations in kind of a retail value all taxes included below R15 000.
- Refrain from exchanging with public authorities or political parties, with a view to influencing the compiling of a local or international regulation, unless you have received the express permission of the Financial Director of your company and on condition that the supplier you would use for this operation be on the lobbyists' register of your country if such a register exists.

In practice:

- 1- I am a Store Leader and would like to donate paint and decorative objects to a local organisation.
- ⇒ Is it possible?

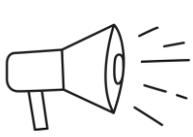
Yes : Performing patronage operations in kind is possible for a value less than R15 000 of the sale price without obligation of contracting. Beyond this amount of R15 000, it will be necessary to contract the operation.

- 2- I would like to join a professional association of which the subscription fees would be paid by ADEO.
- ⇒ Is it possible ?

Yes : The payment of fees to professional associations by the employer are allowed.

- 3- I am a member of a local association and would like to submit a request for sponsorship to my company.
- ⇒ Is it possible?

Yes : However, it is essential that decision making be done in a clear manner avoiding any form of conflict of interests and ensuring that sponsorship does not influence or give the appearance of influencing a business decision. . In addition, you will need your company to incorporate this forecast operation into its budget process.



5. HOW TO REPORT BEHAVIOUR OR A SITUATION WHICH IS CONTRARY TO THE ETHICAL CODE OF CONDUCT?

In case of behaviour or situations contrary to the Code of Ethical Conduct and to report this behaviour or situation to the company, you can use directly the secure alert channel in place, having the choice between that of your company or that of ADEO SERVICES.

This channel is a tool at your disposal to help the company at the same time to treat situations that you wish to bring to our knowledge for internal use but also to improve prevention.

Who does it apply to?

The internal alert channel of your company and ADEO SERVICES reporting channels, enable the collection of information on acts or behaviour which are contrary to the Ethical Code of Conduct and can be reported by any colleague, contractor, intern, commercial partner, sub-contractor, supplier, customer.

The author of the report must act in good faith, that is, without malice or without seeking any personal reward. He must have, at the time of the report, elements allowing him to believe in the veracity of the reported remarks.

How?

All allegations must be reported via the Whispli reporting channel:

- Your company: Leroy Merlin South Africa
- The URL to use: <https://app.whispli.fr/Adeo-Services>
- QR code: switch to English language



Protection of the “whistle blower”

1- Confidentiality & Discretion

The person reporting a concern should identify him / herself. In return, ADEO SERVICES and ADEO’s companies have taken all the necessary measures to protect the identity of the “whistle-blower” as well as that of the people concerned by the allegation.

The investigations and reports resulting from an allegation will also be treated with the highest confidentiality.

2- Protection of the “whistle-blower”

The person reporting a concern which is done in good faith is protected. Therefore, there will be no sanctions, dismissal, he/she will not be the target of either direct or indirect discrimination even if investigations reveal that the allegations prove unfounded.



6. CONSEQUENCES OF NON-COMPLIANCE WITH THE ETHICAL CODE OF CONDUCT

You must inform yourself and comply with the Ethical Code of Conduct. All forbidden behaviour and any behaviour which is contrary to the commitments and principles of ADEO, in terms of the prevention and detection of acts of corruption, as well as discrimination and harassment, could lead to disciplinary processes.