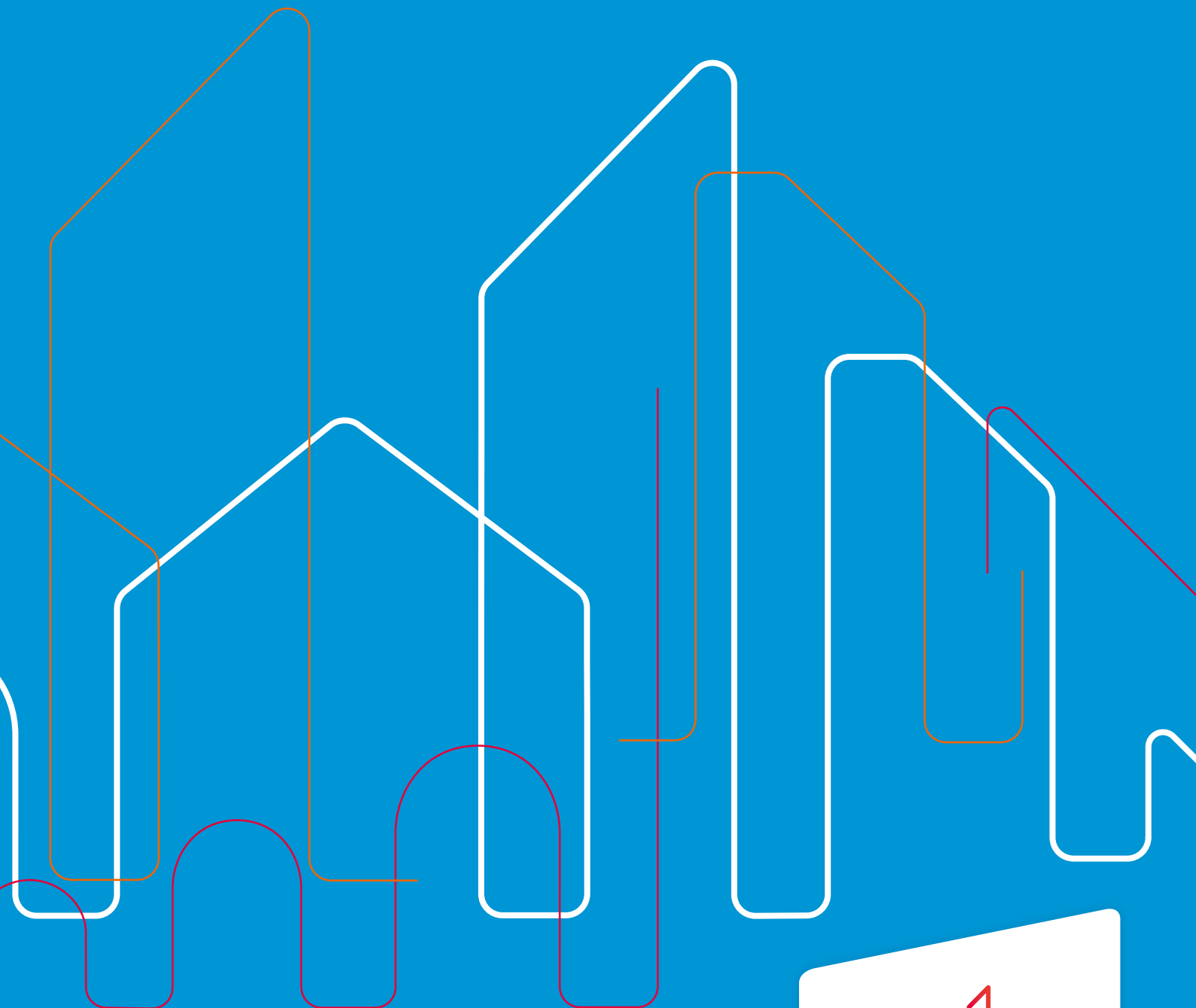




# ACT FOR YOUR BUSINESS

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Today corruption is a problem in developed as well as developing countries and in private as well as in public organizations. Its cost amounts to 1.5 trillion dollars per year. We must combat this scourge with utmost determination.

In 2003, Saint-Gobain joined the United Nations Global Compact and included Respect for the Law in its Principles of Conduct and Action.

But our commitment cannot end there: we are all both personally and collectively responsible for fighting corruption, with a zero tolerance policy.

Saint-Gobain's business must be conducted in keeping with our values and our culture of compliance.

I am counting on you for the entire Group's unfailing commitment in this regard! ”

**Pierre-André de Chalendar,**  
Chief Executive Officer, Saint-Gobain

# WHY THIS ANTI-CORRUPTION BROCHURE?

A global scourge with numbers that will make your head spin

**1.5 to 2 trillion dollars** are paid out every year in bribes, i.e., more than 38 times the Saint-Gobain Group's total 2016 turnover.

