

FUNDAMENTAL PRINCIPLES OF PURCHASING

INTRODUCTION

Purchaser selects its suppliers according to their offer in terms of quality, innovation, costs and their ability to comply with the statement of work and the principles expressed in TotalEnergies' Code of Conduct (https://totalenergies.com/sites/g/files/nytnzq121/files/atoms/files/total_code_of_conduct_va_0.pdf) and in this document. Purchaser considers these principles as fundamental in order to establish stable, long-lasting and reciprocally satisfactory business relations with Suppliers.

PRINCIPLES

Suppliers shall therefore comply with - and make sure that their own suppliers and subcontractors comply with – principles defined below and in TotalEnergies' Code of Conduct, being specified that Purchaser can, at any time, with reasonable prior notice, audit Suppliers 'compliance with these requirements. These Fundamental principles of Purchasing will be part of the documentation that governs the trade relationship with the Purchaser and its adherence by Suppliers will be one of the mandatory criteria that will be assessed by Purchaser.

1. COMPLIANCE WITH LAWS

Suppliers must comply with laws and regulations in force, including local laws and regulations of all countries in which operations are managed or goods and services are provided.

2. HUMAN RIGHTS

Suppliers are expected to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all, and foster an inclusive and ethical culture, in accordance with the relevant International Labour Organisation (ILO) conventions the Supplier must be compliant with.

- Child Labour

Suppliers exclude illegal child labour. The term "child" refers to any person under the minimum legal age for employment where the work is performed provided the legal age is consistent with the minimum working ages defined by the International Labour Organisation (ILO).

- Human Traffic, including Forced or Indentured Labour

Suppliers must adhere to regulations prohibiting human traffic and comply with laws in force in the countries in which they operate. Suppliers must refrain from violating the rights of others and address any adverse human rights impacts of their operations.

3. EMPLOYMENT PRACTICES

- Harassment

Suppliers are expected to ensure that their employees are afforded an employment environment that is free from physical, psychological, and verbal harassment, or other abusive conduct.

- Non-discrimination

Suppliers are expected to provide equal employment opportunity to employees and applicants for employment without discrimination.

- Working hours

Suppliers are expected to comply with the limits imposed by the laws related to working hours and overtime in force in the countries in which it operates

- Wage and Benefits

Suppliers must pay workers at least the minimum compensation required by local law and provide all legally mandated benefits. In addition to payment for regular hours of work, workers must be paid for overtime at such premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly payment rate. Deduction from wages as a disciplinary measure should not be permitted.

- Social dialogue

Suppliers are expected to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference, or reprisal. Suppliers are also expected to recognise and respect any rights of workers to exercise lawful rights of free association, including joining or not joining any association of their choice.

- Prohibition of illegal employment

Suppliers are prohibited from employing anyone unlawfully, particularly foreigners who do not have the documents and permits required under local law (and, for a European Union citizen, Community law).

- Protection of health and safety of the employees

Suppliers shall protect health and safety of their employees in the workplaces, including by taking all reasonable steps to ensure the physical integrity of employees and to prevent work accidents.

4. BUSINESS ETHICS AND INTEGRITY

- Ethics Policies

Commensurate with the size and nature of their business, Suppliers are expected to establish management systems to support compliance with laws and regulations, as well as the expectations expressed within this document. Suppliers are encouraged to implement their own written code of conduct and to flow down their principles to the entities that furnish them with goods and services. Purchaser expects Suppliers to maintain effective programmes to encourage their employees to make ethical values driven choices in their business dealings - beyond compliance with laws, regulations and contract requirements.

- Whistle blower Protection

Suppliers are expected to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. Suppliers are also expected to take action to prevent, detect, and correct any retaliatory actions.

- Anti-Corruption Laws

Suppliers must comply with anti-corruption laws, directives and regulations that govern operations in the countries in which they operate. Suppliers must refrain from offering or making any improper payments or anything of value to government officials, political parties, candidates for public office, or other persons. This includes a prohibition on facilitating payments intended to expedite or secure performance of a routine governmental action like customs clearance, even in locations where such activity may not violate local law. Suppliers are expected to exert reasonable due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of intermediaries such as agents or consultants.

- Gifts/Business Courtesies

Suppliers are expected to compete on the merits of their products and services. The exchange of business courtesies may not be used to gain an unfair competitive advantage. In any business relationship, Suppliers must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation, and that these exchanges do not violate the rules and standards of the recipient's organisation and are consistent with reasonable marketplace customs and practices.

- Illegal Payments

Suppliers must not offer any illegal payments to, or receive any illegal payments from any customer, supplier, their agents, representatives or others. The receipt, payment, and/or promise of sums of money or anything of value, directly or indirectly, intended to exert undue influence or improper advantage is prohibited. This prohibition applies even in locations where such activity may not violate local law.

- Fraud and Deception

Suppliers must not seek to gain any advantage of any kind by acting fraudulently, deceiving people or making false claims, or allow anyone else to do so. This includes defrauding or stealing from the company, a customer or any third party, and any kind of misappropriation of property.

