



ETHICAL AND CSR CHARTER 2022

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I - FOR THE ATTENTION OF ALL VERNET GROUP STAFF

The Vernet Group is committed to upholding the highest principles of business ethics and corporate governance because we profoundly believe that the adoption of a proactive approach to ethical business conduct increases trust in our company and improves our relationships with key stakeholders.

We are proud to be contributing to sustainable development around the world through technologies which improve people's quality of life and ensure that the planet is protected. We have chosen to invest in high-quality, modern technology for all of our production equipment in order to minimize our environmental impact, as well as to use energy and process raw materials in a sustainable and cost-efficient manner.

In our work at some point we may all be faced with unusual or sensitive situations, and we may wonder what attitude to adopt. It will be easier to know how to act if we are all well aware of Vernet's core values, and if we work in an environment that fosters ethical behaviour, and if we behave in this way ourselves.

As a Vernet employee, you must always feel free to put questions to your line manager or report a problem to them. Similarly, if you become aware of a situation in the company in which you feel that ethical and legal standards have been infringed, or if you feel that you are being pressurized or forced to betray your values in order to meet a request, you are duty-bound to inform the company. We wish to remind you that any suspicious behaviour can be reported by our reporting website (<https://vernet.signalement.net/>).

Vernet will never discipline employees who have acted in good faith when raising questions or expressing concerns with regard to our ethical and legal obligations.

On the other hand, disciplinary action will be taken against any employees found to have breached the law. This action may include termination of their employment contract and/or legal action.

We want to galvanise all of our employees so that our group's social responsibility is at the heart of our development strategy, and that social, societal and environmental issues are incorporated into our employees' managerial and professional practices. This ethical and CSR charter provides a framework for Vernet's CSR policy, in terms of management ethics, integrity and legal compliance, and social, societal and environmental responsibility.

Vernet is a responsible employer and corporate citizen. We uphold our commitments.

II - THE VERNET ETHOS

Vernet was founded in France, and nowadays the group owes its success to having local manufacturing facilities, enabling us to better serve our clients around the world. Global R&D, technology and logistics provide constant support for the local facilities.

The men and women employed by Vernet are our most prized resource. They are driven by strong values such as team spirit, responsibility, respect, and a partnership ethos. Their commitment to our clients' success is Vernet's main asset.

The quality of our products is a skillful blend of long-standing knowledge, as the company was founded in 1927, and constant improvement of technology and processes. Our thermostats help to conserve natural resources and improve user comfort and safety, while remaining affordable and long-lasting.

Our objective is global performance. This is because we are convinced that our company's performance is not limited to its economic and financial results. We are aiming to create overall value. Sustainable economic success is inextricably linked to an ambitious human vision. Trust, respect, solidarity, and simultaneously promoting individual initiative and group working, are at the heart of our identity. These values guide our actions and behaviour, and inspire our management and organisations. For our staff, they are reflected in our corporate social responsibility (CSR) policy.

III - OUR COMMITMENTS

SOCIAL

Being a responsible employer who upholds their commitments

Prior to recruitment, Vernet works with local employment services and education institutions to enhance the attractiveness of our jobs and help develop employment.

We continuously welcome apprentices, work-study programme students, and interns, because Vernet believes that it is vital to support young people with their studies and their integration into the labour market. For the best and most highly-motivated, their fixed-term contract turns into employment. Our responsible employer ethos is also reflected in the active dialogue with the employee representative bodies.

Guaranteeing equal opportunities for all

The diversity of talent that makes up our workforce enriches us, makes us stronger, and makes the Vernet Group an inclusive and non-discriminatory employer.

At Vernet, HR management and, more generally, employee relationships are based on the principles of mutual respect and trust.

Vernet pursues an active equal opportunities management policy, particularly in terms of having a gender-balanced workforce, employing people with disabilities, people from migrant backgrounds, and older people.

The members of the management committee make sure that the policy is implemented. They ensure that the principles are disseminated throughout the management structure.

Providing a healthy working environment

Our responsible employer ethos is also clear to see in our constant concern to ensure a healthy working environment free from all forms of bullying for our staff. Each of us is entitled to respect and their human dignity.

This is a fundamental principle underpinning how we work at Vernet. Any behaviour or act that may contravene this right, and particularly any form of sexual harassment or workplace bullying, is unacceptable.

Ensuring that each and every employee stays safe

We have a zero accidents objective. This objective applies to Vernet employees and anyone who works in the company. The company undertakes all the appropriate preventive steps to achieve this objective. We regularly deliver safety training to all staff and we communicate regularly on the topic, meaning that everyone becomes actively focused on prevention in their everyday behaviour.

All levels of management are heavily involved in steering, rolling out and monitoring the safety policy. Results in this area are one of the criteria used to assess manager performance.

ENVIRONMENT

Reducing the impact of our business

Vernet is moving towards all of its sites being ISO 14001 certified. We are striving to achieve the highest environmental standards for conserving natural resources, energy consumption, and waste recycling.

Vernet will always ensure that the business complies with the legal requirements, as a minimum, and that we are totally transparent, and are implementing a continuous improvement process, drawing on our performance indicators.

IV - CORPORATE SOCIAL RESPONSABILITY RULES

Every Vernet employee, regardless of their post and level in the company, must uphold the behavioural principles described in these rules and supplemented by our Code of Conduct.

These rules are not a substitute for the applicable laws and regulations, but instead seek to define the attitudes and provide guidelines, which, apart from the need to comply with the law, take the form of exemplary personal and professional behaviour in the interests of the company.

Each individual should demonstrate common sense and integrity when applying them. Each employee should adequately acquaint themselves with the rules applying to their work, so that they know when to ask for advice from line management, HR and general management.



