



**GLOBAL FRAMEWORK AGREEMENT  
ON THE PSA GROUP'S  
SOCIAL RESPONSIBILITY**

**A social and sustainable commitment without borders to co-  
constructing the future of the Group**

## PREAMBLE

The PSA Group, IndustriALL Global Union and industriAll European Trade Union believe that regular dialogue at all levels and respect for the policies and practices of social responsibility in the enterprise contribute to integration at the global level of the commitments found in this agreement.

After the reconstruction of its economic fundamentals through the Back in the Race plan, the PSA Group has been implementing on the world level its strategy aimed at organic, profitable and sustainable growth, which today translates into the Push to Pass plan.

It is the PSA Group's desire to co-construct the future of the Group with the representatives of employees everywhere in the world. This co-construction is based on a dialogue conducted at all levels: at the Group level and at the level of each country and each work site. It implies that the partners work together in a constructive manner in order to ensure the economic success of the company, protect and develop long-term jobs, and respect the fundamental rights of employees in the work place.

By joining the Global Compact on 9 April 2003, the PSA Group made a commitment to respect and promote the ten principles inspired by the Universal Declaration of Human Rights, the Declaration on Principles and Fundamental Rights at Work of the ILO, the Rio Declaration on the Environment and the United Nations' Convention against Corruption. Furthermore, the PSA Group signed in September 2009 the United Nations' 'Caring for Climate' initiative and adheres to its guiding principles. The Group also is committed to the OECD's Guidelines for Multinational Enterprises as updated in 2011, and to the Guiding Principles on Business and Human Rights (the 'Ruggie Principles') approved by the United Nations' Human Rights Council issued in the same year.

These commitments are also set down in the Group's ethical charter which is distributed to all employees. The ethical charter is based on principles of action by the Group's companies in respect of their stakeholders and contains 16 rules of conduct involving every employee. This charter constitutes an essential set of reference guidelines to which everyone, managers and employees alike, may refer.

Ever since it was signed in 2006, the PSA Group has a global framework agreement on its social responsibility. This was updated in 2010 with the addition of text to help implement the international principles cited above in an efficient and transparent manner.

By means of this agreement, the PSA Group wishes to redefine its commitments to fundamental human rights, to responsible development and the protection of the



environment, and to provide new momentum at the global level to strengthening the principles and common objectives by associating the trade union organisations, as well as the IndustriALL Global Union and industriAll European Trade Union.

These commitments express in particular:

- the need to develop the talents and skills of all employees,
- the need for occupational health, safety and well-being with respect for diversity and equal treatment for all,
- the need for social cohesion,
- the need for a code of ethics and citizenship, and in particular the respect and promotion of employees' rights,
- the need for development that is respectful of the environment and of the territories where the Group is established.

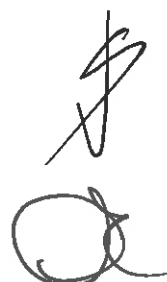
This agreement is part of the social and human resources policies which represent a major asset contributing to the growth and sustainable economic performance of the Group. Its implementation relies on a permanent social dialogue with social partners. For several years, this policy has led to innovative developments in all countries, especially in the fields of fundamental human rights, equal opportunities, diversity, the development of women's employment and the inclusion of disabled people. Progress is achieved on the basis of a clearly defined policy, objectives, actions and measurable results.

This agreement also is part of the Group's environmental approach. The PSA Group has for many years pursued an ambitious approach in response to environmental challenges linked primarily to car use. Aware that its business operations have an impact on the environment, the Group considers that environmental protection is a key element of its social responsibility.

The signatories to this agreement recognise that as manufacturer and supplier of services, automotive activities are evolving within a highly competitive and globalised context which requires them to remain competitive within their respective markets. With regard to the social dialogue, this context involves a permanent quest for solutions which seek to obtain the best equilibrium between performance of the enterprise, safeguarding jobs and the wellbeing of the employees of the Group in each country.

This agreement makes it possible to achieve the goals. It provides a reference framework for each manager and for the signatory trade unions. Its monitoring process is integrated into the PSA System of Excellence, which constitutes the reference guidelines for the Group's management.