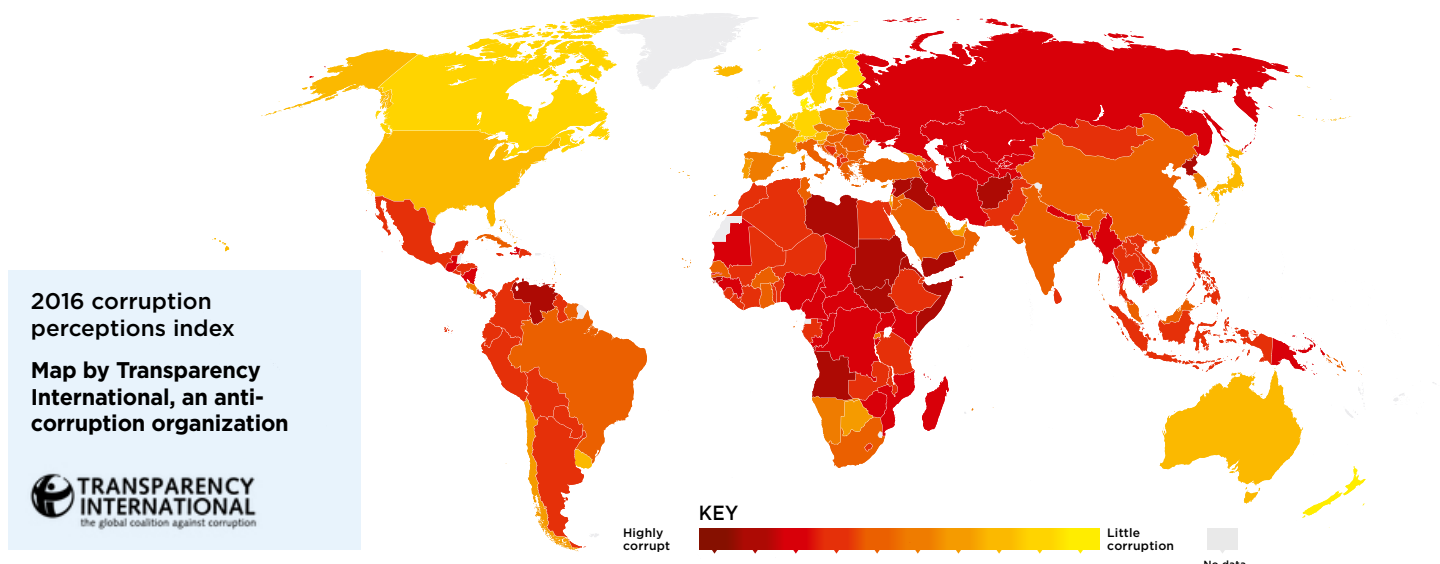
According to a 2015 Control Risks study, **30%** of the companies surveyed have already lost contracts to corrupt competitors.

To this day, Siemens has paid the highest fine ever imposed for international corruption: almost **1 billion** euros.

In 2015, **300,000** members of the Chinese communist party were punished for acts of corruption.

In 2014, **390** corruption investigations were underway in 24 countries that are signatories to the OECD Anti-Bribery Convention. How many do you think there will be in 2017? 2020? 2025?

Maps sometimes speak louder than words.  
Where are you located?



## Anti-corruption laws that apply everywhere

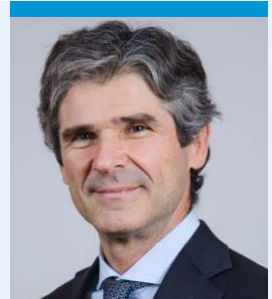
Some countries' anti-corruption laws have extraterritorial reach. Every Saint-Gobain entity must therefore comply with them.

- **UK law:** the “United Kingdom Bribery Act” (UKBA)

Pursuant to the UK's law:

- a company can be prosecuted for corruption if the act was committed in the United Kingdom or by a British citizen,
- any company conducting commercial activities in the United Kingdom can be prosecuted for failing to prevent corruption, regardless of the nationality of the perpetrator or the place where the act of corruption was committed.

The Saint-Gobain Group conducts business in the United Kingdom and therefore may be subject to the UKBA for acts committed by its businesses anywhere in the world.



Wherever we are, we are subject to one or even several anti-corruption laws (for example, the local law and another law with extraterritorial effects). Each of us, at every level, plays a major role in fighting corruption. ”

**Antoine Vignial**  
Corporate Secretary  
in charge of Corporate Social  
Responsibility



### TEST YOURSELF!

A Mexican company manufactures construction materials and sells them in the United Kingdom and Vietnam. One of its employees commits an act of corruption in Vietnam. Can the Mexican company be prosecuted by the British authorities?

**YES!** Because the Mexican company conducts commercial activities in the United Kingdom, the British authorities could prosecute it for failing to prevent corruption. If the employee concerned is a British citizen, he or she may also be prosecuted for corruption.



**DID YOU KNOW  
THAT...**

In 2016, the U.S. authorities prosecuted 25 companies for acts of corruption (versus 10 in 2015); 44% of them are foreign companies.

• **U.S. law:** in particular, the “Foreign Corrupt Practices Act” (FCPA)

The courts of the United States may have jurisdiction and the FCPA may apply if the corruption takes place wholly or partially within the United States territory. This will be the case if:

- the transaction is paid in U.S. dollars,
- the funds are transferred via accounts located in the United States,
- the funds are transferred via accounts abroad held at U.S. banks,
- an e-mail is sent through a server located in the United States (Gmail, for example),
- a phone call is made from or to U.S. territory.



**TEST YOURSELF!**

China issues a call for tenders for the construction of a water supply network for a large city. An employee of a Czech company pays US\$ 20,000 to a Chinese public official to make sure his company wins the contract. Can the U.S. authorities prosecute the Czech company?

**YES!** The act of corruption was paid in U.S. dollars, so U.S. law may apply.



- **French law: “Sapin II”**

The so-called “Sapin II” Act of 2016 requires large French and foreign companies to institute corruption-prevention programs to prevent acts of corruption committed by their employees and economic partners. The Act also makes it easier to prosecute foreign public officials for corruption and influence trafficking.



