

## Charter of Ethics and Code of Business Conduct

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Last updated: July 2017

## Message from the Chairman

Mercialys is one of the key players in shopping centers in France. As such, it plays an important role in interacting with retailers and customers and in shaping the urban fabric.

The company must therefore be an exemplary player, an enterprise that complies, on a daily basis and unambiguously, with the fundamentals of professional ethics.

Ethics is the backbone of sustainable value creation, and Mercialys has committed its business and projects to this responsible and long-term vision.

This charter of ethics and code of business conduct formalizes the commitments made by our company and the rules of behavior that apply to all employees in the exercise of their functions.

These rules, which are not comprehensive, underpin Mercialys' actions and form the basis of its common principles, which we all undertake to respect, defend and embody in our day-to-day activities.

Eric Le Gentil  
Chairman and Chief Executive Officer of Mercialys

Paris, June 22, 2017

## Foreword

The purpose of Mercialys' charter of ethics and code of business conduct is to set forth the ethical rules defended by the company, and to define by extension the obligations that apply to all the company's employees as they conduct their professional activities, irrespective of their hierarchical positions and roles.

This charter is not comprehensive. It is a framework that brings together a set of provisions stemming from the company's culture and values (Agility, Proximity, Commitment and Innovation), and aims, through discernment and a sense of individual responsibility, to help Mercialys and its employees to adopt the right approach in all circumstances.

The charter is organized around three main pillars:

1. respect for rules and the environment
2. respect for stakeholders
3. respect for the business

We rely on everybody's vigilance and professionalism to ensure that the charter is implemented on a daily basis. It should also be remembered that breaching its fundamental principles may result in disciplinary sanctions.

Employees are advised to consult with their line manager or Mercialys' Human Resources Department if they have any questions or doubts about how to behave.



### I. **Respect for Rules and the Environment**

Because an ecosystem without rules cannot be sustainable, and because our proximity demands our commitment, Mercialys is extremely careful, regardless of the areas in which it operates, to comply with all the applicable regulations and to respect its environment.

#### **Respect for Laws, Regulations and Fundamental Principles**

Mercialys operates in metropolitan France and some of the French overseas territories (DOM-TOM). In carrying out its business activities, the company ensures the constant application of local, national and European laws and compliance with fundamental principles in the areas of human rights (unconditional compliance), labor law (working conditions), respect for the environment, and the fight against corruption and money laundering.

It should be recalled in this regard that France has ratified the eight fundamental conventions of the International Labor Organization (ILO) and has transposed their fundamental principles into national law:

- Convention 29 on forced labor
- Convention 87 on freedom of association and protection of the right to organize
- Convention 98 on the right to organize and collective bargaining
- Convention 100 on equal remuneration
- Convention 105 on the abolition of forced labor
- Convention 111 on discrimination relating to employment and occupation
- Convention 138 on the minimum age for admission to employment
- Convention 182 on the worst forms of child labor

Mercialys also reaffirms its strong attachment to the higher values set forth in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. Its business also complies fully with the Principles of the United Nations Global Compact.

Mercialys mainly uses French suppliers. Its partners are subject to the same legislative requirements, and the company requests that its suppliers, service providers and subcontractors undertake to respect ethical principles equivalent to those set out in this charter of ethics.

### **Respect for the Environment, Municipalities and Regions**

Mercialys is a key player in local retailing in France. A true partner to local communities, its business is in step with the daily reality of people and regions, entailing major environmental and societal responsibilities.

As Mercialis' business forms a central part of urban strategies, its actions are always designed to be sustainable over time.

The company is well aware, first of all, of the long-term ecological impact of its activities, and has made environmental risk management one of the cornerstones of its activities since several years.

As well as deploying the necessary resources to comply with the applicable laws, Mercialis has established respect for the environment as a major strategic pillar, setting ambitious targets to reduce its consumption of water and energy, and putting in place long-term action and progress plans for each of the environmental dimensions (e.g. climate, waste, biodiversity).