It is the embodiment of a common desire to promote the respect of fundamental human rights (part 1, chapter 1), for social requirements shared by all the players in the value chain (chapter 2), consideration of the impact of the activity of the company on the territories where it is established (chapter 3), environmental protection (chapter 4), the development of skills and employability (part 2, chapter 1), quality of life and wellbeing at work (chapter 2), strengthening the structures of social dialogue (chapter 3) and communication and monitoring of the agreement.

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This agreement, a vehicle for social progress, must also be the basis for relations with stakeholders – public authorities, industrial partners, suppliers, customers, shareholders and non-governmental organisations. Indeed, the signatories consider that the implementation of these commitments and objectives require the involvement of the national or local players in these fields in order to bring about long-term social progress.


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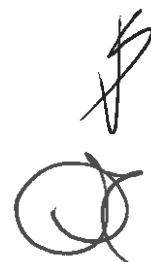
## **SCOPE**

This global framework agreement applies directly to the entire consolidated automotive division (research and development, manufacturing, sales and support functions), to current and future subsidiaries over which the Group exercises a dominant influence.

In those subsidiaries or companies in which it participates but does not exercise operational control, the PSA Group undertakes to promote the same norms and principles.

The PSA Group has sent this global framework agreement to the Faurecia Group, which also has its own European dialogue bodies, in order to promote discussions between Faurecia's social partners on these issues.

Furthermore, certain provisions are directed to suppliers, sub-contractors, industrial partners and distribution networks.

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## PART ONE

### THE PSA GROUP'S COMMITMENT TO RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

#### CHAPTER 1: THE GROUP'S COMMITMENT TO FUNDAMENTAL HUMAN RIGHTS

The PSA Group, the trade union federations and the trade union organisations affirm their adherence and commitment to ensuring that the principles and fundamental rights expressed by the International Labour Organisation (ILO) are respected. For its part, the PSA Group recalls its commitment to respecting the Global Compact initiated by the United Nations Organisation (UN).

##### **Article 1.1 – Promotion and respect of internationally recognised human rights**

The PSA Group, in all of its fields of activity, respects the laws and regulations in force in the countries in which it conducts its business. By signing the present global framework agreement on social responsibility, the PSA Group wishes to go beyond the mere respect of national standards alone, by providing a frame of reference on fundamental human rights.

The PSA Group promotes the respect of human rights in all countries in which it operates, including places where the affirmation of human rights is still inadequate.

The PSA Group encourages the right of expression and the participation of employees. The right to freedom of expression guarantees the right to hold opinions without interference.

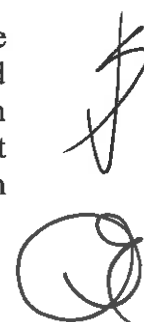
##### **Article 1.2 – Non-complicity in the violation of human rights**

The PSA Group takes care to avert situations or acts of complicity in the violation of fundamental human rights. The Group considers this issue to be part of its responsibility to society at large.

The PSA Group condemns the non-respect and infringement of the rights and dignity of people, as well as verbal or physical abuse and harassment. These actions are punishable by sanctions and are subject to preventive measures in all countries.

##### **Article 1.3 – Freedom of association and effective recognition of the right to collective bargaining**

The PSA Group is open to trade union activities and recognises the existence of trade unions throughout the world. It recognises the right of employees to organise and establish trade unions of their own choosing, and ensures respect of trade union independence and pluralism (*ILO Convention no. 87*). It undertakes to respect strict neutrality regarding the decision of employees to create a trade union, to join an



existing trade union organisation, to move to another organisation or to leave the organisation. It also undertakes to ensure reasonable access within the workplace to trade union representatives from organisations which are signatories to this agreement.

The PSA Group undertakes to protect trade union members and shop stewards and not to engage in any anti-trade union discrimination (*ILO Convention no. 135*).

The PSA Group recognises the right to information and consultation of employees' representatives on all major decisions which affect the life of the company.