#### **DID YOU KNOW THAT...**

A large number of other countries have recently taken measures to fight corruption. For example:

- Since 2017, Ukraine has made sure that companies answering public calls for tenders exceeding a certain threshold have a minimum set of anti-corruption procedures in place.
- In 2017, Tunisia passed an anti-corruption law setting up procedures to expose corruption and protect whistleblowers.
- In 2016, Peru passed the Corporate Corruption Act, which prohibits corruption of public officials.

#### **Discover or rediscover online ACT e-learning**

on preventing corruption, available on [Boost!](#), and extricate yourself from risky situations with the ACT business game!

For every employee who plays through at least half of the ACT business game, Saint-Gobain will donate 1 euro to Transparency International. Play along!



In the Pipe Activity, we are often in contact with public authorities. We regularly remind employees and third parties of the Group’s Principles of Conduct and Action. Corruption is not an option. Sometimes our competitors don’t follow the same rules we do, but we stand firm in our determination and do not waver. And we impose special control procedures on the commercial agents who negotiate on our behalf. ”

**Gustavo Vianna**  
Director of the Pipe Activity



It's not worth it, that's what I always tell my teams. I knew one of the Alstom executives targeted by the American investigation. His life was ruined after the company was sentenced to a fine of US\$ 772M and he went to jail in the U.S. ”

**François Michel**

Chairman of Saint-Gobain Ecophon and the Ceilings Business Unit - Europe

## Corruption has very heavy consequences

- **Fines**

In 2013, Total SA paid US\$ 398M to the U.S. Department of Justice to bring an end to proceedings against it for corruption committed to obtain international contracts.

- **Prison**

In 2016, an officer of SweetGroup was sentenced to 12 months in prison because, during an investigation into allegations of corruption, he caused the disappearance of two cell phones that contained evidence likely to be useful to investigators.

- **Drop in stock price**

In 2016, after an investigation for corruption was opened, the stock price of the New York investment fund Och-Ziff Capital Management dropped by 70%.

- **Suspension of financial assistance**

In 2016, after an investigation was opened for suspected corruption, Germany, France, and the United Kingdom suspended Airbus's export credits.

- **Loss of investors**

In 2016, after allegations of corruption involving the Chinese company ZTE Corp. were made in 18 countries, the Norwegian pension fund Norges Bank Investment Management sold all its ZTE shares (worth US\$ 11.37M).



- **Class actions**

In 2015, Avon was sentenced to pay its shareholders US\$ 62M after it hid an investigation into acts of corruption that led to a fine, dramatically reducing the company's share price.

- **Corporate strategy changes**

In 2016, after one of its companies was investigated for corruption, the South Korean group Lotte decided not to become listed on the stock market and acquire the American company Axiall.

- **Resignation**

En 2016, the Chairman & CEO of the South African electricity group Eskom announced his resignation after he was suspected of having favored the interests of close associates of the South African president when selling a coal mine.

- **Reputation**

In 2016, Adidas ended its partnership with the International Association of Athletics Federations after its officers were suspected of corruption in connection with a doping case.





# TRUE OR FALSE?

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## Offering an internship can be an act of corruption

TRUE!

Money, a gift, an invitation to a costly meal, seats at a sports or cultural event; any of these may in certain circumstances constitute corruption. Corruption includes all undue advantages and occurs in various forms. Many exchanges of favors are in fact corruption.

**Real case** In 2017, a close friend of the former South Korean president, Park Geun-hye, was sentenced to 3 years in prison for influencing employees of a university to admit her daughter and forge exam records for her.

**Real case** In 2016, the American bank JP Morgan Chase paid a fine of US\$ 263M for offering internships to children of Chinese dignitaries to win contracts with the Chinese government.



French law punishes **influence trafficking**, which consists of corrupting a person (private or public) so that they will use their influence with third parties.

For example, an employee of MatConst provides bathroom furniture to a city hall employee for free. In exchange, the city hall employee uses her influence to make sure MatConst's bid is accepted for the construction of the next sports complex.

## Corruption necessarily involves a public official

FALSE!

Corruption can be public or private.

Giving an undue advantage to a “public” official, i.e., a person who accomplishes a government task, is **public corruption**.

### Public official is a broad concept.

It may mean:

- a person who holds legislative, administrative, or judicial office (a mayor or other government representative, judge, etc.),
- an employee of a public company (an agent of a state-owned rail transportation company),
- an official or agent of a public international organization (an official working at the UN),
- any other person conducting activities financed with public funds (in some countries, doctors are considered public officials).

Giving an undue advantage to a “private” person (customer, supplier, consultant, etc.) is private corruption, which is also prohibited and is punished just as severely as **public corruption** is.



## Only the corrupter can be prosecuted

FALSE!

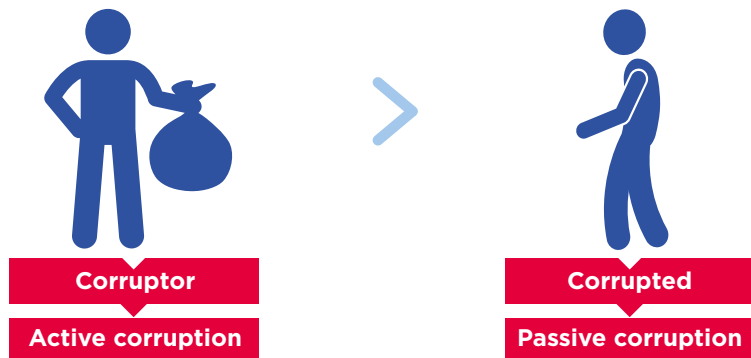


### DID YOU KNOW THAT...

Whether you are the corruptor or the corrupted, the one giving/offering or the one receiving/accepting any undue advantage may constitute an act of corruption.

