



Group Directive

DIR-GR-DIAG-004

Fundamental Principles of Purchasing



	Directive		
	Fundamental Principles of Purchasing		
SG/DiAG	Corporate Purchasing		DIR-GR-DIAG-004 N° Rev. : 00 Date : 2014 04 01

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Foreword	This English version translated from the original French version is only indicative.
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1 Purpose

This Directive sets the rules applying to the integration of "Fundamental Principles of Purchasing» into the purchasing process. The Fundamental Principles of Purchasing are set out in point 8.

2 Scope

This Directive shall apply to companies of the Group¹ as well as controlled structures², in compliance with their respective decision-making rules.

Within the related structures, established in association with third parties that are not controlled directly or indirectly by TOTAL S.A., the representatives of TOTAL S.A. or its subsidiary shall endeavour to have similar requirements adopted.

3 Distribution and effective date

- Group Intranet / REFLEX
- Date of application : 2014/04/01

4 Reference documents


- TOTAL Code of Conduct

5 Process of creation, revision and approval

00	2014/04/01	Creation	Hélène LE POEZAT Valérie PIFFETEAU Julie VALLAT	Group Legal Committee June 2012 Group Purchasing Committee : July 2012	Sonia SIKORAV Maarten SCHOLTEN Philip JORDAN
VERSION	DATE	OBJECT	AUTHORS	CONSULTATION	APPROVED BY

¹ Companies of the Group mean TOTAL S.A. and its subsidiaries, a subsidiary being a company in which TOTAL S.A holds, directly or indirectly, the majority of voting rights

² A Controlled Structure means any structure other than those formed in association with third parties and controlled by TOTAL SA or any of its subsidiaries (joint ventures, EIG, partnerships ...).

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6 Application

Fundamental Principles of Purchasing must be attached to or transposed:

- in the various processes of selection of suppliers of goods, services and works
- in the contracts with these suppliers.

To this end, each subsidiary can if necessary specify the following 6 Fundamental Principles of Purchasing:

1. Respecting human rights at work,
2. Protecting health, safety, and security,
3. Preserving the environment,
4. Preventing corruption, conflict of interests, and fighting against fraud,
5. Respecting the competition law,
6. Promoting economic and social development.

If a supplier refuses to commit to all or part of the Fundamental Principles of Purchasing, the relevant Legal department should be consulted.


7 Monitoring

A risk analysis should be conducted in order to identify potential non-compliance with the Fundamental Principles of Purchasing and consider appropriate action plans.

Note that the Fundamental Principles of Purchasing provide for the possibility of an audit, allowing, if necessary, monitoring of a co-contractor's compliance with the principles contained therein.

8 Fundamental Principles of Purchasing

In accordance with the fundamental principles set out in particular in the United Nations Universal Declaration of Human Rights, the Conventions of the International Labour Organization, the United Nations Global Compact, and the OECD Guidelines for Multinational companies, suppliers are required to comply with - and to make sure that their own suppliers and subcontractors comply with - current laws, as well as principles equivalent to those defined below.

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- **Respecting human rights at work :**

- Ensure that working conditions and remuneration of workers preserve human dignity and are consistent with fundamental principles defined and protected by the Universal Declaration of Human Rights, by the fundamental principles of the International Labour Organization, and in particular with rules relating to the prohibition of forced labour and child labour, workplace safety, the establishment of an employment contract, working time, rest and parental leave, treatment of discrimination and harassment at the workplace, freedom of speech, association and collective bargaining, freedom of thought, conscience and religion;
- Improve their standards and procedures concerning human rights at work.

- **Protecting health, safety, and security :**

- Perform risk analysis and assessments in these areas and implement appropriate means to prevent those risks;
- Establish a system for monitoring events that occurred in these areas.

- **Preserving the environment :**

- Implement an appropriate environment risk management system, in order to identify and control the environmental impact of activities, products 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;
- Undertake the improvements needed for protecting the environment;
- Limit the impact of industrial activities on the environment.

- **Preventing corruption, conflict of interests, and fighting against fraud :**

- Fight against fraud;
- Prevent and ban any form of corruption: active or passive, private or public, direct or indirect;
- Avoid conflicts of interest, in particular when personal interests may influence professional interests


- **Respecting the competition law :**

- Comply with the applicable competition law.

- **Promoting economic and social development**

- Create a climate of trust with stakeholders, engaging in a dialogue with local communities, promoting local sustainable development initiatives, and giving local companies the opportunity to develop their business.

Compliance with these laws and principles may be audited.

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9 Related documents:

The contractual clause and its appendix "Fundamental Principles of Purchasing" are available on REFLEX with this directive and on the Group Purchasing intranet.



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