The PSA Group undertakes to promote collective bargaining, a key element of social dialogue (*ILO Convention no. 98*).

The social dialogue of the Group is based on free trade union organisations, the representatives of the employees, as well as on representative bodies of the personnel who are informed and consulted on decisions, changes and modification affecting the employment conditions of the employees.

#### **Article 1.4 – Elimination of all forms of forced or compulsory labour**

The PSA Group undertakes to respect free choice of employment and condemns forced labour, considering this to occur every time work is imposed by way of a threat (food deprivation, confiscation of land, non-payment of salary, physical violence, sexual abuse, prison labour, etc. ...) (*ILO Conventions nos. 29 and 105*).

#### **Article 1.5 – Effective abolition of child labour**

The PSA Group condemns and prohibits child labour.

For the Group, the minimum general age of employment is 18 years. However, the Group authorises the employment of, or work by teenagers from the age of sixteen, provided that their health, safety and morality are fully guaranteed and that they have received specific and adequate instruction or vocational training in the corresponding sector of activity (*ILO Conventions nos. 138 and 182*). In this case, the company shall provide specific training for the employees concerned, in order to assist them in achieving a higher level of general purpose and vocational training.

In order to assist young people during their studies and provide employment opportunities within the company, various job integration schemes combining in-house vocational training and the acquisition of skills in training establishments may also be offered from the age of fifteen or from the minimum legal age in the country where this is higher (apprenticeships, etc.).

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### **Article 1.6 – Elimination of discrimination in employment, the exercise of a profession and the promotion of diversity**

The PSA Group pledges that no person will be excluded from recruitment or from career development based on origin, sex, lifestyle, sexual orientation, age, family status, pregnancy or maternity, genetic characteristics, membership or non-membership, real or supposed of an ethnic group, nation or race, political opinions, trade union or mutualist activities, religious convictions, physical appearance, family name and health status or disablement (*ILO Convention no. 111*).

The PSA Group intends to apply and promote best practice over and above legal requirements, and to fight racism, sexism, xenophobia and homophobia and, more generally, intolerance in respect of differences, and to guarantee the respect of privacy.

The PSA Group recognises the principle of equal pay, in particular between men and women, for work of equal value and equal performance (*ILO Convention no. 100*). This principle is applicable whatever the employee's contractual relationship.

### **Article 1.7 – Safety, employment conditions and health**

For the PSA Group, the only acceptable goal is an accident-free workplace. The Group undertakes to ensure that effective preventive occupational health and safety policies are put in place in the various establishments in the form of an occupational safety management system involving everyone, including the social partners, according to their level of responsibility (*ILO Convention no. 155*).

### **Article 1.8 – Attractive employment conditions**

The PSA Group provides remuneration in line with market practices and undertakes to ensure that these payments are higher or at least equal to the conditions set out in national legislation or collective agreements.

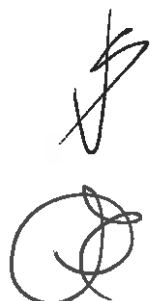
Salaries and wages paid are at least equal to the legal minimum, to the minimum rates of pay for each occupational category, or to the collectively agreed wage, thus enabling employees to enjoy decent living conditions.

The Group's salary policy aims to ensure objective, fair and transparent rules relating to remuneration.

In accordance with legislation and/or collective bargaining agreements in the countries where the Group is established, the right to paid vacations is effectively granted to employees.

### **Article 1.9 – Fighting corruption and the prevention of conflicts of interest**

The PSA Group undertakes to act against corruption in all of its forms (active, passive, public, private, direct or indirect, facilitation payments, kickbacks, influence



peddling, bribery, taking legal advantage, misappropriation of public funds, favouritism, conflict of interests).

The Group does not tolerate such practices in any instance and adopts appropriate anti-corruption measures: an ethical charter, an anti-corruption code of conduct, corruption risk mapping, a warning system, specific methods of accounting controls. It makes sure to warn and raise the awareness of employees to this issue by means of various contractual measures, communication and training. The PSA Group communicates these requirements to its customers, suppliers, partners and intermediaries, and it verifies their application by the latter.

