



# CODE OF ETHICS AND CONDUCT

Text approved by the Board of Directors on 12 October 2016



Dawn of a new era for plastics



## A word from the Chairman

The SPHERE Group is one of Europe's leading players in the food and waste packaging industry and is attentive to the major challenges that lie ahead: healthy food preservation, fight against global warming and sustainable development. Being a leading player is, of course, a tremendous asset. It is no bad thing to be perceived as a leading player in this industry where the trust of consumers, industrialists, public authorities and different stakeholders is crucial. But, it is also, first and foremost, an obligation. An obligation to have an uncompromising respect for certain values. An awareness that we have a particular responsibility.

This is an obligation that we feel every day. It is something of which our Group should be proud.

**A sustainable and modern business is an ethical one.** That is my belief. It is this idea that we all need to carry forward together for the SPHERE Group.

Ethical behaviour is the thread that runs through all of our activities. It supports our long-term industrial vision. It starts with the adoption of the Group's values. The values that you, the SPHERE Group's almost 1,300 employees, are called on to defend.

It is these common shared beliefs that unite us both in Europe and across the world:

### ■ HIGH STANDARD

This is a performance guarantee for us and for our partners; it is about finding the best quality/price ratio for our customers and is an indicator of our professionalism. It is based on our constant pursuit of effectiveness and innovation for the benefit of our customers and about providing a public service;

### ■ COMMITMENT

This allows us to reconcile the development of our Group with **our respect for the planet**, while ensuring that men and women have the essential services that they need for their everyday activities;

### ■ BOLDNESS

This inspires us to live for today with optimism and to build the future with **creativity** and innovation;

### ■ COHESION

This is the **team spirit** that permeates through all of us to ensure that energy and the environment remain sustainable sources for **progress and development**.

These values are only worthwhile if they materialise in our daily behaviours. It is for this reason that I expect each and every one of us to act in accordance with the ethical principles that we have defined, which are set out in the Group's Code of Ethics and Conduct and which have been approved by the Board of Directors.

The Group's Code is, therefore, part of an ambitious overarching ethical policy that aims, firstly, to incorporate ethics into our strategy, management and professional practices and, secondly, to equip ourselves with the resources with which we can organise the measures for implementing this ethical policy so that we can measure its conformity with the commitments that we have adopted.

Our ethical principles break down into four simple messages:

- act in accordance with laws and regulations,
- establish a culture of integrity,
- demonstrate loyalty and honesty,
- respect others.

These are the watchwords that should inspire all of our professional activities wherever we happen to be. We all know that reputation and image are hard to gain and easy to lose. So let us each play our role in building and protecting the Group's reputation. Ethics form an essential part of the success of the SPHERE Group's business and human plans.

**I know that I can count on each and every one of you.**

John Persenda  
Chairman and CEO of SPHERE S.A.

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# Introduction

## Who are we?

Now present in seven countries, the SPHERE Group is the leading national and European company in its niche of plastics conversion and manufacturer of food wrappings and films, parchment and aluminium foil. As far as its industrial and commercial activities are concerned, the Group manufactures and sells essential goods that provide considerable support to the domestic activities of households. The products sold by the SPHERE Group, such as freezer bags, food wrappings and films and aluminium foils and trays, help to preserve food. Fruit and vegetable bags which can be composted at home, dustbin bags, reusable bags, household and organic waste sorting and collection bags etc., which are produced from recycled and biosourced materials, and biodegradable and compostable bioplastic materials, meet the environmental protection demands of consumers.

Thanks to its technological and industrial know-how and to its human resources, the SPHERE Group is deeply rooted in the present but can look to the future with optimism and confidence:

- it brings together, around its parent company, men and women of different cultures; it carries out its activities in accordance with the principles of individual freedom and dignity; it respects diversity by rejecting all discrimination based on social standing or personal background, on race or language, on religious or political beliefs or on sexual identity. Professionalism, discipline and loyalty are a set of cardinal values that employees are required to observe. In return, the Group promotes initiative, personal achievement and team work;
- the essential mission of the SPHERE Group's companies is to provide customers with products that meet a high standard of quality and safety. To do this, the Group has placed maximum priority on the mastery of production processes and customer satisfaction. Investments to boost productivity and continuous improvement measures run alongside these objectives.

