

An aerial photograph of a large, colorful geometric floor composed of many small, square tiles. The tiles are arranged in a complex, multi-colored pattern of red, green, blue, and purple. Two people are walking across the red section of the floor, casting long shadows. The overall scene is bright and vibrant.

# CODE OF BUSINESS PRACTICES

An adventure of enterprise

PPR



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## FOREWORD

OUR CORPORATE  
BUSINESS ETHICS

**The PPR Code of Business Practices is the cornerstone of the Group's Corporate Social Responsibility.** It is intended to formalise the Group's commitments towards its major internal and external stakeholders, along with the ethical principles that must guide the actions and behaviour of all PPR employees.

**Placing ethics at the core of our business management** relies upon a principle of trust advocated by the Group and upon a long-established conviction that to be sustainable, a company must be governed by a corpus of simple ethical rules shared by everyone, concerned with the fulfilment of its personnel and the respect due to them, watchful of human rights issues wherever it operates, protective of the environment, attentive to the expectations of civil society and engaged in the life of the community by the side of local authorities. This involves a collective commitment backed by the mutual trust and individual responsibility of everyone.

**The Group adopted a Charter of Ethics as early as 1996**, further expanded and supplemented in 2005 with the publication and dissemination of a Code of Business Practices, designed to help everyone take ownership of the ethical principles advocated. This Code is not intended as an exhaustive list of questions and answers concerning the day-to-day activities of our employees, but rather to provide a framework of guidelines and benchmarks on appropriate individual conduct.

**The PPR Code of Business Practices has been revised and is recirculated across the Group** as a reminder to everyone, and to newcomers since 2005, of our commitments and of the ethical principles we defend.

**PPR's policy on Corporate Social Responsibility (CSR) is structured and developed along a continuous improvement approach.** Since 2007, the CSR policy has been steered by the Group's Corporate Social Responsibility Division reporting directly to me and headed by an ExCom member.

**Furthermore, this re-issue of our Code is an ideal opportunity for me to announce or to remind that PPR joined the UN Global Compact initiative as a signatory member in 2008**, thereby reasserting our support of the 10 key principles advocated by the United Nations on human rights, workers rights, environmental protection and anti-corruption. Indeed since 2005, the PPR Code of Business Practices has been perfectly aligned with the major international reference standards: Universal Declaration of Human Rights, United Nations Convention on the Rights of the Child and the main International Labour Organisation conventions.

My wish is for every single one of us to adopt this Code of Business Practices as a personal guide and a benchmark when performing our daily tasks, thereby contributing to reconcile our need for economic performance with our Corporate Social Responsibility, as sole guarantor of our business sustainability.

A handwritten signature in black ink, appearing to read 'F. Pinault'. The signature is stylized and fluid.

**François-Henri Pinault**  
Chairman & Chief Executive Officer

# ETHICAL PRINCIPLES IN BUSINESS MANAGEMENT



© ALTITUDE/Arthus-Bertrand Yann – Hot-air balloon in the Masai Mara – Kenya.

## PPR is committed to behaving responsibly and with integrity

A steadfast ethical approach to conducting business is critical to ensure a company's long-term survival. Success and sustainable growth in our markets are dependent upon the trust of our customers, employees, shareholders, business partners and local communities. Such trust is built up gradually. It has to be earned and deserved day after day.

In the business environment, ethics may take on numerous and sometimes seemingly contradictory appearances. This is especially true for a group of companies operating on all continents, in countries with different cultures and at various stages of economic development.

We believe that such differences may be resolved by a small number of simple but powerful shared principles serving as guidelines for our actions in a spirit of responsibility and common sense.

### The principles shared by all PPR employees are:

- Behave with integrity and responsibility.
- Comply with applicable laws and regulations.
- Respect the dignity and the rights of everyone.
- Respect the natural environment.
- Use corporate assets and resources in the interest of the Group and its shareholders.

- Support our employees' initiatives in community involvement and sustainable development.
- Keep all business matters in full confidentiality.

