



ETHICAL CHARTER

for a Responsible supply chain

04 March 2020



Sagemcom Broadband SAS, a company legally registered under the laws of France (440 294 510 R.C.S. Nanterre), whose registered office is at 250 Route de l'Empereur, 92500 Rueil-Malmaison, France, acting on its own behalf and on behalf of its affiliates including without limitation Sagemcom SAS (820 978 559 R.C.S. Nanterre) and Sagemcom Energy & Telecom SAS (518 250 337 R.C.S. Nanterre), hereinafter called "Sagemcom" or the "Company", chooses Suppliers on the basis of objective criteria in the sole interest of the Company. The Company demands high performance and excellence from its Suppliers in order to fully meet the expectations of its Customers.

Sagemcom's ethical approach is based, amongst other input, on the International Conventions of the International Labour Organization (ILO), the Universal Declaration of Human Rights (UDHR) and the United Nations Convention on the Rights of the Child (UNCRC). Sagemcom's commitment is highlighted by its engagement in the UN Global Compact.

1. Key principles of Sagemcom's ethical approach

Respect for Human Rights

- Banish systematically child work,
- Banish all forms of forced or obligatory labour,
- Promote and respect the International Human Rights,
- Insure that Human Rights principles are not violated.

Fighting discrimination

- Respect freedom to join trade unions, and the freedom of association among workers, right to participate in collective agreements and to take into account the right to do collective bargaining.

Acceptable working conditions

- Ensure Health and safety of employees, including banish all kind of labour, which, by its nature or its conditions, presents an immediate danger or would be likely to endanger their health and safety,
- Practice an all-equal opportunity employer attitude, during hiring process and, vis-à-vis his workers, whilst on job,
- Respect working time and rest period,
- Ensure a decent remuneration,
- Banish disciplinary practices.

Respect for the environment

- Apply a careful approach towards environmental problems,
- Undertake some initiatives in order to promote environmental aspect awareness,
- Encourage the utilisation of nature-respecting technologies during product development.

Fighting corruption

- Act against all kinds of corruption, including money extortion and bribes.

2. Supplier's commitment

In view of promoting and extending its ethical approach, Sagemcom requires its suppliers and subcontractors [referred to herein as «Supplier(s)»] to adopt, support and apply this Ethical Charter in its entirety.

Supplier makes commitment to:

- adhere to this Ethical Charter,
- fill out the Sagemcom self-assessment questionnaire (reference n° 24 037 147 FR_EN),
- accept to be audited on the correct application of the ethical approach of Sagemcom stated above and thus of this Ethical Charter.

The Supplier engages to fully comply with rules described hereafter on each thema.

SOCIAL ASPECTS

Freely Chosen Employment	<p>Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment. Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the workers.</p>
Young Workers	<p>Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (young workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Suppliers shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. Suppliers shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.</p>
Working Hours	<p>Studies of business practices clearly link workers strain to reduced productivity, increased turnover and increased injury and illness. Workweeks are not to exceed the maximum set by local law. Further, a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off every seven days.</p>
Wages and Benefits	<p>Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary dispatch and outsourced labor will be within the limits of the local law.</p>
Humane Treatment	<p>There is to be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.</p>
Non-Discrimination	<p>Suppliers commit to use a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers shall not be subject to medical tests or physical exams that could be used in a discriminatory way.</p>
Freedom of Association	<p>In conformance with local law, Suppliers shall respect the right of all workers to form and/or join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.</p>

HEALTH AND SAFETY

Occupational Safety	Workers exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles and fall hazards) shall be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tag out), and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers shall be provided with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards. Workers shall be encouraged to raise safety concerns.
Emergency Preparedness	Potential emergency situations and events shall be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans. Such plans and procedures shall focus on minimizing harm to life, to the environment and to property.
Occupational Injury and Illness	Procedures and systems shall be in place to prevent, manage, track and report occupational injury and illness, including provisions to: encourage worker reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate return of workers to work.
Industrial Hygiene	Workers exposure to chemical, biological and physical agents shall be identified, evaluated and controlled. Engineering or administrative controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, workers health shall be protected by appropriate personal protective equipment programs.
Physically Demanding Work	Workers exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks shall be identified, evaluated and controlled.
Machine Safeguarding	Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers shall be provided and properly maintained where machinery presents an injury hazard to workers.
Sanitation, Food and Housing	Workers shall be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Workers dormitories provided by the Suppliers or a labor agent shall be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges.
Health and Safety Communication	Suppliers shall provide workers with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in the facility.