In addition, as a responsible landholding company, Mercialis is fully aware of its impact on the structuring of cities, and is therefore very closely involved with regional and municipal authorities and local communities, in order to involve them in the urban development that will inevitably influence their way of living.

Mercialys also plays a role, through concrete actions, as a facilitator of local life and a creator of social ties. The group supports all kinds of initiatives:

- charity initiatives, through the regular presence of local or national associations at its centers
- business initiatives, by giving a privileged position to the creators of new concepts and facilitating the provision of pop-up retail spaces
- professional initiatives, by organizing employment forums

As a player committed to continuous improvement, Mercialis' initiatives cover both the scope of the company's activities and that of its suppliers, service providers and customers. The social, environmental and societal information provided in the Registration Document is audited annually by the statutory auditors, and the entire CSR policy is managed by Mercialis' management team, and is applied to operational situations in which annual targets are set for employees as part of their appraisals.



## II. Respect for Stakeholders

Mercialys reaffirms its intention of forming long-term, honest and reciprocal commitments with its service providers, suppliers, customers, shareholders, employees and all stakeholders with which it interacts.

The company is committed to the highest level of professional ethics and to ensuring that these principles are always central to its operations.

### Respect for Competitors, Suppliers and Customers

Mercialys cares about respect for free competition and fairness between the various market players. In this context, the company has undertaken not to violate the freedom to do business and to trade, and not to engage in anti-competitive or commercially unfair practices.

#### ▪ Relations with Competitors

Employees are obliged to maintain the strictest confidentiality in relation to competitors. Essential information, such as information on assets (e.g. rents, commercial leases), projects (e.g. sales, acquisitions), valuation (e.g. property value, turnover), financial information, and existing agreements with the group's suppliers, customers, etc., must not be shared with them under any circumstances.

In the case of joint ventures or partnerships in any form whatsoever with a competitor, exchanging information should also be limited to what is strictly necessary for joint operations in compliance with the law. Neither Mercialis' strategy nor the identity of its



commercial partners must be divulged to a competitor, even if the information might appear insignificant.

The company and all of its employees must also refrain from harming competitors by denigrating them, propagating inaccurate or misleading information about them, or causing their customers and suppliers to break connections with them.

Mercialys also undertakes not to collect information on competitors using illegal means, nor to encourage new employees from other companies in its business segment to disclose confidential information about their previous employers.

### ▪ **Relations with Suppliers, Service Providers and Intermediaries**

Mercialys is committed to selecting its suppliers and service providers according to objective and impartial criteria, in compliance with current rules and practices, in order to stimulate, in the interest of the group and its customers:

- improved quality and security of services
- innovation
- the reasonable lowering of prices
- social, corporate and/or environmental benefits

Whenever possible, Mercialis carries out open and competitive calls for tenders. Negotiations are conducted with suppliers and providers in an equitable manner, regardless of their economic importance. Care is taken not to demand unlawful or unreasonable concessions and any attempts at corruption are immediately reported.

Mercialys is also extremely vigilant when it uses intermediaries (e.g. referral agents, negotiators, sales agents, consultants, advisors, etc.). The company reminds its employees that it is vital to ensure that these intermediaries provide references attesting to their competence, as well as their probity and integrity, in order to prevent Mercialis from being associated with unlawful practices.

It is also strictly prohibited for any Mercialis employee to use intermediaries to carry out actions that Mercialis forbids or is not permitted to carry out directly itself.

▪ **Relations with Tenants and End-Customers**

Mercialys believes that healthy business relationships involve fair and honest behavior, which is the cornerstone for mutual trust.

Mercialys has two types of customers: tenants (lessees), and the end-customers of the shopping centers (visitors).

With regard to its tenants, the company is committed to being fair-minded and responsible, seeking to establish win-win agreements wherever possible and favoring the search for constructive exchanges and amicable resolutions in the event of conflicts.