**Active corruption** refers to the corruptor's act conferring an undue advantage on someone. **Passive corruption** refers to the act committed by the corrupted person who benefits from the undue advantage.

They are equally serious, and both are punished.



### Real case

In 2015, a member of the management team of FAW Volkswagen Sales Company Ltd. was sentenced to life in prison by a Chinese court for having awarded contracts to several companies in exchange for payments totaling US\$ 5.32M.

## Companies are not responsible for acts of corruption committed by their sales intermediaries

FALSE!

### Real case

In 2017, Mondelez International paid a fine of US\$ 13M because it did not undertake adequate due diligence concerning one of its commercial agents, who had corrupted Indian public officials to obtain licenses and permits to build a chocolate factory.



You must therefore comply with a certain number of rules before and during the business relationship.

To learn what they are, refer to the section called [“When you do business through commercial agents or any other sales intermediary”](#).



The company would also have been sentenced if one of its **distributors** had been involved. The fact that a company **is unaware** of its intermediary's bad behavior is not an excuse!



### DID YOU KNOW THAT...

Between 2000 and 2013, 75% of corruption cases involved payments made by intermediaries.

The fact that you do not corrupt directly is not an excuse, and not trying to find out whether your intermediary commits corruption is misconduct.



In France, we are in contact with public officials much more than we think. For a building permit or to open a point of sale, for example. Fighting corruption requires constant vigilance from everyone, everywhere. ”

**Patrice Richard**  
Head of Saint-Gobain  
Construction Distribution France

**I am not concerned  
by corruption because  
I never answer public calls  
for tenders**

**FALSE!**

Even without answering public calls for tenders, contacts with public officials may be frequent. Here are a few examples:

- visa application,
- application to open a point of sale,
- application for a gypsum quarry operating permit,
- application for a permit to build a factory,
- moving merchandise through customs.



**Remember that corruption can also be private: it concerns our relationships with our customers, suppliers, and commercial agents. We are therefore all concerned by corruption.**



## Corruption is part of a country's culture

FALSE!

Corruption knows no political or geographical boundaries. Look at the Transparency International map ([page 2](#)). No country is corruption free. But today, ever more countries around the world actively reject and fight corruption.



When I took up my position in Russia as General Delegate, I heard a lot about corruption. *'Erwan, you have to understand, this is Russia, business works differently.'* I answered: *'OK, but you have to understand, this is Saint-Gobain, there are no exceptions.'* The message has to be clear, and we have built a reputation for being determined that prevents us from being 'solicited'. ”

**Erwan Dupuy**

General Delegate for Russia, Ukraine, and the CIS countries



In your country, does a parent tolerate his or her child's taking money from the family purse in order to go and buy sweets? The answer is no. Regardless of the country or the culture, the notion of integrity is the same. ”

**Philippe Montigny**

President, ETHIC Intelligence



There is simply no culture in the world which teaches that a suitcase full of cash exchanged under the table for an illegal benefit is good. ”

**Andy Spalding**

Editor-in-chief, FCPA blog



# THE PRACTICAL STEPS TO COMPLIANCE

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Saint-Gobain has developed Group Policies on preventing corruption, on gifts and invitations, and on conflicts of interests. They are available in the [Compliance](#) section of the eWorkplace, as are many other practical guides, recommendations, news, etc. Take a few minutes to (re)read them!

## When you rely on a commercial agent or any other sales intermediary

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The Group Policy with respect to commercial agents and other sales intermediaries is available in the [Compliance](#) section of the eWorkplace. Don't hesitate to extend this Policy to any other type of intermediary (consultant, lobbyist, logistics provider, lawyer, communication agency, etc.), especially if you work in a risky country/activity.

To sum up, this Policy requires you to:

### ■ Do research on your intermediaries

Start with a simple internet search!

- **search for information** on the geographical area and the market under consideration,
- obtain information about the intermediary from local players and through a **questionnaire** (a model is provided in the appendix to the Group Policy), and
- **interview the intermediary.**



Keep all documents used in the process of selecting and evaluating the intermediary (screen shots from Internet searches, news, articles, studies from outside providers, the intermediary's answers to the questionnaire, etc.). You must be able to prove you did your research if the issue arises.



## ■ Formalize your business relationship in a contract

- **Describe the assignment** and set out **your expectations** (set the goals, performance criteria, and the evaluation process).
- Include a **reporting obligation** (submission of a report before any fee payment), as well as a **compliance and audit clause** (a model is provided in [Resource 1](#)).
- Provide for **periodic evaluation of the intermediary's performance** (a model form for the intermediary's performance evaluation is provided in the appendix to the Group Policy).
- Decide on the **contract term** and set the end-date.

## ■ Determine your intermediary's compensation and how it will be paid

### Regarding compensation

- Set compensation that is **consistent with the services** that will actually be rendered, and that **is in line with market rates** (do a market study in advance, if necessary).
- If the compensation is in the form of a commission, express it as a percent of the turnover effectively made in the scope of the contract.

### Regarding payment

- Make sure that the services have been provided before paying the intermediary, and be careful about any requests for payment in tax havens (risk of money laundering).
- **If the intermediary is an individual:** make payment in the country where he or she resides.
- **If the intermediary is a legal entity:** make payment in the country where it is registered.