- Conflict of interest

Suppliers are expected to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest. Suppliers are expected to provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of suppliers and personal interests or those of close relatives, friends or associates.

- Compliance with Competition law

Suppliers must not fix prices or bids with their competitors. They must not exchange current, recent, or future pricing information with competitors. Suppliers must refrain from participating in a cartel.

- Data Privacy

Suppliers will collect and process all personal data in compliance with current data protection laws and regulations applicable to the processing of this data in the specific jurisdiction where services are provided. Any personal data handled by Suppliers will be processed only on behalf of Purchaser and Suppliers are not permitted to use personal data on their own behalf or on behalf of a third party nor communicate them to a third party without the prior authorization of the Purchaser.

- Information protection

Suppliers must ensure the adequate treatment of sensitive information, including confidential information and data covered by intellectual property rights.

- Trade Compliance

Suppliers must ensure that their business practices respect all applicable laws, directives and regulations governing the export and import of parts, components, and technical data. Suppliers shall provide truthful and accurate information and obtain export licences and/or consents where necessary.

- Struggle against counterfeiting

Supplier must establish and implement a process to avoid and detect counterfeiting, mitigate its effects and eliminate counterfeit materials.

5. PRODUCTS AND SERVICES

- Preserving the Environment and biodiversity

Suppliers shall implement an appropriate environment risk management system to identify and control the environmental impact of its activities, goods or services, to continuously improve environmental performance, and to implement a systematic approach to define environmental objectives, achieve them and demonstrate that they have been achieved. Purchaser expects resources, e.g., energy, water and raw materials, to be consumed efficiently and responsibly by Suppliers while utilizing technologies aimed at preventing and reducing waste, wastewater contaminations, and emissions of hazardous substances. The Buyer recognizes the importance of preserving biodiversity and believes that this is a shared responsibility. Suppliers shall, to the extent possible, avoid or reduce negative impacts on biological diversity.

- Eco-design

Suppliers shall integrate eco-design principles into the development of their products and services to eliminate or mitigate negative environmental, health and safety impacts from their products and services during their life cycle, while maintaining and/or improving their quality of usage. Consequently, Suppliers shall seek, develop and propose low environmental footprint solutions i.e., using bio-based materials, being energy and material efficient, hazardous substances free, with low noise emissions, easy recyclable solutions and any other relevant solutions.

- Renewable energies

Suppliers are expected to develop an active policy and continuously improve the use of renewable energy sources.

- CO2 Emission

Suppliers are expected to implement within a reasonable timeframe effective measure aimed at reducing their direct and indirect CO2 emissions in accordance with the Paris Climate Agreement. Purchaser expects Suppliers to assure transparency with respect to their own emissions as well as upstream activities.

- Extend and optimize product use

Suppliers shall design products and offer services that enhance longevity of product life cycles and efficient use of resources. Suppliers shall communicate to Purchaser the analysis conducted in connection with the life cycles of their products.

- Increase re-use and recycling and minimize waste

Suppliers shall reduce and treat the waste produced by all activities to reduce their environmental footprint. Suppliers shall identify, monitor, and treat liquid waste and solid waste and air pollutants generated from operations, industrial processes and sanitation facilities prior to discharge or disposal. Suppliers shall develop re-use and recycling, thereby minimizing incineration and eliminating waste landfill.

- Responsible Sourcing of Minerals

Suppliers must comply with applicable laws and regulations regarding conflict minerals which include tin, tungsten, tantalum and gold. Additionally, Suppliers must establish a policy to reasonably assure that the tin, tungsten, tantalum and gold which may be contained in the products they manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses. Suppliers commit to require from their own supplier's similar commitment in order to establish a chain of custody to the smelters and refiners and to exercise the necessary due diligences in this respect.

6. SUPPLIERS GOVERNANCE

Suppliers undertake to ensure that their employees comply with the requirements of these Fundamental Principles of Purchasing and take all necessary precautions for the implementation of the related requirements.

Suppliers hereby represent and warrant to flow down the principles contained in these Fundamental Principles of Purchasing to their own suppliers and contractors and to implement a similar continuous improvement and compliance approach.

By adhering to these Fundamental Principles of Purchasing, each Supplier accepts to be assessed or audited by Purchaser or by a third party mandated by Purchaser on the above-mentioned principles. Compliance and improvement towards the above-mentioned principles are part of Purchaser's Suppliers overall assessment.

Suppliers shall freely determine their appropriate improvement action plans to increase their performance in the fields of these Fundamental Principles of Purchasing.

These Fundamental Principles of Purchasing constitute an integral part of all contractual documents entered into between Purchaser and Suppliers.

In the event that the expectations of this document are not met, in full or in part, the Purchaser may ask the Supplier to implement a progress plan which aims to make the Supplier compliant to the above principles.

However, in case of serious failure which prevents the plan to be carried on, or in case of repeated failures, Purchaser reserves the right, depending the nature and the seriousness of the failure, to put the Supplier on business hold or to exclude the Supplier from Purchaser's panel.

Moreover, Purchaser reserves the right to terminate the orders, letter of nomination and contracts in place with the Supplier, without prejudice to any damages that may be claimed by Purchaser.