The company undertakes not to lie about the characteristics and quality of its offerings, and in particular not to convey information that is inaccurate or designed to mislead in the context of false advertising. All of the Group's communication media are intended to be fair, accurate and measured in their descriptions of the assets and services provided.

With regard to the end-customers of its shopping centers, Mercialis is committed to implementing all the necessary measures to ensure the highest level of security at its sites and to provide a pleasant and practical user experience.

Safety and customer satisfaction remain one of the main objectives of the company, which conducts site satisfaction surveys on a regular basis and is committed to responding promptly to all customer requests, whether through management at the shopping centers or through social networks.

As part of its marketing initiatives and its digital experience, the company has also undertaken, in accordance with the regulations in force:

- to collect only personal data that is necessary for its business, avoiding in particular all sensitive data (e.g. ethnic origin, political opinions, religious convictions, sexual preferences, health status).
- to protect such personal data by ensuring that they are kept securely on secure servers and to ensure that the data owners have the right to access and rectify their personal data.
- not to transmit these data to a third party outside the company, unless legally required to do so, without the prior consent of the persons concerned.

- not to retain these data for longer than required by the professional reasons for which they were acquired, or longer than the legal time limits permit.
- not to exploit the credulity or inexperience of consumers during marketing campaigns, and to ensure that the terms of the company's promotional offers are easy to understand.
- not to exploit customers' images, through photographs or films made in its shopping centers during their presence, without their prior authorization. This rule applies more broadly to all content and media for which Mercialys is not the rights holder.

Mercialys of course complies with its obligations to report to the CNIL (National Commission on Information Technology and Civil Liberties), whose recommendations it follows.

### ▪ **Preventing Conflicts of Interest**

Since conflicts of interest may concern all the various stakeholders involved, particular attention must be given to preventing them.

A conflict of interest exists when the personal interests of an employee conflict with the interests of Mercialys in the course of his/her professional activities.

Conflicts of interest with a competitor, customer or supplier typically arise in the following situations:

- An employee and/or a member of his/her family is in a personal business relationship with a competitor, customer or supplier of Mercialys during the negotiation or execution of a contract.
- An employee is in a business relationship with a member of his/her family and/or his/her close associates (e.g. cohabitee, friends) during the negotiation or execution of a contract or the accomplishment of a mission for Mercialys.

Conflicts of interest may also involve for instance:

- The direct or indirect receipt of advances, loans, guarantees or services for the purpose of influencing a decision by Mercialys.

- An employee working concurrently, in any form whatsoever, for Mercialys and one of its competitors, customers or suppliers, or holding significant financial interests in one of the latter.

At all times and in all circumstances, Mercialys' employees must formally take care to protect themselves against conflicts of interest and to inform their line managers diligently in the event of an actual or potential conflict.

Employees of the company must also categorically refrain from concealing information about conflicts of interest of which they are aware; otherwise they risk exposing themselves to disciplinary sanctions.

- **Fight against Money Laundering and Financing of Terrorism**

As is the case with conflicts of interest, money laundering is an issue that can cut across the company's entire value chain.

At all times and in all circumstances, Mercialys and its employees must ensure that their activities do not serve to launder money from criminal or illicit activities (e.g. drug trafficking, arms trafficking, prostitution, terrorism).

Mercialys does not carry out cash transactions. Similarly, the following are not permitted: payments in a currency other than the invoicing currency (the euro in the case of Mercialys); payments from or to offshore accounts or accounts that do not show the name of the contracting counterparty; proposals for settlement by a legal entity or natural person not appearing in the contracts; or requests for overpayment and illegal reimbursements.

The company encourages all its service providers and suppliers to exercise the same vigilance and undertakes to collaborate with the competent authorities in case of doubt about the nature of certain funds or activities.