### TEST YOURSELF!

#### What do you have to do?

You have been working with a commercial agent for many years and have a lot of confidence in him. One day, he asks you to pay him within 30 days instead of the 45 days provided for in the contract.

#### This type of request should set off alarm bells.

You will want to understand why the request was made and make sure it is not intended to pay for an act of corruption. Ask your agent to provide justification for his request, do some new research on him, and talk to your manager/legal team about it.

## When you want to contract with suppliers and customers



We know that purchasing is a risky area in terms of corruption. We have therefore set up a Purchasing Managers procedure where we identify 'risky' suppliers using dedicated mapping. When certain suppliers are revealed as needing to be watched carefully, they are subject to specific audits. ”

**Frédéric Verger**

Vice President Purchasing and  
Group Information Systems

The bad reputation or misconduct of our suppliers/customers can rub off on the Group. **We must therefore conduct appropriate due diligence with regard to our suppliers and customers.**

### ■ Do research on your business partners

#### For suppliers

Refer to the Purchasing Managers procedure available on the [My Saint-Gobain](#) community.

#### For customers

- Classify your customers according to risk level (annual turnover realized per customer and/or their group, country, industry, etc.).
- Draw on the due diligence methods described in the previous section on intermediaries.

### ■ Define your business relationship in a contract

- Include where practicable a compliance and audit clause (see the models in [Resource 2](#) and [Resource 3](#)).
- With respect to suppliers, they must all agree to comply with the Group's Suppliers' Charter, available in the [Compliance](#) section of the eWorkplace, which in particular covers occupational health and safety, employee rights and respect for the law.

#### Would you like to train your external business partners with respect to compliance rules?

Several training modules are available on the [ExternalBoost! platform](#): ACT (on preventing corruption), Comply it's part of the game (on competition law), and Embargos.

For more information about [Boost!External](#), see the [Compliance](#) section in the eWorkplace.

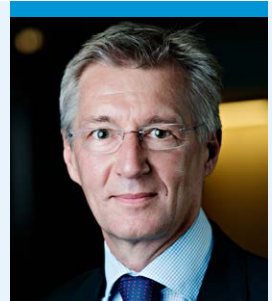
## When you plan to acquire a company or create a joint-venture

The purchaser may be required to pay a fine for acts of corruption committed by an acquired company.

Similarly, shareholders in a joint-venture are held liable if the joint-venture is implicated in an act of corruption, even if they hold only a minority share.

### ■ Advance due diligence with respect to the target company and co-venturers is therefore essential and must be systematic

- Ask your service providers (lawyers, consultants, banks) to create **due diligence questionnaires that include questions related to corruption.**
- Have an external provider conduct a **background check.**
- Include **price revision clauses** and other legal provisions in the acquisition contracts to be triggered in the event of a post-acquisition audit evidencing corruption issues.
- After the acquisition, quickly set up **the Group's compliance program** and **have an audit** done on compliance subjects, especially if you are in a high-risk country.



When we acquire companies, we have to be very careful. As soon as the deal closes, we have to enforce our ethics rules and work on detecting potential bad habits. This avoids discovering things some time later and having to separate from individuals who deliver good results but do not work the way we would like them to. ”

**Raimund Heini**  
Chief Executive Officer  
of Adfors Activity



**DID YOU KNOW  
THAT...**

The UN Global Compact and the United Nations have worked together to create six extremely [practical online training modules](#) illustrating specific corruption-related issues. Each module can be completed independently: a good opportunity to test yourself!

## When you are in contact with public officials

Even without answering public calls for tenders, contact with public officials may be frequent (at customs or when obtaining a visa, building permit, etc. – [see page 12](#)).

Public officials may offer to speed up a routine procedure you are entitled to and that is part of their job, in exchange for your unofficial payment of a modest sum (without a receipt). **This is what we call a “facilitation payment.”**

**Tolerating such payments means tolerating corruption.** Within the Saint-Gobain Group, the principle of zero tolerance also applies to facilitation payments, even when local law allows them.

### ANTICIPATE AND BE PREPARED!

- **Start procedures** (building permit applications, merchandise delivery, etc.) early – don’t wait until the last minute.
- **Make sure you are 100% compliant with local law** and have all the documents that may be requested in your possession. The slightest omission or breach provides an opportunity for solicitation.
- **If necessary, contact other companies** operating in the country to expose cases of solicitation and fight back collectively against those practices.

#### **Real case** of successful resistance in India:

The merchandise of a company that exports its products to the United States was held up in Indian customs, with the customs agents demanding payment to send the products on. The company systematically refused to pay and the local customs’ warehouse quickly filled with the merchandise. This caught the attention of the agents’ supervisors, who put an end to the agents’ attempted extortion and sent the merchandise to the United States.

## When you want to give a gift or invite a customer/supplier to an event or to a restaurant

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A gift/invitation may consist of an item given for free, offering a meal in a restaurant or accommodation, or any advantage of monetary value that the beneficiary obtains for free.

### The “news item” test

When you don't know if a gift/invitation is appropriate, ask yourself: *“Would it cause trouble if it were revealed by the media? Would I be comfortable talking about it?”*

### Are you a purchaser?

The Group has drawn up a Purchasers' Charter that discusses compliance with the Group Policy on gifts and invitations in the “Integrity” section. The Charter is available in the [Compliance](#) section of the eWorkplace.



### DID YOU KNOW THAT...

The Group Policy on gifts and invitations is available in the [Compliance](#) section of the eWorkplace.

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### TEST YOURSELF!