## Where are we going?

As European leader in household packaging materials, the SPHERE Group wishes to consolidate its place on the mass distribution, local community and professional markets. From the time of its creation, innovation has been central to the SPHERE Group's strategy. In order to reduce its dependence on oil and reduce air, water and land pollution and the emission of greenhouse gases, SPHERE, in its general environment strategy, aims to:

- optimise the recycling segment,
- develop biodegradable and compostable plastics,
- use biosourced raw materials for the manufacture of all its non-recycled soft plastics.

Having respect for laws and regulations and taking pride in its know-how and personnel, the SPHERE Group, therefore, felt the need to have a Code of Ethics and Conduct that sets out how all employees should conduct themselves every day in their sharing of common values, in order to strengthen Group cohesion and to clearly show to our partners the rules that must not be violated.

The image and reputation of the SPHERE Group, which operates in accordance with the ethical principles described over the following pages, are closely linked to the behaviour of all Group members in their professional activities.

# 1 General principles

## 1.1 Persons to whom the Code applies

The provisions of this Code apply to employees of the SPHERE Group (salaried employees, managers, directors and members of company bodies) who are the obvious target group. They also apply to the external partners of Group companies but with whom the Group's companies or employees have a permanent or temporary relationship, in all countries in which the Group operates.

All SPHERE Group employees and partners must carry out their professional activities according to, and with respect for, the principles and values described in the Code of Ethics and Conduct. Therefore, they are required to be familiar with the Code, to contribute actively to the implementation of the Code and to report any gaps or breaches to the managers identified in paragraph 1.6.

All individuals must be proud to be part of the SPHERE Group, which, in turn, is proud of its values and puts them into practice and is committed to offering all of its employees working conditions and procedures that are consistent with the values explained herein. The values and principles contained in the Code are genuine, boost confidence, cohesion and group spirit and give a dynamic image of a Group supporting long-term projects compliant with French and European regulations.

## 1.2 Commitments of the SPHERE Group

The SPHERE Group is committed to ensuring that all of its employees and partners are familiar with this Code of Ethics and Conduct. It ensures compliance and the strict application of the Code by:

- seeing that the Code is distributed to the widest extent possible;
- updating the Code in order to adapt it to changes in behaviour in civil society and in regulations;
- ensuring that internal sources are available to give explanations, clarification and interpretation of the provisions contained in the Code in the event of doubt;
- carrying out checks or investigations when information is learned about a possible breach of the rules of the Code;
- carrying out an assessment of the facts and their consequences in the event of a proven breach and by imposing sanctions;
- giving assurance that nobody will suffer retaliation for reporting a possible breach of the Code.

## 1.3 Obligations of employees

All SPHERE Group employees need to know the rules and values contained in the Code as well as the relevant procedures that govern how they carry out their duties. They are required, in carrying out their work, to:

- act responsibly and to be exemplary and loyal, using the resources and time available, when carrying out their activities, duties or tasks;
- refrain from any conduct that is contrary to the Code;
- contact their superiors and the Code Guarantor to obtain clarification about the procedures for applying the rules of the Code;
- inform their superior or one of the relevant bodies about any information concerning a possible or proven breach of the Code.

## 1.4 Obligations for Managers of Company Units or Departments

Each of these managers, in addition to the obligations assumed as an employee, must:

- conduct themselves in such a way as to set an example to their subordinates or team members and encourage them to respect the values of the Code;
- ensure that their employees understand that respect for the rules of the Code and compliance with safety procedures and rules represent an essential part of the quality of their work;
- select internal and external partners strictly on the basis of ability in order to prevent tasks from being entrusted to individuals who do not give total assurance of their commitment to observe the rules of the Code and to follow procedures.

## 1.5 Value of the Code in dealings with third parties

In their dealings with partners, all Group employees must:

- inform partners about the commitments and obligations contained in the Code;
- demand that partners comply with the obligations that directly concern them and inform them that there cannot be any sustainable relationship of trust if these values are not shared;
- take the appropriate actions, within their area of competence, if partners do not observe the provisions of the Code.



## 1.6 Organisational structure

To ensure that the Code is updated and to guarantee compliance with the Code, a simplified centralised structure is required in order to prepare the decisions of the Board of Directors and to carry out checks and investigations into possible or proven breaches of the Code. The structure is based essentially around the three points described below.

Linking into this organisational structure are the Group's subsidiary or business managers, who act in accordance with their delegated powers to ensure compliance with the Code, to adapt certain procedures to the laws of the country concerned and to take corrective measures. In each business or subsidiary, they will appoint individuals to link into the centralised structure and will notify the central offices of their name.