### Our rules of business conduct reflect several international standards, including:

- the United Nations Universal Declaration of Human Rights and the European Convention on Human Rights;
- various International Labour Organisation conventions, notably conventions 29, 105, 138 and 182 (child labour and forced labour), 155 (occupational safety and health), 111 (discrimination), 100 (equal remuneration), 87 and 98 (freedom of association, right to organise and collective bargaining);
- the OECD Guidelines for Multinational Enterprises;
- the United Nations Convention on the Rights of the Child.

# PRINCIPLES OF BUSINESS PRACTICES AND BEHAVIOUR TOWARDS OUR MAIN STAKEHOLDERS



© Yann Arthus-Bertrand/Earth from Above – Corinthe Canal, Sterea Ellada, Greece (37°55' N – 22°59' E).

In addition to the above-described principles, it is essential to define principles of conduct and behaviour shared by all Group employees with respect to themselves and to the various populations with whom they have regular or occasional contacts.

WE ARE AWARE OF OUR DUTIES AND RESPONSIBILITIES TOWARDS:

## Ourselfs

We have the duty to act with integrity and loyalty. In our daily professional tasks, whether at the workplace or on business trips, we make sure to comply with the Group's ethical principles and to protect the interests of the Group and its branches.

## Our colleagues and our employees

We believe in dealing respectfully and fairly with colleagues and employees and in doing our utmost to create a motivating work environment fostering the development of employee potential. Our human resources policy aims to contribute to the professionalism, motivation and fulfilment of each of our employees, by providing opportunities for training, mobility and internal career promotion and by developing their employability.

We ensure that working conditions comply with Human Rights standards and labour legislation as well as with laws and regulations governing occupational environment, health and safety matters.

We do not tolerate discrimination, intimidation or harassment at the workplace. We promote diversity and foster equal opportunity and equal treatment. We fight against child labour and forced labour.

We encourage the freedom of speech of the Group's employees.

We encourage dialogue and respect freedom of association within the legislative framework applicable in the different countries where we operate.

## Our customers and consumers

We aim to provide customers with our very best professional service in order to earn and deserve their trust. Via its branches, the Group designs and markets products and services complying with applicable standards and regulations governing quality and safety as well as industrial and intellectual property rights, and provides accurate, reliable and fair information.

Our marketing and advertising communication is based on principles of honesty, fairness and an ongoing search for consumer safety.

Our customers retain full decision power over the information they entrust to us and we ensure that all personal data are kept strictly confidential, in conformity with our commitment to respect consumer rights and in compliance with applicable law.

## Our environment

We are committed to good environmental stewardship and to the necessary sustainability of our businesses.

We have implemented an environmental stewardship policy designed to minimise the impact of our businesses on the environment, particularly with respect to:

- promoting responsible products and usages (consumer information and awareness, eco-designed products, energy-saving products, organic sources, packaging reduction, recycling, etc.),

- environmental impact monitoring of our stores and infrastructures, implementation of proactive action plans to reduce their environmental impact,
- reduction of our CO<sub>2</sub> emissions related to logistical activities.

We encourage discussion and implementation of best practices and consider this to be a positive feature of our management procedures (energy savings, reduced waste treatment costs, recycling, etc.).

We have introduced indicators designed to evaluate our efforts to reduce our main environmental impacts and to implement short- and medium-term improvement policies.

## Our business partners and our competitors

In all circumstances, we endeavour to establish and nurture loyal and equitable business relationships.

PPR Group communicates on the ethical principles that must guide the business conduct of its employees, in particular with regards to compliance with applicable laws and regulations on gifts, favours and conflicts of interest.

A conflict of interest is considered to occur whenever an employee or one of his/her relatives or associates is likely to gain personal benefit from a transaction made on behalf of a Group company with customers or suppliers, among others. Likewise, a conflict of interest would be deemed to arise whenever an employee attempts to select or have selected as supplier a company in which said employee or a relative or an associate owns a material or moral interest, whether directly or indirectly. In case of doubt, employees can refer the matter to their line management in order to determine whether the planned transaction creates a conflict of interest.

The question of whether a gift, a favour or an invitation received or offered may create an obligation from the receiver towards the giver must be considered at all times by all employees.

We prohibit the financing of political parties, trade unions, and cultural or charitable organisations in exchange for material benefits, whether commercial or personal, whether obtained directly or indirectly. We comply with national and international regulations on direct and indirect corruption.