**You just called for tenders for the purchase of forklifts over the next three years.** During negotiations with one of the potential suppliers, the supplier offers you a nice bottle of wine. **Do you accept it?**

**NO!** You are at a critical point where your supplier is hoping to influence your decision to win the contract. You must refuse this gift to be able to make an independent decision based solely on the Group's interests.

**A company that is a Saint-Gobain customer invites you to a party to celebrate their 50th year in business.** Other important members of the profession will be there, as well as elected officials. **Can you accept this invitation?**

**YES, but** remember to inform your manager and keep evidence of your attendance, in case there are questions.



Gifts and invitations are part of business relationships, but they must remain within limits. We all have to have good reflexes and ask ourselves whether it's necessary and legitimate to accept or give gifts and invitations. We also have to be transparent with our colleagues and management team to make sure we make the right decision. ”

**N. Sreedhar**

Vice President Finance of  
High Performance Materials



#### **DID YOU KNOW THAT...**

To know the maximum amount of a gift/ invitation, refer to your Delegation's/Sector's gift and invitation policy.

#### **A business gift/invitation may become an act of corruption.**

Therefore:

**YES**

**All gifts/ invitations must:**

- be justified by a **professional purpose** and be part of **normal business relations**;
- be offered/received with complete **transparency**;
- **comply** with applicable law;
- be **infrequent** of a **reasonable value**;
- be sent to the recipient's **business address**.

**NO**

**Gifts/invitations must not be:**

- **solicited** by Saint-Gobain employees or by a business partner (if applicable, inform your manager about it);
- given for the purpose of obtaining an **undue advantage**;
- in **cash**;
- offered or received from business partners who are in a **consulting or negotiating** phase with Saint-Gobain;
- offered to **elected officials, representatives of the government** or administrative agencies, or other public officials, without prior authorization;
- offered to **individuals who are not part of the business relationship** (spouses, children, etc.), without prior authorization.



## When you want to donate to an organization

---

Saint-Gobain companies are not allowed to contribute to the financing of any political parties or activities, even if local law allows it.

However, donations to public or private organizations may be allowed in the context of **sponsorship or patronage**:

- if they are **permitted by local law**,
- if **due diligence** has been done on the organization receiving the donation,
- if the donations are **not paid to an individual**,
- if they are **not made in cash**,
- if they are the **subject of a specific, signed agreement**,
- if there is clearly identified, real, and proportionate **consideration** (visible logo on an invitation, advertising during an event, free invitations, etc.),
- if they are of **reasonable value**.



**For donations of construction materials**, verify that they are in fact used for the project they were intended for!



**DID YOU KNOW THAT...**

You should always be careful and ask yourself the right questions:

- Is the amount consistent with what your company usually gives?
- Is there a connection between the organization you want to donate to and a public or private individual or entity you expect/have obtained a decision from (for example, permit approval or contract award)?

Always do an internet search to check credentials. And make sure to document your decision-making process and verifications!

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## When Saint-Gobain's interests may conflict with yours

### DID YOU KNOW THAT...

**Conflicts of interest** are not unlawful in themselves, but **must be declared** and resolved (for example: avoid involving the employee concerned in awarding a contract, setting the price for an order, the hiring process, etc.).

A conflict of interests arises when an employee's personal interests are or may be in conflict with the Group's interests.

To prevent situations that may lead to a conflict of interests, the Group Policy on conflicts of interest, available in the [Compliance](#) section of the eWorkplace, stipulates you are to:

- **avoid taking a position** (for pay or as a volunteer) in a company that is not a member of the Group and is the Group's competitor, supplier, customer, or other current or potential business partner;
- **avoid investing heavily**, whether directly or indirectly, in a company with which the Group has or plans to establish a business relationship (as customer, supplier, or partner) or that is a competitor,
- **never use confidential information** obtained through your position within the Group to advance your personal interests or those of your family or friends (insider trading).





## When you face a request for a bribe

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You must categorically refuse.

If the person insists:

- ask for **explanations**,
- ask to **speak to a manager**,
- explain that your **company rules** prevent you from satisfying the request,
- explain that **the request puts you both in danger** of being punished,
- indicate that you will have to mention it to **your manager** (so the person you are dealing with is aware that his or her request will not be kept confidential),
- try to stall so you can **contact your legal specialists**,
- indicate that you will have to **declare the incident** to the embassy/consulate/local authorities,
- indicate that you would require **proof** of payment.

In all cases, **inform your management of the incident** (see the next section: [When you face a compliance violation](#)).



### DID YOU KNOW THAT...

**There is a single exception to the zero tolerance rule** if you or a team member is threatened physically.

Once you are safe, immediately inform your manager and your legal team, and make sure any payment actually made is correctly recorded in your company's accounts.



You may be faced with a complex situation, especially in a Delegation like ours. We sometimes get dubious requests. My message to my teams is clear: ask the necessary questions and take a step back. In high-pressure situations like this, talk with your legal specialists and management, don't try to solve a problem like this by yourself. The stakes are too high, for the Group and for your future. ”

**Hady Nassif**

General Delegate  
for the Middle East

## When you face a compliance violation

During your career, you may be faced with breaches of Saint-Gobain's compliance rules or values, such as:

- a request for an unjustified payment from a public official,
- an act of corruption committed by a commercial agent,
- unjustified payment to a third party (a consultant, for example),
- embezzlement or fraud.

It is important to inform your management of this type of breach so the Group can take appropriate measures (terminate the contract with the agent, file a leniency application, investigate the fraud, etc.).