The Group's employees, including its managers, shall avoid any conflict between the Group's interests and their personal interests or those of their close family, in compliance with the provisions of the Group's ethical charter, and must disclose established conflicts of interest in order that they may be excluded in cases of the decision-making process.

Thus, no employee shall acquire an interest in a supplier or customer unless this is done through the purchase of listed securities as part of the management of a securities portfolio, in compliance with the rules banning insider trading.

## **CHAPTER 2: SHARED SOCIAL REQUIREMENTS WITH ALL PLAYERS IN THE VALUE CHAIN**

The PSA Group undertakes to communicate this agreement to its industrial partners and distribution networks, and requests that they apply the principles and international conventions mentioned above in the preamble and chapter 1.

In the framework of calls for tender, the PSA Group undertakes to ensure that respect for human rights as defined in the preceding chapter is a determinant criterion in the selection of suppliers.

The PSA Group has established direct contractual relations with more than 7,000 (1st tier) suppliers from whom it demands respect for the commitments of social and environmental responsibility (CSR) formulated in a Responsible Procurement Charter which makes reference to this agreement. By signing this charter, the first tier suppliers undertake to use these same CSR criteria to select their sub-contractors (second tier suppliers of the PSA Group). Thus, these criteria must be passed down to each rank of the sub-contracting chain in the framework of direct contractual relations between a principal and his supplier.

The PSA Group has put in place a plan of due diligence regarding respect for human rights following the recommendations of the OECD through the following six actions:

1. A public commitment to human rights. This commitment is integrated operationally into the procurement process, respect for human rights being a determinant criterion both for selection of new suppliers and for maintaining existing suppliers in the panel.

2. Risk mapping of failure to respect human rights according to an analytic approach by country, by product and by decision-making process which enables the procurement teams to focus their attention on the parts or groups of goods identified as being at risk.
3. Preventive actions to deal with the identified risks. The suppliers are evaluated by a third party. The PSA Group requires periodic re-evaluation by this same third party to ensure that selection of suppliers during calls for tender take into account the most recent level of CSR performance. Implementation of the PSA Group's RSE principles is part of an approach ensuring progress and providing assistance to suppliers. The Group reserves the right to conduct audits or to have others perform audits of suppliers at any time in order to verify the compliance of their practices with the Group's requirements as mentioned in the Responsible Procurement Charter.
4. Implementation of corrective measures required for suppliers potentially or actually involved in violations of human rights. Every failure in meeting the stated principles becomes the subject of plans for corrective actions, even sanctions going as far as removal from the panel.
5. Monitoring the action plans: the supplier actually or potentially responsible for violations of human rights must demonstrate the roll-out of corrective actions agreed with the PSA Group following a timeline devised in keeping with the seriousness of the non-compliance. The Group carries out a re-evaluation or an audit in order to confirm this supplier's staying in the panel. The plan of corrective actions may concern the supply chain of the supplier.
6. Communication relating to the actions implemented: an overview is presented to the social partners every year within the framework of a status report on the agreement. The annual CSR report of the PSA Group makes these results public.

The alerts sounded by the trade union organisations in the context of monitoring application of this agreement for violations by suppliers shall result in action by the Procurement Management of the PSA Group to obtain explanations from the offending supplier and to remedy the problems detected. Thus, application of this global framework agreement is fully incorporated in the warning process implemented by the PSA Group.

A specific process will also be put in place for the small companies which are suppliers and sub-contractors, in order to allow them to introduce the international standards cited above in a step-by-step manner.

Moreover, in the main countries where it operates, the PSA Group undertakes to participate in structured exchanges within the automotive sector and to promote social dialogue at the sector level, especially on the subject of anticipating economic, technical, industrial and social change.



### **CHAPTER 3: CONSIDERATION OF THE IMPACT OF COMPANY ACTIVITY IN LOCATIONS WHERE THE GROUP IS ESTABLISHED**

The PSA Group undertakes to foster the employment and training of the local working population, thereby contributing to economic and social development in all locations where the Group is established.

