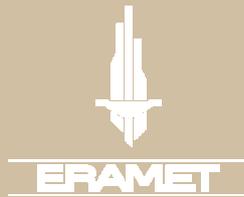


# ERAMET Group

## Responsible Purchasing Charter



November 2016



*This charter formalizes the ERAMET Group's ("ERAMET") willingness to strengthen its commitment when addressing sustainable development and ethics issues related to purchasing. This charter is in line with ERAMET's Sustainable Development Policy, its Ethics Charter<sup>1</sup> and its Values, and is informed by the principles and recommendations set out in the ISO 14001<sup>2</sup>, ISO 50001<sup>3</sup> and ISO 26000<sup>4</sup> standards.*

*Through this charter, ERAMET, which is committed to continuous improvement, demonstrates its goal of implementing best practices relative to responsible purchasing.*

*This charter is also consistent with ERAMET's external commitments, particularly with respect to relations with local or regional suppliers, especially small- and medium-size businesses<sup>5</sup>.*

*ERAMET's Purchasing function contributes to the Company's creation of value and its long-term economic performance.*

*Considering the Purchasing function's role, we urge our suppliers, contractors and their respective subcontractors (all herein referred to as "Suppliers") to work with ERAMET to identify improvement opportunities in their practices in all areas of CSR (Corporate Social Responsibility).*

*In this context, the chapters below are intended to outline ERAMET's requirements and expectations in terms of Responsible Purchasing.*

*For ERAMET, compliance with these requirements is a deciding factor when choosing and establishing its business relationships.*



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<sup>1</sup> The Ethics Charter can be downloaded at the following address:

[http://www.eramet.com/en/system/files/publications/pdf/eramet\\_group\\_ethics\\_charter\\_english.pdf](http://www.eramet.com/en/system/files/publications/pdf/eramet_group_ethics_charter_english.pdf)

<sup>2</sup> Standard related to Environmental Management Systems, mainly concerning environmental performance and the practices of subcontractors and suppliers.

<sup>3</sup> Standard related to Energy Management Systems.

<sup>4</sup> Guidelines related to Social Responsibility. ERAMET publishes annual information on its own commitments and actions in these areas.

<sup>5</sup> In France, for example, the Small and Medium Enterprise Charter and Responsible Supplier Relations Charter.

# ERAMET's Responsible Purchasing priorities

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ERAMET's Responsible Purchasing requirements target three priority areas:

## 1. *Human Rights and Working Conditions*

- **Human rights and the International Labor Organization (ILO) Conventions:** ERAMET has adopted an Ethics Charter and requires its Suppliers to respect Human rights as recognized by the Universal Declaration of Human Rights, the ILO's Fundamental Conventions and any other applicable local, national and international regulations.

In particular, ERAMET shall rule out any contractual relations with Suppliers that are known not to comply with regulations in terms of forced labor, child labor, minimum working age, discrimination, violence or which are complicit in terms of violations in these areas.

- **Health and Safety:** ERAMET has adopted a Health Policy and a Safety Charter. ERAMET expects its Suppliers to comply with standards equivalent to its own and, in particular, to provide their employees with a work environment that meets applicable health and safety standards and manages the impact their activities have on the health of local populations.
- **Other Obligations:** ERAMET requests its Suppliers to comply, wherever they operate, with all applicable local legal provisions as regards to labor law, particularly those concerning legal working hours and minimum wages.

## 2. *Environment and Products*

In accordance with its Sustainable Development Policy and Environmental Charter, ERAMET expects its Suppliers to control their activities' impact on the environment and comply with all applicable regulations. ERAMET requests its Suppliers to draw inspiration from the best international practices in this area, particularly by setting up an environmental management system.

- **Energy:** ERAMET requests that its Suppliers implement actions to improve their energy efficiency and reduce their greenhouse gas emissions.
- **Natural Resources and Biodiversity:** ERAMET requests that its Suppliers optimize their use of natural resources and manage their impact on biodiversity.
- **Emissions and Waste Management:** ERAMET requests that its Suppliers manage emissions and discharges associated with their activities, including those linked to the generation and management of waste. ERAMET encourages programs aimed at minimizing waste generation, particularly hazardous waste, and at implementing all forms of reuse and recycling.
- **Product Regulations:** ERAMET requests that its Suppliers comply with the market access and product regulations in force (such as the REACH regulations in Europe) and attach the greatest importance to the knowledge and management of the toxic impact of the products they use.
- **Product Traceability:** ERAMET requests that its Suppliers ensure that materials and products delivered to ERAMET are of legal origin and can be traced properly, particularly for raw materials. ERAMET is careful not to purchase products that, fully or in part, consist or are derived from ores or materials from areas of conflict or countries subject to international sanctions.

### 3. Fair Operating Practices

Under its Ethics Charter, ERAMET has adopted principles aimed at protecting the integrity of its activities. These principles are as follows:

- **Corruption and Conflicts of Interest:** ERAMET condemns all forms of corruption and prohibits any situations entailing a conflict of interest involving its employees and Suppliers.

Continuation of the Group's relationships with its Suppliers shall be conditional on the latter refusing any corrupt act or money-laundering, any situation of conflict of interest and any other breach of the legal provisions applicable in the countries in which they operate.

With regard to gifts and invitations, the transparency rule applies in all circumstances: gifts received or offered as part of a business relationship are reported to management and authorized in accordance with the conditions set out in the Group Policies in force at ERAMET.

- **Respect of Competition Rules:** ERAMET has pledged to comply with competition regulations and expects the same of its Suppliers.

The Group has established procedures specifically aimed at ensuring the respect of the equality of treatment of Suppliers, and that all purchasing decisions are based on an objective and comparative assessment of the Suppliers' integrity and reliability. All its procurement decisions are based on the criteria of price, quality, performance, lead times and the suitability of the proposed services for the Group's needs.

Furthermore, the Group strictly complies with regulations which prohibit any agreement, concerted practice or abuse of a dominant position in the market concerned, where its suppliers are concerned.

- **Respect of Confidentiality and Patent Rights:** ERAMET considers the respect of confidentiality and patent rights one of its main priorities. The information that the Suppliers share with the Group will be treated with due respect and used only for authorized purposes. ERAMET expects its Suppliers to make the same commitments.
- **Transparency and Publishing Non-Financial Information:** ERAMET has obligations and has made commitments on transparency and the publication of non-financial information. The Group expects its Suppliers to implement the same practice in their contractual relations with ERAMET and their own stakeholders.



When managing relations with its Suppliers, ERAMET's Purchasing Managers may verify, namely through evaluations and/or audits, that the above principles and rules are being observed. If necessary, ERAMET will take any appropriate measures following these verifications.

ERAMET is convinced that this Charter's provisions are a sound way to improve its overall performance and that of its Suppliers, and is aware of the efforts that some of them will have to make in order to comply with these provisions. In this context, ERAMET is willing to support any Supplier that undertakes an improvement process, to the extent of its possibilities.

Finally, ERAMET also expects its Suppliers to do their utmost to pass on equivalent provisions throughout their own value chain.