To do so:

- **Talk to your management** or the Legal/Human Resources teams about it.
- If circumstances prevent you from doing so, if no action is taken, or if that action seems unsatisfactory to you, use the **Group's whistleblowing system**.

**This whistleblowing system is not anonymous** (the whistleblower must identify him or herself), but the whistleblower's identity will be **kept strictly confidential**.

### DID YOU KNOW THAT...

**For more information about Saint-Gobain's whistleblowing system**, see the [Information sheet](#).

Each Delegation has its own e-mail address for whistleblowing. See the [Compliance](#) section of the eWorkplace to learn what yours is!



# COMPLIANCE: COST OR OPPORTUNITY?

Compliance is like an investment: a short-term cost, but a genuine advantage in the medium and long terms.

Having a compliance culture in a group like Saint-Gobain:

- **increases profitability**, because paying bribes eats into sales margins,
- **mobilizes employees** around a joint project and corporate ethics, and **attracts new talents**,
- is a **sign of trustworthiness for economic partners**, which generates business.

**Real case** In 2016, CertainTeed won a lawsuit in the United States because of its employees' attitude toward compliance, whereas CertainTeed's competitors had settled with the plaintiffs for tens of millions of dollars.

**Real case** In 2016 in connection with a call for tenders in the Middle East, a Saint-Gobain entity was asked to quote higher prices for its products and pay back the difference in cash. After the entity categorically refused and withdrew from the call for tenders, the customer eventually got back in touch with Saint-Gobain, which had offered the best price and the best service.



The Group's future lies with our future talent. When we are looking to hire, everyone checks the Web to see what's being said about the Group and its values. Candidates often ask about these topics. And if we want to convince them that Saint-Gobain is the right place for them, our reputation must speak for us. I can't imagine having to explain to them one day why Saint-Gobain, a company that is proud of its values, was convicted of corruption. ”

**Claire Pedini**

Senior Vice President in charge of Human Resources

**DID YOU KNOW  
THAT...**

Saint-Gobain is listed in the Dow Jones Sustainability Index 2016 as one of the three best companies in the world. This index is one of the first global indices to assess company performance in terms of corporate social responsibility.

Corruption also creates a risk that individuals will be subject to criminal punishment. It is good management practice to make sure no team members go to prison.

- **is a sign of trustworthiness for our investors:**

A 2015 Control Risks study showed that 30% of interrogated companies have decided not to operate in at least one country because of the perceived high risk of corruption in that country.

- **secures the Group** by avoiding costs such as:

- fines for corruption, which can lead to a decrease in the share price,
- reputational harm, which can have dramatic and lasting consequences,
- reorganizations that may jeopardize external growth operations.

**Real case** A few years ago, the Group acquired a company, then had to dismiss its entire management team because their practices did not comply with the Group's rules and values. That change was made even though it necessarily had a negative effect on the newly acquired company's results.

**At Saint-Gobain, we firmly believe that compliance is a vector for growth and economic development. We vigorously defend our compliance culture.**

**Don't keep your questions to yourself if you are facing a difficult situation. Talk to your managers, and be open if your colleagues want to talk about this with you. This subject concerns all of us! And calls for the full commitment of each one!**



# RESOURCES AND INFORMATION SHEET

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for contracts entered into with commercial  
agents and other sales intermediaries

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The Saint-Gobain Group's  
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## Resource 1

### Model compliance and audit clause for contracts entered into with commercial agents and other sales intermediaries

**This model is purposely long in order to be complete. It must be adjusted to fit the specifics of local law, the business relationship concerned, and the risk being run.**

The Intermediary acknowledges that it has received and read, and is in compliance with, the Saint-Gobain Group's Partners' Charter. In addition, it shall conduct its activities in strict compliance with applicable laws and regulations.

In particular, the Intermediary shall comply and shall cause all of its affiliated companies, officers, employees, representatives, subcontractors, and agents (the Intermediary's Representatives) to comply with the Partners' Charter and applicable law in the area of preventing corruption. The Intermediary and the Intermediary's Representatives shall not, in particular, directly or indirectly promise, offer, or grant any public official or any other person any undue advantage so that such person shall, in violation of their duties, do or abstain from doing something.

The Intermediary warrants that it has not provided or promised any undue advantage to Saint-Gobain, any person employed by Saint-Gobain, or any third party to obtain the benefit of this agreement, and that no public official is a member of the Intermediary's personnel or holds a direct or indirect interest in the Intermediary.

The Intermediary shall keep accurate accounts in accordance with its country's generally accepted accounting principles and in which all financial flows generated by this agreement shall be correctly recorded.

The Intermediary authorizes Saint-Gobain to conduct audits at any time to make sure the Intermediary is complying with its obligations under this article. In this regard, the Intermediary shall provide Saint-Gobain or any external service provider indicated by it with all the documents and data required to prepare and conduct the audit and to give them access to any site of the Intermediary or its affiliated companies.

If Saint-Gobain has reasons to believe that the Intermediary is not complying with the obligations contained herein, Saint-Gobain may suspend performance of the agreement until the Intermediary provides reasonable proof that it has not committed or is not about to commit a breach. Saint-Gobain shall not under any circumstances be liable for any damage or loss caused to the Intermediary by the suspension of the agreement.

If the Intermediary or the Intermediary's Representatives do not comply with the provisions of this article, Saint-Gobain shall be entitled to terminate the agreement, ipso jure with immediate effect, by registered letter with acknowledgement of receipt, without paying any compensation and without prejudice to any damages or remedies which Saint-Gobain may be able to claim as provided for by law.