▪ **Fight against Corruption**

The fight against corruption is a third major focus of attention for Mercialys. It entails the highest levels of vigilance by everybody, to ensure adherence to the ethical approach defined by the company.

Apart from the illegal aspect of corruption, which is strictly forbidden in France as in many other jurisdictions, Mercialys regards this practice as unacceptable and incompatible with its fundamental values and principles.

The company does not compromise in the matter of corruption and combats it in all forms with any type of body, whether public or private. Any failure to fulfill the obligations set out below exposes employees to disciplinary sanctions, including dismissal, and civil and criminal prosecution where appropriate.

Corruption involves the promising, proposing or offering, directly or indirectly, of an undue advantage of any kind, monetary or otherwise, to a third party so that the latter, in breach of its obligations, acts or refrains from carrying out an act relating to or facilitated by their function or activity.

Under the generic term of corruption, this charter covers not only corruption itself but also influence peddling and offenses against the administration of justice, as provided for in Articles 433-1 et seq., 435-1 et seq., and 445-1 et seq. of the French Criminal Code.

Mercialys requires its employees to refuse categorically to pay, offer, promise, solicit or receive bribes, and not to grant undue advantages, whether monetary or not, in person or via an intermediary, to a public official and/or an individual, natural person or legal entity, for the purpose of obtaining preferential treatment or influencing the outcome of a negotiation.

This definition includes, in particular, facilitation payments that might be made to (or requested by) governments, public authorities or local authorities in order to expedite the execution of an administrative procedure, such as obtaining a building permit or concluding a transaction with a tenant or supplier.

Any employee who encounters this type of situation must immediately report it to his/her line manager or to the Human Resources Department of Mercialys. It should be recalled that perpetrators of acts of corruption, whether passive or active, may be subject to heavy penalties (fines or imprisonment) in France.

Similarly, in order to ensure the independence of relations with suppliers, each employee is required to undertake not to accept from, or offer to, a supplier any remuneration, gifts or benefits whatsoever. This point also applies to relations with tenants.

With total transparency vis-à-vis line managers, only gifts or benefits of low or symbolic value, which are not paid in cash and conform to commercial practices and the regulations in force, may be accepted.

### **Respect for Shareholders and Investors**

As Mercialys is a company listed on the Euronext Paris regulated market (ISIN: FR0010241638 – ticker symbol: MERY), it is required to show exemplary levels of transparency and to comply with the stock market regulations in force.

Specifically, the company is obliged to prevent any possible stock market infringements by the holders of inside information and, in order to do so, has adopted an Insider Trading Policy, which is available on its website, covering all obligations in this regard.

- **Transparency and Governance**

Mercialys applies the principles of transparency and good governance. The Board of Directors refers to the Afep-Medef corporate governance code (revised version of November 2016).

Mercialys ensures that the accounting, financial, social and environmental information that it provides to its stakeholders is truthful, honest, and transparent.

The company's Finance Department organizes the process of accounting production and approval of the financial statements, ensures the quality and diligence of the financial and accounting information published, and interfaces with the external auditors.

Pursuant to the law, Mercialys has a board of two statutory auditors (KPMG Audit and EY et Autres), which was renewed in 2016. The auditors ensure that the financial statements provide a true and fair view of the company's operating results, cash flows, and assets and liabilities.

These auditors were appointed following a process initiated and controlled by the Audit and Risks Committee, which ensures that they fulfill the conditions for independence set forth in law.

Mercialys ensures that the real estate appraisers that value its assets have the same level of independence, appointing such experts, when contracts come up for renewal, by means of transparent calls for tenders, providing them with reliable information for their real estate valuations (e.g. rental statuses, completed and ongoing work), and ensuring that no subordination or personal interest (particularly economic dependence) exists between the experts and Mercialys. The company behaves in a similar way when it commissions market or comparative studies.

In terms of governance, Mercialys has put control methods and bodies in place in order to both prevent all forms of mismanagement and economic offenses, and avoid conflicts of interest with its related parties.