In each country in which it is located, the PSA Group thus gives priority to local human resources in filling available jobs, and develops local integration wherever possible by relying on the local industrial fabric.

In the event of changes to its business, the PSA Group undertakes to provide advance information to the national authorities and to cooperate with them in respecting local interests.

By means of its Foundation, the PSA Group contributes to local development by supporting structures of general interest or associations everywhere in the world with attention to the Group's areas of development and to its labour market reserves. Convinced that mobility is a global issue of contemporary society, a factor of autonomy, of progress, of social integration and that it constitutes a right for everyone, the PSA Foundation bases its actions on support for mobility projects enshrining the principle of solidarity.

### **CHAPTER 4: THE PSA GROUP'S COMMITMENT TO ENVIRONMENTAL PROTECTION, in particular, respect of natural resources, reducing the impact of the Group's activity, managing the environment and other conduct-related aspects**

The PSA Group undertakes to respect international, European and national statutory obligations in this field with a view to improving safety, health and environmental protection, and the preservation of natural resources, while minimising the impact of the Group's activities on the environment.

#### **Article 4.1 – Respect of natural resources by controlling their use**

The PSA Group undertakes to use natural and energy resources responsibly (water, raw materials, gas and electricity, fuel, etc.).

#### **Article 4.2 – Combatting climate change and reducing the impact on the natural environment and third parties**

The PSA Group contributes to combatting climate change by identifying direct and indirect sources of greenhouse gas emissions (GHG), measuring them, and implementing measures for reducing direct or indirect GHG emissions. The PSA Group is working to develop more environmentally friendly products in terms of carbon dioxide emissions, pollutants and the use of natural resources.

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The PSA Group intends to introduce manufacturing methods that produce an environmental impact which is as low as possible by relying on this agreement.

Harm done to the natural environment is controlled by managing air-borne pollution, soil contamination, emissions in water, disposal of waste and hazardous substances, as well as other factors having an impact on the environment and third parties (noise, odours, etc.).

#### **Article 4.3 – Environmental management and other aspects of conduct**

##### **Environmental management**

An environmental management system (EMS), based on the ISA 14001 standard, is implemented at the Group's different production sites, all of which have been certified. The EMS involves all of management and provides appropriate training for employees.

At most other sites (R&D, sales and service locations, etc.) measures adapted to local environmental challenges are applied and managed locally.

In addition, the Group undertakes to increase employee awareness and develop skills in respect of environmental challenges on all sites.

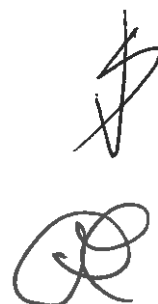
The PSA Group, acting together with its social partners, offers solutions enabling employees to avoid environmental pollution, for example, by rationalising work-related travel and commuting, and encouraging more ecological behaviour.

##### **Making external stakeholders more aware of environmental challenges**

The PSA Group undertakes to foster environmental protection amongst its customers, suppliers and other stakeholders.

#### **Article 4.4 – Information to staff representatives and trade unions**

The PSA Group undertakes to ensure that each subsidiary informs the trade unions and staff representatives of its environmental actions, good practice and results each year. Furthermore, a comprehensive review shall be presented during the Global Works Council meeting.

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## **PART TWO:**

### **A HUMAN RESOURCES POLICY TO DEVELOP THE HUMAN CAPITAL OF THE PSA GROUP**

#### **CHAPITRE 1: DEVELOPING SKILLS AND EMPLOYABILITY**

##### **Article 1.1 – Management of skills**

To offer each employee possibilities to advance professionally constitutes one of the principal challenges before the PSA Group.

In a constantly evolving professional context, the Group's HR policy has as its special objective to support in their professional development employees who wish to safeguard and improve their future in all countries, in all their diversity, by assuring equal opportunity for all.

The diversity of its professions is an asset both for the company and its employees. Support initiatives make it possible for employees to grow in the company. In every country, the Group allies measures to develop local skills with international career opportunities.

##### **Article 1.2 - Assessment, personal development plans and upgrading skills**

Employee skills are a driver of performance and career development. These skills are assessed to enable employees to carry out a diagnosis and design their own personal development plan.