## Resource 2

### Model compliance and audit clause for contracts entered into with suppliers

**This model is purposely long in order to be complete. It must be adjusted to fit the specifics of local law, the business relationship concerned, and the risk being run.**

This model is purposely long in order to be complete. It must be adjusted to fit the specifics of local law, the business relationship concerned, and the risk being run.

The Supplier acknowledges that it has received and read, and is in compliance with, the Saint-Gobain Group's Suppliers' Charter. In addition, it shall conduct its activities in strict compliance with applicable laws and regulations.

In particular, the Supplier shall comply and shall cause all of its affiliated companies, officers, employees, representatives, subcontractors, and agents (the Supplier's Representatives) to comply with the Suppliers' Charter and applicable law in the area of preventing corruption. The Supplier and the Supplier's Representatives shall not, in particular, directly or indirectly promise, offer, or grant any public official or any other person any undue advantage so that such person shall, in violation of their duties, do or abstain from doing something.

The Supplier warrants that it has not provided or promised any undue advantage to Saint-Gobain, any person employed by Saint-Gobain, or any third party to obtain the benefit of this agreement, and that no public official is a member of the Supplier's personnel or holds a direct or indirect interest in the Supplier.

The Supplier shall keep accurate accounts in accordance with its country's generally accepted accounting principles and in which all financial flows generated by this agreement shall be correctly recorded.

The Supplier authorizes Saint-Gobain to conduct audits at any time to make sure the Supplier is complying with its obligations under this article. In this regard, the Supplier shall provide Saint-Gobain or any external service provider indicated by it with all the documents and data required to prepare and conduct the audit and to give them access to any site of the Supplier or its affiliated companies.

If Saint-Gobain has reasons to believe that the Supplier is not complying with the obligations contained in these clauses, Saint-Gobain may suspend performance of the agreement until the Supplier provides reasonable proof that it has not committed or is not on the verge of committing a breach. Saint-Gobain shall not under any circumstances be liable for any damage or loss caused to the Supplier by the suspension of the agreement.

If the Supplier or the Supplier's Representatives do not comply with the provisions of this article, Saint-Gobain shall be entitled to terminate the agreement, ipso jure with immediate effect, by registered letter with acknowledgement of receipt, without paying any compensation and without prejudice to any damages or remedies which Saint-Gobain may be able to claim as provided for by law. The Supplier shall require its own suppliers and subcontractors to comply with the same rules as those by which it is bound pursuant to this article.

## Resource 3

### Model compliance and audit clause for contracts entered into with customers

**This model is purposely long in order to be complete. It must be adjusted to fit the specifics of local law, the business relationship concerned, and the risk being run.**

This model is purposely long in order to be complete. It must be adjusted to fit the specifics of local law, the business relationship concerned, and the risk being run.

The Customer shall conduct its activities in strict compliance with applicable laws and regulations.

In particular, the Customer shall comply and shall cause all of its affiliated companies, officers, employees, representatives, subcontractors, and agents (the Customer's Representatives) to comply with applicable law in the area of preventing corruption. The Customer and the Customer's Representatives shall not, in particular, directly or indirectly promise, offer, or grant any public official or any other person any undue advantage so that such person shall, in violation of their duties, do or abstain from doing something.

The Customer warrants that it keeps accurate accounts in accordance with its country's generally accepted accounting principles and in which all financial flows generated by this agreement are recorded.

The Customer authorizes Saint-Gobain to conduct audits at any time to make sure the Customer is complying with its obligations under this article. In this regard, the Customer shall provide Saint-Gobain or any external service provider indicated by it with all the documents and data required to prepare and conduct the audit and to give them access to any site of the Customer or its affiliated companies.

If Saint-Gobain has reason to believe that the Customer is not complying with the obligations contained in these clauses, Saint-Gobain may suspend performance of the agreement until the Customer provides reasonable proof that it has not committed or is not on the verge of committing a breach. Saint-Gobain shall not under any circumstances be liable for any damage or loss caused to the Customer by the suspension of the agreement.

If the Customer or the Customer's Representatives do not comply with the provisions of this article, Saint-Gobain shall be entitled to terminate the agreement, ipso jure with immediate effect, by registered letter with acknowledgement of receipt, without paying any compensation and without prejudice to any damages or remedies which Saint-Gobain may be able to claim as provided for by law.



## Information sheet

### The Saint-Gobain's **alert system**



#### **WATCH OUT if you are facing compliance breaches, such as:**

- violation of the Principles of Conduct and Action
- bribe request from a public official
- request from an agent for a higher fee or a shorter payment term with no objective reasons
- unjustified payment to a third party (consultant for example)
- suspicious exchange of information between competitors
- incident during a trade association meeting
- embezzlement or fraud.

#### **YOU MUST**



#### **Speak up**

to your management or HR  
or your Legal team



Management/HR/Legal  
**to provide answers  
and to act**

If no action/unsatisfactory  
action taken or if no feedback,  
you can escalate and  
use the alert system.

#### **OR, IF PREFERRED**



#### **USE THE ALERT SYSTEM!**

##### **How?**

- by letter
- by mail: only accessible from a Saint-Gobain email address.

**For each Delegation, there is a specific email address, available here.**

##### **Conditions?**

The alert:

- must be serious and made in good faith
- must describe the facts as precisely as possible.

##### **Confidentiality?**

The Group alert system (i.e., email addresses provided above) is **non-anonymous** (i.e., the issuer of the alert must identify him or herself.)

**However, his or her identity will be kept strictly confidential.**

**For additional information: click here.**

## Notes

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