We require that our suppliers adhere to the principles defined in the Group's Supplier Charter. We fight against child labour and forced labour. The Group has introduced appropriate controlling procedures and will not knowingly work with any partner who disregards these essential principles.

We support free, fair and loyal competition with respect to both prices and the quality and choice of products, as a vector of economic and social progress in

the interest of consumers and end-users. We are committed to work in strict compliance with fair competition regulations applicable in the European Union and in each market where the Group operates.

## Civil society

We reassert our commitment to Human Rights and intend to act as a socially responsible company everywhere we operate.

Through our business activities, we wish to contribute to the economic and social development of the countries where we operate, but we do not seek to influence national politics.

We pay close attention to the concerns expressed by international institutions, non-governmental organisations and representatives of civil society, and we wish to foster an open dialogue with all of them.

We respect the culture of the countries where we operate.

In most countries where we operate, we are involved in social, cultural or educational initiatives.

We support initiatives taken by our companies and employees regarding sustainable development, volunteering and community outreach, in particular via *la Fondation d'Entreprise PPR pour la Dignité et les Droits des Femmes* (the PPR Corporate Foundation for Women's Dignity and Rights). The Foundation pursues two objectives: promote women's rights and empower women to fully contribute to the development of their communities. It develops partnerships with local and international NGOs and involves volunteer employees.

## Our shareholders and the financial markets

Our corporate governance policy is aligned with the best standards and practices applicable. We are committed to winning the trust and support of shareholders and financial markets by using the Group's resources responsibly and efficiently. We owe them an honest, accurate and detailed financial reporting. We fully comply with all applicable accounting, financial and stock exchange standards and regulations.

We are committed to prevent insider trading and any improper use of confidential insider information. To this purpose, an Insider good practices committee defines black-out periods, in particular preceding the publication of annual and half-year financial statements, during which corporate officers and managers of the Group and branches have the obligation, in view of their duties, to refrain from trading in the stock of the Group's companies. In the case of trading transactions conducted outside such black-out periods, corporate officers and managers must check previously with the Insider good practices committee that there is no obstacle to such trading.

## IMPLEMENTATION AND FOLLOW-UP



© Yann Arthus-Bertrand/Earth from Above – Buren's Columns, the Palais-Royal, Paris, France (48°51' N, 2°21' E).

The PPR Code of Business Practices is intended for and concerns all the employees of PPR Group. The Code may be downloaded on line on the PPR web site and is available in the most commonly spoken languages within the Group ([www.ppr.com](http://www.ppr.com)).

Concurrently with the dissemination of the Code since 2005, a corporate Ethics Committee for Corporate Social Responsibility (ECCSR) was created.

### The ECCSR fulfils three mandates:

- monitor the appropriate dissemination and enforcement of the Code of Business Practices and the principles advocated;
- respond to any enquiry from Group employees: request for clarification, question about the Code's interpretation and implementation, or complaint reported to the ECCSR regarding a presumed non-compliance with one of the Group's ethical principles;
- formulate recommendations in order to enhance the Group's policy and actions on issues of Corporate Social Responsibility (CSR).

**The ECCSR** membership includes representatives from the Group's branches and PPR employees. It is chaired by the Senior VP CSR PPR.

**The ECCSR** does not address anonymous requests but guarantees full confidentiality in the treatment of the reports submitted (review of a complaint in the absence of any management representatives from the branch concerned, prior approval by the claimant on any action requested by the ECCSR from the company concerned, anonymisation of cases investigated in the ECCSR activity report, etc.).

**The ECCSR** issues recommendations to persons best positioned to implement them in the company concerned, but shall not substitute for any persons, departments or existing bodies (management line, personnel representatives, legal department, internal audit department, H&S committee, etc.). It is intended solely as an open entity for consultation and advice.

Any PPR Group employee witnessing a case of non-compliance with any one of the ethical principles advocated in this Code of Business Practices may therefore contact the ECCSR if deemed justified.

# TO CONTACT THE ECCSR, WRITE TO:

via e-mail: [ethique@ppr.com](mailto:ethique@ppr.com) or [ethics@ppr.com](mailto:ethics@ppr.com)

via postal mail:

PPR - ECCSR Secretary

10 avenue Hoche

75381 Paris Cedex 08 – France