ENVIRONMENTAL

Environmental Permits and Reporting	All required environmental permits (e.g. discharge monitoring), approvals and registrations shall be obtained, maintained and kept current and their operational and reporting requirements shall be followed.
Pollution Prevention and Resource Reduction	The use of resources and generation of waste of all types, including water and energy, shall be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.
Hazardous Substances	Chemicals and other materials posing a hazard if released to the environment shall be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.
Wastewater and Solid Waste	Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). Wastewater generated from operations, industrial processes and sanitation facilities shall be characterized, monitored, controlled and treated as required prior to discharge or disposal. In addition, measures shall be implemented to reduce generation of wastewater. Suppliers shall conduct routine monitoring of the performance of its wastewater treatment systems.
Air Emissions	Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations shall be characterized, routinely monitored, controlled and treated as required prior to discharge. Suppliers shall conduct routine monitoring of the performance of its air emission control systems.
Materials Restrictions	Suppliers shall adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.
Storm Water Management	Suppliers shall implement a systematic approach to prevent contamination of storm water runoff. Suppliers shall prevent illegal discharges and spills from entering storm drains.
Energy Consumption and Greenhouse Gas Emissions	Energy consumption and greenhouse gas emissions shall be tracked and documented, at the facility and/or corporate level. Suppliers shall look for cost effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

ETHICS

Business Integrity	<p>The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement. All business dealings shall be transparently performed and accurately reflected on Supplier's business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.</p>
No Improper Advantage	<p>Bribes or other means of obtaining undue or improper advantage shall not be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage.</p> <p>Sagemcom guidelines for corruption prevention must be applied by the Suppliers. These guidelines are available on Sagemcom 's purchasing portal in document reference 31 002 812.</p>
Disclosure of Information	<p>Informations regarding Suppliers labor, health and safety, environmental practices, business activities, structure, financial situation and performance shall be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.</p>
Intellectual Property	<p>Intellectual property rights shall be respected; transfer of technology and knowhow shall be done in a manner that protects intellectual property rights; and, customer informations shall be safeguarded.</p>
Fair Business, Advertising and Competition	<p>Standards of fair business, advertising and competition shall be upheld. Appropriate means to safeguard customer informations must be available.</p>
Protection of Identity and Non-Retaliation	<p>Programs that ensure the confidentiality, anonymity and protection of Supplier and employee whistleblowers shall be maintained, unless prohibited by law. Suppliers shall have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.</p>
Responsible Sourcing of Minerals	<p>Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Suppliers shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.</p>
Privacy	<p>Suppliers shall commit to protect the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Suppliers shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, or otherwise shared.</p>

MANAGEMENT SYSTEM

Company Commitment	A corporate social and environmental responsibility policy statements affirming Supplier's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the local language.
Management Accountability and Responsibility	The Supplier clearly identifies senior executive and company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.
Legal and Customer Requirements	A process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Ethical Charter must be put in place and documented.
Risk Assessment and Risk Management	A process to identify the legal compliance, environmental, health and safety and labor practice and ethics risks associated with Supplier's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.
Improvement Objectives	Written performance objectives, targets and implementation plans to improve the Supplier's social and environmental performance, including a periodic assessment of Supplier's performance in achieving those objectives.
Training	Programs for training managers and workers to implement Supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.
Communication	A process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to workers, suppliers and customers.
Workers Feedback and Participation	Ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this Ethical Charter and to foster continuous improvement.
Audits and Assessments	Periodic self-evaluations to ensure conformity to legal and regulatory requirements, to the content of the Ethical Charter and to customer contractual requirements related to social and environmental responsibility.
Corrective Action Process	A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.
Documentation and Records	Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.
Supplier Responsibility	A process to communicate requirements of this Ethical Charter to suppliers and to monitor supplier compliance.

3. Working with Sagemcom

Sagemcom expects from its Suppliers the greatest transparency, to be able to have a common understanding of the situation and a win-win approach.