- The Group's General Secretary has the task of establishing, in agreement with the other competent bodies, the procedures for reporting possible breaches of the Code and of ensuring that an ad hoc organisational structure is in place within the subsidiaries;
- The Human Resources Manager must promote an understanding of the Code within the Group and ensure that disciplinary measures are taken in the event of breaches of the Code, for which he/she can count on his/her connections in the Group's subsidiaries;
- The Code Guarantor has the task of examining information about possible breaches, of launching investigations, inquiries and inspection for which the competent structures of the SPHERE Group

will be used, of assessing the conclusions, and, finally, of informing the Human Resources Manager or any other competent company body, depending on the nature and severity of the breach, about the findings of the investigations in order to take ad hoc corrective measures; the Code Guarantor is the person to contact for clarification about certain material aspects of the Code. He/She is appointed by the Board of Directors. This role may, in practice, be held simultaneously with that of the General Secretary.

## 1.7 Contractual value of the Code

The Code goes hand in hand with the employment contract. Compliance with the rules of the Code is one of the primary obligations of all employees of SPHERE Group companies.

All SPHERE Group employees must, therefore, agree to comply with the rules of the Code and to sign a personal declaration of compliance with the values of the Code.

Breach of the rules of the Code may constitute a violation of the primary obligations of the employment contract and result in disciplinary measures as serious as termination of the employment contract or even criminal proceedings in the event of breach of the laws of the countries in which the employees work.

For partners outside of the SPHERE Group, compliance with the Code is an essential condition for establishing and continuing a professional relationship of trust with the SPHERE Group.

# 2 Conduct in business affairs

## 2.1 Observance of the law

The companies of the SPHERE Group apply in all areas the laws and regulations in force in the countries where they carry out their activities.

They apply the Charter of Human Rights and International Labour Organization conventions, in particular those relating to the protection of workers, the prohibition of forced labour and child labour as well as those relating to the combating of bribery of public officials.

Likewise, all Group employees and partners acting for and on behalf of the SPHERE Group are required to behave in an ethical and lawful manner.

## 2.2 Prevention of money laundering

The SPHERE Group and its employees must never take part or be involved in operations that may involve the laundering of proceeds from criminal or illegal activities in any form whatsoever.

The Group always applies anti-money-laundering regulations in all jurisdictions where it operates. No employee, acting alone or in concert with others, shall take part in activities that infringe national or international laws on money laundering. In the event of doubt over the origin of money being transferred into the Group's accounts, the employee must notify the bank concerned and report the matter to the Group's Finance Department.

## 2.3 Compliance with embargo and export control laws

The Group guarantees that its activities are carried out in accordance with the international embargo and export control laws in force in the countries in which the Group operates.



## 2.4 Respect for competition

The SPHERE Group recognises the fundamental importance of a competitive and open market. Therefore, in all countries where it operates, the company and its employees must comply unconditionally with the principles of fair competition and with laws concerning antitrust and the regulation of competition.

The SPHERE Group and its employees must avoid practices that clearly constitute a breach of competition laws such as:

- relations of interest and agreements with competitors to agree on: prices, terms of sale, production or sales quotas, allocation or distribution of customers, territories, markets or portfolios of products. Thus, a lawyer working for the company and appointed by the Code Guarantor must always be consulted before the start of any joint activity involving communication with competitors;
- pressure on customers to restrict their freedom to set prices or to be involved in supplier relations that customers establish with their own trading partners;
- abuse of a dominant position by treating customers differently without material justification to do so, refusing to supply, imposing unlawful selling/purchase prices and general conditions, or related transactions without concrete justification for the additional consideration sought;
- participation in meetings of associations or professional organisations where the discussions deviate from the agenda published and may, therefore, be interpreted as being an arrangement between competitors.

## 2.5 Bribery and illicit payments

The Group, its employees and its partners are committed to observing the highest standards of integrity, honesty and accuracy in all dealings within or outside of the Group.

No employee must directly or indirectly accept, solicit, offer or pay sums of money or other favours of any kind even if unlawful pressure has been exerted. In the event of doubt, employees are required to inform their immediate superior and the Code Guarantor (or his/her correspondent) in order to determine the conduct to be followed.