The company's Board of Directors currently comprises 12 directors, of whom 11 are non-executive, seven are independent and five are women. Mercialys also has three technical committees (Audit and Risks Committee, Investment Committee, and Appointments and Compensation Committee), each chaired by an independent director.

The non-executive directors meet at least once a year to discuss any matter, without the presence of Eric Le Gentil, who is Chairman and CEO of Mercialys and currently the sole executive director of the company. Once a year, the Board of Directors also organizes a discussion on how it operates. All details relating to Mercialys' governance are available in its Registration Document.

In addition, with regard to its business and development, Mercialys has relations with food retail group Casino, which is its main shareholder.

In order to avoid any conflicts of interest and to ensure that Mercialys' management is independent, the Board of Directors of Mercialys has established, in addition to the procedure for regulated agreements pursuant to the French Code of Commerce, an

additional procedure for the systematic review of agreements between Mercialys and its related parties, which involves the Audit and Risks Committee and the Investment Committee.

Moreover, when Mercialys' Board of Directors and Investment Committee examine an acquisition or asset disposal operation involving the Casino group, the directors representing the shareholder Casino do not take part in the voting.

Lastly, Mercialys pays particular attention to its minority shareholders, by applying the principle of “one share, one vote” set out in its articles of association, and facilitates their access and voting at the shareholders' meeting, as well as the conditions and procedures for submitting questions and resolutions.

- **Preventing Insider Trading**

The company recognizes its responsibility toward the proper functioning and stability of the financial markets, and its shared obligation to contribute to their credibility and the trust of the various players in the system.

Mercialys' financial communication is subject to strict rules on dissemination in order to ensure, pursuant to the rules in force, that information is distributed equally between all shareholders.

Embargo periods, during which the company does not provide financial analysts or investors with new information regarding its ongoing business operations and earnings, are published on Mercialys' website and in its Registration Document.

In addition, persons on permanent insider lists and persons with regular or occasional access to inside information are informed about black-out periods during which no transactions relating to the Company's financial instruments may be carried out, either directly or indirectly, on their own behalf or on behalf of third parties.

Employees with access to non-public information likely to influence the price of shares of Mercialys must undertake to keep this information strictly confidential until publication and to refrain during this period from carrying out any transactions on the shares, either on their own behalf or on behalf of third parties. Temporary insider lists may be put in place when circumstances so require.



The use of such information for personal gain or for the purpose of enabling another person to engage in a transaction on shares of Mercialys is not only contrary to ethics and the company's rules of conduct, but also breaks the laws and regulations that apply in this regard.

It should be remembered that indirect insider trading, that is to say the sharing of non-public information with a view to profiting from it, with or without remuneration, with a person inside or outside the company, is also subject to heavy criminal penalties.

Mercialys undertakes to cooperate with the competent institutions in the event of non-compliance with these rules and encourages its employees, if they have information and they are not sure whether or not it is privileged, to refrain from passing it on and from dealing in shares of Mercialys, as they risk behaving illegally.



### III. Respect for the Business

Mercialys has two major advantages. First, its tangible and intangible assets, which were generated by its investments, its effort and the work it has accomplished. Second, its employees, who are the life force of the company and who are working on a daily basis to build the future. Both deserve respect and protection.

#### Protection of Mercialys' Tangible and Intangible Assets

Because a reputation is hard to win but is quickly lost, because competitive positions have to be defended on a daily basis, and because the ability to raise financial resources depends to a great extent on a company's brand image, it is essential that Mercialys and each of its employees make a strong commitment to protecting the group's tangible and intangible assets.

- **Protection of Mercialys' Assets and Resources**

Every employee is responsible for the use of Mercialys' assets and resources, including trade secrets, intellectual property rights, equipment, assets, and financial resources, for professional purposes.

Employees must undertake not to use them for personal purposes, unless they have prior and explicit authorization given in accordance with established procedures. They must also undertake not to waste or misuse these assets, nor to lend, transfer or assign them without prior authorization.