For this reason, Sagemcom will not be able to continue the business with a Supplier if the following cases appear during audit process or during business relationship:

- Child labor is found or publically advertised concerning Supplier,
- Forced or obligatory labor is found or publically advertised concerning Supplier,
- Immediate risk of death of workers is found or publically advertised concerning Supplier.

In the same way, the problems bellow will compel Sagemcom to call into question its commercial relation with a Supplier.

- Refusal of the Supplier to open the scope of audit to the whole plant,
- Non reliable data / fake data are found in audit,
- Lack of cooperation / refusal for audit.

4. Audits

Because Sagemcom asks for transparency, it is transparent on its audit process and methodology.

The first CSR (Corporate Social Responsibility) audit is performed by a third party to warranty independence of the results. The follow-up audits are done by Sagemcom team. Audited topics are the topics described in this ethical charter.

The global score defines the CSR class of the supplier and determine the target and the timing for the follow-up.

Class	Status	Further action
Class A ≥ 90 (PASS)	Overall CSR performance was found in very good practice according to below mentioned evidence: The factory has established a comprehensive and very good operation system which is under effective control.	Follow-up audit after one year
Class B ≥ 70 and < 90 (CONDITIONAL PASS)	Overall CSR performance found in good control but there is also improvement space in the following areas : * The operation system has been well established, but implementation still reveals some gaps and/or * The operation system has not been well established, but is still under suitable control.	Action plan follow-up new audit after 6 months
Class C ≥ 60 and < 70 (CONDITIONAL FAIL)	Overall CSR performance was found in conditional acceptable control according to the following non-conforming areas: * Operation system has been established, but was found incomplete due to some functionality gaps such as: * The system is not completely implemented * The system reveals some major problems	Action plan to reach level B by 6 months. Follow-Up audit every 2 months at supplier expense; if no progress after 1 year, no new business / exit
Class D < 60 (FAIL) or any Unacceptable non-conformity or structurally unable to meet working hours targets	Overall CSR performance found in poor control according to the following non-conforming areas: * No operation system has been established. * The system has not been adequately implemented. * The system reveals significant problems that can even lead to a crucial system break down.	Action plan to reach level B by 12 months. Follow-Up audit every 2 months at supplier expense; if no progress after 1 year, no new business / exit

Size of the company	Number of days per audit	*Follow up Audit Cost
<70 employees	1	500\$
71 < 1500 employees	2	1000\$
1501 < 8000 employees	3	1500\$
> 8000 employees	Case by case	500\$/Day

5. Contact

If Supplier has any question regarding CSR (Corporate Social Responsibility) practices, Supplier can send it to ethics@sagemcom.com with the topic "CSR Supply chain", or send it to its purchasing contact.

6. Agreement

The Supplier commits himself to promote the above-mentioned principles, rules and obligations, besides respecting them and ensuring his own suppliers and subcontractors do respect them as well.

The Supplier commits himself to respect all current international treaties with regards to the environmental protection. Upon Sagemcom's request, necessary documents correlated to the eco-design view and to its sustainable development programs must be provided by the Supplier.

Upon Sagemcom's request, the Supplier will communicate duly without any restriction, all necessary documents allowing Sagemcom to verify if Supplier and third parties working for the Supplier respect the above-stated principles, rules and obligations. Supplier and third parties working for it grant to Sagemcom the right to access their premises for audit purpose within contractually agreed delay. Such audit can be performed by Sagemcom customer(s), Sagemcom auditors or third party approved by Sagemcom.

Illicit labour by under-aged workers, obligatory or forced labour, as well as an immediate risk for the safety of the employees constitute a crippling element for any trade of Sagemcom with the Supplier. Without any improvement of the Supplier, the Supplier will see itself also deprived of any trade with Sagemcom.

For Sagemcom Broadband SAS Rueil-Malmaison, <u>Date</u> : <u>Name</u> : Thibault Decoudun, <u>Title</u> : VP Purchasing Director <u>Signature</u> :	For Supplier, <u>Company Name (+company sealing)</u> : <u>Trade register number</u> : <u>Corporate form</u> : <u>Registered capital</u> : <u>Adress of registered office</u> : <u>Place</u> : <u>Date</u> : <u>Name</u> : <u>Title</u> : <u>Signature</u> :
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