The Group does not tolerate any type of bribery of public officials, or any other person connected with public officials, in any form and manner whatsoever, in any jurisdiction concerned, even in those where such activities are normally allowed or are not liable for prosecution. It is, therefore, prohibited for employees and partners to offer commercial gifts, presents or other benefits that may constitute breaches of laws or regulations or which are contrary to the Code, or which may, if made public, cause harm to the SPHERE Group, including in terms of its image. Once again, in the event of doubt, employees are required to inform their immediate superior and the Code Guarantor (or his/her correspondent) in order to determine the conduct to be followed.



## 2.6 Conflicts of interest

All employees must carry out their activities, duties or assignments in accordance with the targets set and in protection of the SPHERE Group's interests.

All persons to whom this Code applies are required to immediately inform their immediate superior or the person to whom they report about situations, positions, assignments or activities (either their own and/or those of close relatives) in which, even at a very basic level, a potential conflict of interests may be observed with those of the SPHERE Group. In particular, employees must not, by way of non-restrictive example:

- have economic or financial interests not declared to their company - either personal interests or those of family members
- with customers, suppliers or competitors (no interest held with a supplier or customer, except for the buying of shares listed on a regulated market);
- carry out professional activities for customers, suppliers or competitors;
- transfer sensitive Group information and data to third parties (in particular, competitors, suppliers, media, etc.) with the exception of information transmitted in accordance with confidentiality agreements approved by the General Management of the Group;

- in view of the fact that SPHERE has a 50% stake, alongside BIOME, in the subsidiary Biotec, it is strictly prohibited to buy listed shares of that company;
- allow themselves to be influenced or pay special attention to the situations of their family members where they work for a customer, competitor or supplier, in order to avoid conflicts of interest or causing harm to SPHERE.

## 2.7 Use of company property

All employees are responsible for protecting the resources that have been entrusted to them and have the duty to inform the appointed structures, in good time, about possible threats or events that may be harmful to the Group.

In particular, they must:

- react diligently to protect the company's property, in accordance with the procedures established to control the use of such property;
- avoid any improper use of the company's property that is contrary to the Group's interests or which may cause harm or reduced performance;
- ensure that all necessary authorisations have been obtained if property is used outside of the company's premises.

The growing dependence on information technology means that telecommunications tools or computer systems must have optimum availability, security, integrity and effectiveness. The use of these tools and systems for private use is authorised in exceptional cases or for reasons of safety. Additional details will be annexed to the internal rules and regulations of the different subsidiaries of the Group.

All employees must avoid any inappropriate use of such property, which might cause serious harm (economic, image, competitiveness, etc.) to the SPHERE Group or possibly give rise to criminal and administrative sanctions as a result of possible breaches.



## 2.8 Duty of confidentiality

The knowledge developed or acquired by the Group or its companies represents an important resource that all employees must protect. If this know-how is wrongfully disclosed, the Group could suffer financial loss and its image could be harmed. Therefore, all staff members of Group companies must agree, except in cases where such disclosure is required by laws or other regulations (and covered by approved confidentiality agreements), not to disclose any confidential business information to which they have access to third parties or to Group employees not authorised to have access to such information.

All employees are prohibited from using, directly or indirectly, for their personal use, any sensitive information that they may hold on account of their duties.

The confidentiality duties set out in the Code remain valid even after the termination of the employment contract.

## 2.9 Dealings with suppliers

The choice of suppliers and the drafting of conditions for buying goods and services of Group companies are based on the principle of competition, and on the values of objectivity, precision, impartiality, fair pricing and quality of supply, all of which requires a thorough assessment of the assistance guarantees and the range of services offered in general.

Buying procedures are based on finding the greatest competitive advantage for the Group, the quality of the products and services delivered by the suppliers and on loyalty and impartiality towards each supplier that meets the qualities required. Fairness and impartiality should govern dealings with suppliers. It is also necessary to establish an ongoing relationship of trust with suppliers to ensure that the demands of the Group's customers can be constantly satisfied in terms of quality and delivery dates.

Contracts entered into with a supplier must always be based on extremely clear relations and must, where possible, avoid creating contractual ties that result in forms of dependence on the contracting supplier.

## 2.10 Dealings with customers

The SPHERE Group looks to achieve market success by offering top quality products and services in competitive conditions and in accordance with the rules protecting competition.

Each Manager must try, in dealings with customers and in observance of internal procedures, to achieve the maximum degree of customer satisfaction, by providing, among other things, exhaustive and precise information about the products and services that are being supplied to them, so as to allow informed choices to be made.

