



**TO: All North America Purchasing Managers and Buyers**

**DATE: November 6, 2013**

**RE: Gifts Rules For Suppliers, Purchasing Managers And Buyers**

Saint-Gobain suppliers are not allowed to provide gift to Saint-Gobain employees. Saint-Gobain employees could be put in a situation that could lead the employees to be in breach of the Saint-Gobain internal No Gift Policy.

Attached is the memo outlining the Rules on gifts for Saint-Gobain North American purchasing managers and buyers concerning the receipt of gifts from suppliers or potential suppliers. These Rules are based on the Compagnie de Saint-Gobain doctrine memo regarding gifts and the North America Delegation Gifts Policy. However, Purchasers will be required to comply with stricter restrictions on the receipt of gifts from suppliers and potential suppliers.

The North America Purchasing Steering Committee approved these Rules for purchasing professionals in April, 2011.

Please read the Rules carefully. Thank you for your diligence in upholding these essential standards and maintaining the professionalism of the Saint-Gobain purchasing community.

Sincerely,

Richard Brunel  
Vice President, Purchasing  
Saint-Gobain North America

## **Gifts Rules For Saint-Gobain North America Purchasing Functions**

These Rules provide specific mandatory directions for Saint-Gobain North America purchasing managers and buyers regarding the receipt of gifts from suppliers and potential suppliers.

### **What is a Gift?**

In the context of the Saint-Gobain purchasing community, a gift is an object offered from a supplier or potential supplier for no payment, an offer of accommodation or any benefit which has a monetary value and is enjoyed by the beneficiary for free.

### **What risks do the Purchasers Gifts Rules minimize?**

These Rules were created to minimize the risk of:

- Creating a conflict of interest where the recipient of a gift may not act solely in the interests of his or her employer;
- A supplier or potential supplier seeking to inappropriately obligate or influence the beneficiary of a gift; and
- Damaging the image of the company, the Group or the Purchasing team.

### **To whom does the Purchasers Gifts Rules apply?**

The Purchasers Gifts Rules apply to all Saint-Gobain employees in North America who are purchasing professionals and buyers and any member of their immediate families.

### **What are the Purchaser's Gift Rules?**

The Saint-Gobain purchasing community in North America has adopted the following "no gifts" mandate:

- Regardless of value, gifts are not to be accepted from suppliers or potential suppliers under any circumstances. This rule is more restrictive than the gift rules applicable to Saint-Gobain employees in non-purchasing positions in North America.
- Purchasing managers and buyers are prohibited from soliciting gifts, contributions, gratuities, services or favors from suppliers or potential suppliers regardless of value.
- Purchasing managers and buyers may not accept the use of supplier or potential supplier property, payment of airplane transportation or trips or invitations to sporting events, cultural entertainment, or other forms of entertainment.

### **How do the Purchasers Gifts Rules apply to standard business practices between suppliers and purchasers?**

- Business meals are not prohibited by the policy, as long as the expense incurred is reasonable and not lavish. To develop and maintain a balance in the relationship with Saint-Gobain suppliers, it is recommended as a best practice that employees regularly reciprocate in the payment of the business meals (e.g., treat our suppliers every other time).
- All such expenses incurred by Saint-Gobain employees must comply with the Travel & Entertainment Policy.

### **What must you do if you receive business gifts from suppliers or potential suppliers?**

If you receive unsolicited business gifts from suppliers or potential suppliers (e.g., cookies or fruit for the holidays), you should:

- Refuse the gift systematically
- Mail the Gift back to the supplier (for non perishable goods)
- For perishable goods, the gifts received should in general, be pooled and shared between members of the employee's department or business; otherwise, they should be given to a social organization or a charity.

### **How do these Rules affect our Supplier Agreements and Purchase Order Terms and Conditions?**

- All contracts and agreements with suppliers or potential suppliers (including the Purchase Order Terms and Conditions) must include the following clause:

*“Supplier acknowledges that it is familiar with the restrictions contained in Saint-Gobain’s Purchaser’s Gifts Rules (the “Rules”), available at <http://www.saint-gobain-northamerica.com/business/purchasing.asp>, which prohibit employees from soliciting or accepting gifts, as that term is used in the Policy, from suppliers or potential suppliers to the Company. Supplier acknowledges and agrees that this [agreement/purchase order] may be terminated immediately if Supplier violates, or attempts to induce an employee to violate, the Rules.”*

- The Saint-Gobain purchasing contracts available on the Intranet portal will include the new clause (starting in Q4-2011)

- Saint-Gobain agreements and contract templates are to be used wherever possible. If a supplier generated agreement format must be used, the above clause must be inserted.