The PSA Group gives each employee the opportunity to hold regular discussions with their managers on career development, taking account of the employee's own needs and requirements, and those of the company. These discussions take the form of a structured, formal, career development interview which allow for the possibility of recourse in case of disagreement.

This constitutes a time for specific exchange on the professional development of each employee and also touches upon questions of finding the right work-life balance. The development interview ends with the construction of a useful development plan and a moment for exchange of views between the employee and his or her manager.

The PSA Group is keen to give employees in every category the opportunity to be assessed through objective criteria, based on their skills and on real workplace positions.

### **Article 1.3 - The principles of mobility**

Giving preference to internal mobility is the principle adopted by the PSA Group in order to meet business needs, support employability and provide career opportunities for employees.

The Group is keen to publish job offers, favouring volunteering, as part of an approach based on transparency and respect for equal opportunities.

Supporting employees through the acquisition of new skills is one of the conditions necessary for professional mobility. The Group is therefore attentive to the organisation of this support as well as the involvement of management and employees.

The PSA Group enables each employee to build and strengthen his or her employability. To this end, retraining programmes may be implemented.

### **Article 1.4 –Negotiated work organisation to guarantee competitiveness and employment**

By adapting the working organisation and methods, it is possible to strengthen company performance and long-term success while taking into account the need to ensure healthy and safe working conditions by limiting the working time and by measures relating to minimum periods of rest and vacation.

The PSA Group undertakes to keep working hours equal to or less than the hours established by the national legislation or by collective bargaining agreements of the countries concerned. It prohibits recourse to any labour contract which does not stipulate the hours or days agreed and guaranteed.

The PSA Group undertakes to respect rest time and periodic vacations corresponding at least to the conditions established by national legislation or by collective bargaining agreements in cooperation with the social partners and linked to chapter 2 (Quality of life and well-being at work).

Fluctuations in demand and the diversity of the automotive market necessitate time arrangements and organisation of work which are defined and implemented in the context of social dialogue and consultations, according to the customs and rules that are negotiated and in force in each country.

### **Article 1.5 – PSA professional sectors (named “job families” within PSA) and occupations (named “professions” within PSA)**

The PSA Group relies on professional sectors and their related occupations. This approach encompasses all Group occupations and cuts across all departments.

The occupations of the PSA Group are constantly evolving under the influence of the Group’s strategic objectives and especially new opportunities for market penetration and development of mobility services. The Group’s professional sectors and



occupations provide a forward-looking vision of strategic objectives and the related skills. They are an instrument of transformation, providing individual and collective support for employees.

This approach by professional sector makes it possible to draw up skills development programmes and how to acquire those skills, career paths leading to skills qualifications and needs for expertise, as part of a global, cross-cutting vision.

Through this agreement, the parties agree that it is essential to provide all employees with information on the prospects of their professions and, where necessary, any changes to prepare for and mobility to be considered. This responsible approach paves the way for the joint building of career projects by the employee and the company.

The Observatory of Professions and Skills put in place in France by company agreement meets the objective of providing visibility on the changes in occupations and skills, and setting out for the social partners and employees the action plans specified for supporting their careers. Management of the PSA Group shall see to it that this approach is followed in the various countries.

#### **Article 1.6 – Access to training**

Skills upgrading is key to the performance and development of the company and of each employee.

The company ensures skills upgrading of employees during their entire professional lives, in collaboration with the employee, who is a player. The Group's ambition is to become a learning company. It implements a variety of means to promote increasing skills, professional development, and to assist employees in these changes. Training leading to enhanced professional skills takes place during working time. The objective is for employees to learn continuously during their entire professional lives and for each employee to take part in at least one training action every year.

The PSA Group is developing digital learning to expand the range of educational methods available for skills acquisition. Digital learning includes a variety of training actions: self-service e-learning, tutored e-learning, virtual classes, MOOC (massive open online courses), etc., creating new possibilities for employees to be players in their own skills development.

The PSA Group dedicates innovative and participative initiatives such as learning breaks that can be organised on specific days and on a collective basis to promote the training of all employees as a special moment.