## 2.11 Dealings between entities of the Group

SPHERE seeks to ensure that dealings between its subsidiaries are transparent and balanced. The Group notably ensures that the information they transmit is precise and verified, and that when subsidiaries are required to enter into business relations, they observe the same vigilance and loyalty given to customers, suppliers or external partners.

# 3 Dealings outside the Group

## 3.1 The community

The activities of SPHERE's subsidiaries place them at the heart of the communities in which they operate. The Group's subsidiaries attach particular importance to supporting the communities they work in. They might be called upon to undertake solidarity initiatives with the populations of these communities in difficulty, or to be involved with sports sponsorships in association with community initiatives. Their activities must be open, transparent and lawful.

The SPHERE Group sees integrity as one of the founding principles of its Code of Ethics. It condemns all forms of corruption and seeks to ensure that its employees who are committed to observing this principle are not adversely affected.

## 3.2 Dealings with political parties, trade unions and associations

The SPHERE Group does not contribute directly or indirectly to the funding of political parties in France or abroad or to the funding of their representatives or candidates.

SPHERE Group staff members involved in political activities do so privately, away from work premises and outside working hours and at their own expense. They are prohibited, in this context, from disclosing the fact that they are part of the SPHERE Group.

Furthermore, the Group does not make contributions to organisations with which it may have a conflict of interests. Nevertheless, it is possible to enter into forms of cooperation where the aims of these associations are compatible with the SPHERE Group's strategy and objectives or contribute to public interest projects; the destination of these resources must, therefore, be clear and traceable; it must be authorised by the competent authority of the relevant SPHERE Group company.



## 3.3 Dealings with public institutions

Any dealings with French and foreign public services and bodies, which are necessary in order to develop the Group's programmes, are reserved exclusively for the company departments specially authorised for such dealings.

Any such dealings must be characterised by the highest possible degree of transparency and accuracy in order not to lead to partial, false, ambiguous or misleading interpretations on the part of the public institutional partners with which such dealings have been established.

Gifts and acts of courtesy and hospitality towards public officials or public service officers are permitted only if they are of moderate value and cannot be interpreted by a third party as being an attempt to gain unfair advantages. In all cases, expenses of this kind must be authorised and adequately documented.

## 3.4 Dealings with the media

Dealings between the Group and the media fall within the responsibility of the company departments specially designated for that purpose and must take place in accordance with the defined policy and communication tools.

# 4 Staff policy

In performing their responsibilities, employees of SPhere Group companies apply the principles of integrity and loyalty. By their conduct they must preserve the relationships of trust that the SPhere Group has with all of its partners. Each person is responsible at their own level for strengthening the solidarity, team spirit and social cohesion of the Group's companies. All staff members work hard to carry out their professional tasks to the best of their ability for the benefit of the Group. SPhere is committed, at all levels, to maintaining high-standard and harmonious human relations. As such, it is each person's responsibility to enable all employees to carry out their work in suitable physical and moral conditions. In the exercise of responsibilities and hierarchical relations, the person must therefore always be respected.

## 4.1 Management of human resources

The Group's human resources are its primary asset and are essential to its existence and longevity. Loyalty, discipline and professionalism are the key values required for being part of the SPhere Group. The Group, for its part, is committed to developing the skills and capabilities of each employee so that they can fully express their energy and creativity towards the goal of achieving the Group's objectives.

The Group offers all employees opportunities for professional training and promotion while ensuring that each person enjoys fair treatment based on criteria of merit and without any discrimination. Thus, the Group's human resources policy is based on:

- the adoption of criteria of merit, achievement of targets set, ability or any other strictly professional consideration before making any decision about an employee;
- the rejection of all forms of discrimination in employee selection, recruitment, training, pay and management;
- the creation of a working environment in which personal characteristics cannot give rise to discrimination.

Each employee contributes actively towards maintaining a climate that is based on mutual respect for the dignity and reputation of everyone.

The Group is committed to maintaining the health and physical and mental integrity of its employees. It ensures that all of its employees have the possibility to access a responsible system providing accident insurance and the reimbursement of their medical costs. It organises, promotes and implements a culture of safety at work by encouraging workers to be aware of risks and by encouraging responsible behaviour as well as by taking action to preserve, primarily through preventative measures, the health and physical integrity of its employees.