In particular, employees on business trips are encouraged to scrupulously respect the financial limits imposed by travel policies. Procedures for delegating authority and powers of signature should also be given special attention, as they could harm Mercialys if improperly applied. Finally, the company's computers, e-mail and Internet access are reserved for specific uses and limited by the framework of the group's IT charter, which is approved by all employees when they are hired.

Every employee is also responsible for not damaging and, more broadly, protecting - without, however, endangering his/her own safety - Mercialys' assets and resources against any deterioration, alteration or theft. In particular, Mercialys' employees are responsible for the professional equipment entrusted to them.

As in the case of physical assets, data protection is also a guarantee that the company is well managed. Any confidential or sensitive, non-public, information of any nature and on any medium whatsoever must be protected, even in the absence of a formal obligation of confidentiality or secrecy.

This obligation applies to information relating to the private lives of individuals, such as the personal data of Mercialys' employees, customers, suppliers and service providers, as well as all the company's financial, accounting, strategic, technical and commercial information.

Mercialys undertakes to take all reasonable precautions to prevent unauthorized alteration or disclosure of such data, particularly data communicated by third parties, which might harm their interests in the event of publication, and invites the various stakeholders interacting with the group to undertake to comply with this principle reciprocally.

In particular, employees and partners are requested to limit all conversations in public or private places where third parties who are not concerned are likely to listen to them to those that are strictly necessary, and to ensure that they do not leave any paper or electronic documents containing confidential or sensitive information in places where they could be read or found. Similarly, care should be taken not to view or access confidential or sensitive information on a laptop in a location that is not private or isolated.

It should be remembered that the duty of confidentiality is maintained after the departure of an employee or the termination of a commercial or contractual relationship, and that it is forbidden to keep internal information (either original documents or copies) after leaving the company.

▪ **Protection of Mercialys' Image and Reputation**

All employees undertake to protect the company's image and reputation. In this regard, any employee who is not authorized to speak in public on behalf of Mercialys (which is the sole responsibility of group management or of specific delegations) formally agrees to refrain from doing so.

Any statement that engages Mercialys' reputation or image on any medium whatsoever (e.g. Internet, press, radio), is also subject to strict agreement and prior approval by management.

For example, if solicited to speak as part of a panel of experts or as an industry representative, employees are required to inform management in advance. Management will decide whether or not to authorize participation in the event.

Furthermore, employees are formally requested not to use the company letterhead or their work e-mail to express personal views, and to refrain from providing opinions on the company, their colleagues, or their work via social media.

Any employee who is hired as a citizen in public life is also required to show restraint and not to engage Mercialys morally in his/her activities. It should be remembered that the use of company equipment to carry out or support personal political activities is prohibited, including outside working hours, as Mercialys is an apolitical entity.

In addition, Mercialys does not finance political life, as the financing by legal entities of parties and election campaigns is strictly prohibited in France.

Its lobbying activities are also strictly regulated and limited to participation in a certain number of meetings of sectoral associations, as explained in its Registration Document.

## Protection of Mercialys' Employees

Because every Mercialys employee is committed to the success of a collective project, it is vital for the company to recognize his/her uniqueness and defend his/her interests, in exchange for his/her daily participation in the furtherance of its business and its values. Respect for others calls for reciprocity, and Mercialys recognizes that every employee has both duties to fulfill and rights to assert.

### ▪ Protection of Health and Safety

Mercialys is committed to protecting the physical and mental integrity of its employees and to preserving their dignity in all circumstances.

In particular, the company takes the necessary steps to ensure that working conditions safeguard their health, by providing them with a healthy working environment with comfortable premises and modern equipment.

Mercialys also ensures that the necessary measures are taken to ensure the safety and protection of all persons working at its administrative or commercial sites.