BEING A RESPONSABLE EMPLOYEE WHO UPHOLDS THEIR COMMITMENTS

Respect for the law

As a business operating in diverse cultures and traditions, and in different jurisdictions with their own laws and regulations, we are mindful about respecting sustainable business practices. Consequently, we pledge to develop a culture that fosters and respects human rights, labour law, and the best environmental practices worldwide, and we conduct our business with integrity. This is why we expect our employees to fully comply with the law and behave ethically.

Each employee must behave irreproachably and must abstain from any illegal or dishonest practices. In this respect, no performance objectives can be devised, imposed, accepted or rewarded in any way if so doing would involve a breach of these rules.

Providing our clients with safe, quality products

From the outset, Vernet has made quality and innovation its top priorities. Vernet sells thermostats designed to help conserve natural resources and improve user comfort and safety, while remaining affordable and long-lasting.

We work in partnership with our clients to meet their needs and offer quality and long-lasting solutions.

Respecting our competitors

Vernet respects all of those involved in its sector, including the competition. We treat them as we ourselves would like to be treated. We want to work in a sector with a good reputation for its business practices. This sets us in good stead and increases client trust.

We eschew any practices that may hamper free competition.

Consequently, Vernet employees must refrain from any behaviour that could be considered as an anti-competitive practice in the markets in which they work.

Selecting and treating suppliers fairly

Vernet carefully selects its suppliers based on a level playing field and without favouritism, demonstrating the greatest transparency possible.

Whatever the country in which they are located, our suppliers must read, agree to and comply with our Supplier Code of Conduct, which sets out our ethical standards. We expect our suppliers to share our ethical, human rights, and environmental protection approach. This code is vital for building and developing trust-based relationships with them.

We always require our suppliers to comply with the applicable national and international law and regulations, and to respect universally recognised human rights.

Being mindful about conflicts of interest

Each Vernet employee has a duty of loyalty towards the company. We need to be particularly mindful about conflicts of interest, and avoid situations in which our personal interests may come into conflict with those of Vernet.

Therefore, in order to be transparent, we must inform line management in the event of an actual or potential conflict of interest, which could influence or give the impression of influencing our judgement and our actions.

Actively combatting corruption

Vernet has zero tolerance for corruption.

The negotiation and performance of contracts must not give rise to behaviour or actions that could be classed as active or passive corruption, complicity, influence peddling, or favouritism. No Vernet employee must directly or indirectly grant a third party an undue advantage of any kind and in any way, with the aim of obtaining or maintaining a business transaction or preferential treatment. Similarly, employees must all avoid relationships with third parties likely to personally place them in their debt and give rise to doubts about their integrity.

Any employees approached in this way should refer the matter to their line management. Line management will take all the necessary steps to put an end to this situation.

Gifts cannot be given or accepted on behalf of Vernet unless they are of symbolic or low value in view of the circumstances, and provided that the said gifts would not call into question the integrity of the giver or the impartiality of the beneficiary.

Protecting our confidential data and the information entrusted to us

At Vernet we are well aware that information has a value and that disclosing confidential information, unless authorised to do so, may lead to our company losing value and may be detrimental to the company.

Therefore, we take every possible step to protect confidential information, and to not disclose it to unauthorised people, within or outside the group, and not to discuss group business in public places (restaurants, trains, aeroplanes etc).

The obligation to protect confidential information continues even after an employee has left the group.

Respecting privacy and personal data

We are all entitled to privacy. This is why Vernet takes all the mandatory steps to ensure that personal data is processed in line with the applicable laws and regulations.

We take these same precautions with our business partners.

Protecting the company's assets

Each Vernet employee is duty-bound to protect the company's property and assets. This stipulation is not confined to furniture and buildings. It includes the ideas and know-how developed by company employees, and its reputation.

Lists of clients, sub-contractors and suppliers, information about markets, technical and business practices, bids and technical studies, and more generally, any data or information to which employees have access when doing their jobs, belong to Vernet. No employee may take for their personal use any of the company's assets, and they must also not give any Vernet assets to third parties for them to use.

The communication systems and intranet are Vernet's property and should be used for work purposes. Personal usage is only allowed if it remains within reasonable limits, if justified by the need to strike the right balance between work and private life, and if proven to be necessary. Vernet's systems and networks cannot be used for illegal purposes, notably for sending abusive, sexual or racially-motivated messages.

Employees must also abstain from making illegal copies of the software used by the company, and from unauthorised use of this software.

Working transparently and combatting money laundering

The operations and transactions made by Vernet are recorded in a true and fair way in the group's accounts, in compliance with the regulations in force and our internal procedures. Vernet employees who record accounting information must do so accurately and honestly, and must ensure that the relevant paperwork exists for each entry.

We pay attention to each bank transfer, and notably to the identity of the recipient and the reason for the transfer. This vigilance is vital and enables us to ensure that our business is not used to "launder" funds from criminal activities.

We are all duty-bound to ensure that all information in our financial and other documents is accurate. Each Vernet employee is involved in continuously improving risk management and helping to identify and address issues. This is one of the key factors in the success of any company. It is essential to the honest, efficient and lawful running of our business.

It is also vital that we provide our shareholders with transparent, reliable and accurate information.

Anything that hinders the smooth running of checks and audits, whether by auditors, clients or standards bodies, and any cover-up of information in this respect are forbidden, and would constitute a serious breach of these rules.

Being a corporate citizen

Vernet is a corporate citizen. We believe that it is vital to scrupulously comply with tax law wherever we operate, and we pay all the required local and national taxes.

We keep full and accurate accounts and accounting documents, and we file our tax returns and social security declarations.



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