The Group ensures compliance with current regulations on prevention and protection of health and safety at work. It aims to safeguard working conditions by protecting the psychophysical integrity of workers and having respect for their personality while avoiding any unlawful or unfair pressure being exerted on the latter.

Each company, in accordance with the Employment Code of the relevant country, ensures an active social dialogue with staff representative bodies while respecting independence and trade union pluralism.

The Group condemns any behaviour or attitude that is discriminatory or harmful to a person, on account of their beliefs and preferences (for example, in the form of insults, threats, exclusion, deliberate or excessive comments, professional limitations). All breaches of the provisions of this article must be immediately reported to the entity's Human Resources Manager.



## 4.2 Sexual and psychological harassment

The SPHERE Group does not tolerate sexual harassment or psychological harassment and considers as such any actions aimed at trying to subordinate, influence employees, partners and, possibly, third parties, by offering improved pay prospects or career opportunities in exchange for sexual or other favours. The same applies to suggestions regarding private relationships or pressures making the employee or partner feel uncomfortable.

## 4.3 Misuse of alcohol and drugs

The SPHERE Group requires all employees to conduct themselves in a dignified and responsible manner and without being under any influence while they are at work. Under no circumstances can the working environment of an employee or partner be disturbed by addiction-related behaviour. Therefore, the following behaviours will be considered to be harmful and subject to sanction:

- coming to work or working under the effects of alcohol, drugs or substances that cause a similar behaviour;
- consuming alcohol at the workplace other than in the cases stipulated by the internal rules and regulations of each subsidiary;
- taking drugs while at work.

## 4.4 No smoking

In consideration of the safety laws and rules in force and in a desire to create a healthy and comfortable environment for its employees and partners, the SPHERE Group has imposed a strict ban on smoking at the workplace.

# 5 Transparency of accounting data and internal controls

## 5.1 Accounting data

All activities and actions carried out by employees in connection with their professional duties must be verifiable. Accounting transparency is based on having regular, sincere, careful, exhaustive and reliable documentation about operational acts and accounting records.

Each employee and/or partner must assure the Group of their full commitment to presenting the administrative acts necessary for accounting in good time.

For each operation, documentation about activities carried out must be kept, on an appropriate medium, in the company's files, in order to facilitate accounting processes, the determination of different levels of responsibility as well as a precise reconstruction of the operation.

Each record made must reflect sincerely the content of the supporting documentation.

Employees or partners who become aware of omissions, falsehoods, alterations or negligence in the processing of information or supporting documentation are required to report the facts to their superior and to one of the competent bodies.

## 5.2 Internal controls

The Group's internal and external relations as well as relations between employees and partners are based on trust. Trust goes hand in hand with control. The Group, therefore, operates an appropriate internal control system.

The SPHERE Group believes, in particular, that an internal control system will help the company to achieve its objectives and, consequently, improve the effectiveness and efficiency of production processes and management procedures. All employees are, in the performance of their duties, responsible for the correct operation of the control system.

Furthermore, there exists an internal control procedure for the processing and treatment of the Group's financial and accounting data. Financial statements are prepared by the accounting departments on the basis of the information submitted and approved by the general management and financial departments of the Group's various entities.

The aims of accounting are to:

- monitor the reliability of the processes for collecting and processing basic financial information data;
- ensure that the individual and consolidated financial statements are drawn up in accordance with the rules and regulations in force and give a true and fair view of the state of affairs of the Group;
- ensure that the individual and consolidated financial statements are drawn up within the statutory time limits.

Reporting procedures involve the monthly forwarding of data developed on a decentralised basis by each of the operational units comprising an income statement and a balance sheet, sales statistics and consumptions of materials, as well as performance indicators.

Likewise, management control is required to review these data by analysing, on a monthly basis, the result achieved in the month as well as the cumulative result and by comparing these figures with the previous financial year. Controls are carried out at the level of each legal entity and at a consolidated level for the Group.

The company uses consolidation software so that the accounting data of the Group's subsidiaries can be automatically integrated, thus eliminating the risks of error inherent in data entry as well as secure reconciliation of inter-company operations.

# 6 Respect for the environment

The SPHERE Group is aware that the conservation of the environment is one of the key challenges of the 21st century and, therefore, operates a strong environmental management and improvement policy both for its industrial plants and for its head office.

This commitment is shared by all of the Group's employees, who, in their work, seek to save energy and raw materials and to follow an environmental conservation policy.