In particular, the company ensures that emergency response procedures are available to employees and encourages them to report immediately, to their line managers or the managers of the various sites, any accident, even if it is minor, as well as any behavior or situation that might compromise safety in the workplace.

Particular attention is paid to road safety, as a certain number of Mercialys' employees are obliged to make regular and/or late journeys by car.

Failure to comply with Mercialys' hygiene and occupational health and safety rules, with or without endangering the company's employees or customers, may result in disciplinary sanctions.

As well as physical health, Mercialys is committed to protecting the psychological health of its employees by preventing harassment and advocating a healthy work-life balance.

All employees are asked to show respect toward their colleagues and business partners.

Behavior and attitudes that knowingly seek to cause moral harm, offend, destabilize or induce an employee to be negligent are forbidden. Any form of humiliation and intimidation, as well as the physical and/or social isolation of particular employees, are also banned.

Similarly, unwanted or inappropriate physical contact, inappropriate gestures and solicitations and comments of a sexual nature, whether written or verbal, are formally prohibited.

Harassment, both moral and sexual, can affect both men and women and can occur both on and off company premises. Mercialis considers this to be unacceptable. The company encourages its employees to be vigilant and is committed to firmly sanctioning inappropriate behavior.

The group also reminds employees that they must comply with the legal daily and weekly rest periods. Depending on their position, they may not, in particular, be required to fulfill obligations related to their duties outside working hours, on weekends, during sick leave or at any other time, unless they are on standby or on duty.

All Mercialis employees who work on a part-time basis have requested this. A remote working arrangement was also tested during the first half of 2017, and implementation by the end of 2017 is being considered.

- **Protection of Diversity, Equal Treatment and the Right to Trade Union Representation**

Mercialis is a company that sees strengths and opportunities in the individual characteristics of each person. The company seeks a range of backgrounds, life experiences and profiles for its teams, seeing this as a source of stimulation and new insights into the business.

Mercialis undertakes not to engage in discrimination for any reason whatsoever and, in particular, to make no distinction between employees based on age, on gender, on social, cultural, ethnic, racial or national origin, on religious or political opinions, on trade union activities, on family status, on sexual preferences or on disability.

All Mercialis employees are employed under official employment contracts in compliance with French legal constraints. The group rejects and condemns all forms of illegal or concealed work.

The company is also committed to ensuring equal opportunities and treatment, in particular by recruiting and promoting staff members solely on the basis of their qualities, skills and experience, without favoritism or privilege.

Direct discrimination in hiring, as well as in decisions concerning remuneration, training, promotion, working conditions, and maintaining or not maintaining employment, is sanctioned under French law. Managers who do not comply with these principles are subject to both internal and external sanctions.

Mercialys also undertakes not to discriminate indirectly, by not adopting measures that would disadvantage one group of employees in relation to another, typically due to gender, age or faith.

Particular care is taken to ensure that employees taking maternity/paternity leave are reinstated at the end of the period of leave in their previous position or an equivalent position in terms of status and salary.

Finally, the company is committed to listening to the demands of its employees, recognizing their right to union representation. Mercialis employees benefit from collective agreements that can be accessed online, including an agreement on social dialog that identifies the key players and procedures for constructive social dialog.

At Mercialis, social dialog takes place through staff representatives, who are invited to regular meetings to raise questions or to receive information from management.

The following are the main collective agreements covering Mercialis' employees to date:

- The agreement on procedures for the arrangement of the day of solidarity of April 29, 2005.
- The group agreement on equal opportunities, diversity and discrimination prevention of October 14, 2005.
- The agreement on the Time Savings Plan (CET) of May 20, 2008.
- The agreement relating to the Group Savings Plan (PEG) of July 31, 2008.
- The agreement relating to the Collective Retirement Savings Plan (PERCO) of September 25, 2009.
- The agreement on equality between men and women in the workplace of November 21, 2011.
- The agreement on social dialog of December 19, 2016 and its rider of July 3, 2017.