The SPHERE Group attaches particular care to ensuring that, regardless of the countries concerned, the products that it places on the market meet the highest standards of environmental performance and it endeavours to seek out and promote innovative technical solutions that contribute to that performance.

Each Group company implements the necessary control systems using permanent and reliable measures.

The Group is convinced about consumer interests and works directly with the public authorities and various stakeholders to promote products based on renewable resources.

## 6.1 Research and development

The Group undertakes genuine and significant efforts to put its policy of environmental respect into practice. Thus, in terms of research and development, the Group has invested in companies that work with renewable resources including, among other things, plant-based biodegradable products. The SPHERE Group also looks to save on the consumption of non-renewable materials by developing new materials and by recycling used plastic originating from its own production processes or bought from outside.

## 6.2 Consumption of resources

The Group also has a policy of trying to reduce the consumption of resources of all kinds in order to preserve the environment and reduce charges. This relates not only to the Group's main production but also to all areas: reduction of waste, water consumption, energy, paper or cardboard as well as discharges into the environment.

All employees must feel concerned and play a role in their daily activities within the Group. An energy saving policy will be implemented on all Group sites and targets will be set. Simple actions will be recommended in the Group's internal rules and regulations.

## 6.3 Threats to biological equilibrium, natural environments and protected animal and plant species

The activities of the Group's various subsidiaries are industrial and, on account of their nature, do not have a significant direct impact on the surrounding environment or species.

In accordance with French legislation and other European legislation, impact studies will be carried out in connection with renewals of authorisations to operate.



## 6.4 Assessment and certification policies as part of the environmental policy

The essential nature of environmental management - which aims to systematically take into account the impact of the company's activities on the environment and to assess and reduce this impact - meets one of the priorities set by the SPHERE Group in the development of its internal management.

Taking into account the importance of the environment in its development strategy, the Group has embarked upon two voluntary approaches with respect to environmental management:

- site approach: the Group's sites carry out their activities with a view to obtaining ISO 14001 certification;
- product approach: taking into account the product's life cycle stages, this approach involves designing or improving products by incorporating an overview of the environment.

These approaches produce the following results:

- show the commitment of the sites as socially aware companies;
- strengthen the confidence of the Group's partners (customers, authorities, investors, local communities near our sites, insurers, etc.);
- improve cost control through better management of resources;
- mobilise all employees around a common project that improves their professional situation.



## 6.5 Conformity with laws and regulations

It is the duty of each company subject to more than 50% control to observe the statutory obligations established in the country where they are located. This is the responsibility of the subsidiary manager.

For example, in France, six industrial sites are classified facilities subject to authorisation or declaration. None of the sites is SEVESO classified.

The Safety and Environment Manager of each site is responsible for conformity or ensures that resources are obtained to ensure the conformity of the site and this falls within the responsibility of the site manager in close collaboration with the public services concerned. For France: the Prefecture's DREAL and DDT departments.

## 6.6 Organisation of the environment structure

In order to implement the Group's environmental policy, a health / safety / environment coordination unit is set up within the Industrial Division.

It is a creative force for the General Management, organises statutory and documentary monitoring and advises and assists the HSE network established in the various subsidiaries.

It is involved in the checking of the rules to be observed and is involved in dealings with authorities with respect to ICPE (Classified Installations for the Protection of the Environment) applications.

On each site, regardless of its size, an HSE manager is appointed to support the local Management. The Group has taken out a third party environmental liability insurance contract for the French subsidiaries involved in bag production activities. This contract covers the financial consequences that the SPHERE Group might suffer as a result of personal injury, physical damage and economic loss caused to third parties resulting from unforeseeable acts of pollution that originated from an insured site.

# 7 Adoption, effectiveness and changes

This Code of Ethics and Conduct is approved by resolution of the Board of Directors of SPHERE S.A. on 12 October 2016. It is immediately applicable with effect from that date. On the same date, the Board of Directors also appointed the General Secretary as the Guarantor of the Code of Ethics and Conduct.

The SPHERE Group will carefully monitor the observance of the Code and, to do this, will use appropriate means of information, prevention and checking; it will ensure the transparency of operations and behaviours.

The Code of Ethics and Conduct is not a static document. It will be regularly reviewed and adapted to the constantly evolving legal and economic environments, which impact on how the Group operates throughout the world. All updates, changes or revisions of this Code of Ethics will be approved by the Board of Directors of SPHERE S.A.





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