In 2015, 73,659 Group employees took part in at least one training initiative, for a global training access rate of 76% at the world level. The aim is to increase this figure to 85% per year beginning in 2019. To achieve this objective, it will be necessary to provide training resources for all categories of personnel, and to address situations where employees go for long periods without training.

The PSA Group implements a youth employment policy designed to make it easier for young people to enter the workplace. It is based on a responsible commitment in



countries where the Group is present. This policy frequently involves local partnerships with employment services, schools or universities. The mentoring system encouraging transmission of knowledge shall be prioritised and encouraged. In the same way, special emphasis will be placed on apprenticeship.

The arrangement for training are determined and introduced in the context of social dialogue and consultations, according to the practices and rules negotiated and in force in each country.

#### **Article 1.7 – The policy of overall remuneration**

The PSA Group implements a policy of overall remuneration which comprises elements that are individual and collective, quantitative and qualitative, and which encompasses remuneration, social benefits, individual and professional development and the workplace environment.

In order to distribute to employees the fruits of growth and of value creation to which they have contributed by their efforts, collective bonuses linked to the company's performance are paid to all members of staff.

Ever since 2006, the PSA Group has steadily put in place in all countries a welfare benefits scheme to cover risks associated with death, invalidity and incapacity.

Furthermore, the PSA Group is implementing in all countries defined contribution retirement plans to supplement benefits from compulsory schemes. It sees to it that employees benefit from a scheme of social protection in case of illness and maternity, and offers complementary health insurance plans. These arrangements are adapted, country by country, to local regulations.

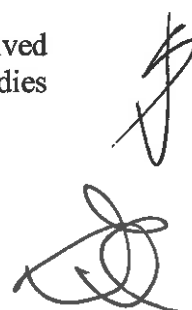
## **CHAPTER 2: PUTTING QUALITY OF LIFE AND WELL-BEING IN THE WORKPLACE AT THE HEART OF THE PSA GROUP EMPLOYEE EXPERIENCE**

### **Article 2.1 - The occupational health and safety management system**

The PSA Group ensures the health and safety of all those contributing to the activity of the Group anywhere in the world. This commitment is reflected in a structured approach intended to reduce risks and manage safety in all working situations.

The founding principle of the Group's Occupational Health and Safety Management System (OHSMS) is that safety must be designed, planned and implemented day by day. At all levels of the company, management must enforce the fundamentals and the deployment of the OHSMS as part of a process of continuous improvement.

The social partners are key players in the risk prevention approach. They are involved in all these processes, particularly as part of various hygiene, health and safety bodies provided for by local legislation.



The PSA Group Occupational Health and Safety Management System is an application of the International Labour Organisation (ILO) Fundamental principles regarding the occupational health and safety systems (ILO-OSH 2001). This system is applied at all levels in the Group structure and progresses through stages of maturity up to full ownership of a safety culture by the employees.

### **Article 2.2 – PSA Group’s health programme**

The implementation of the Group’s Health and Safety policy is based on a structured approach to health and the implementation of local initiatives to promote employee health, occupational illnesses prevention and how to remain fit to work.

The PSA Group is stating its ambition to step up health-related initiatives and create a new momentum to promote individual and collective health. The aim is to go beyond conventional efforts to prevent work-related health issues and to enable each employee to build a health capital throughout their professional careers.

To achieve this, health issues are addressed as part of a structured and coordinated approach for the whole Group, based on the following principles:

- health initiatives linked to the three levels of prevention to protect the long-term health of employees and thus promote job retention,
- dissemination of a ‘health essentials’ standard to make progress in all geographic areas,
- regular medical check-ups for employees,
- periodic health appraisals of the population monitored, which are presented to workers’ representatives, in order to trigger new progress targets.

This way will lead to reaching the goal of acquiring detailed knowledge on health issues and their determining factors in order to put in place and assess in consultation with social partners action plans for improvements all over.

Every year, the Group will organise a World Health day to raise employee awareness.

The PSA Group and employee representatives undertake to take part in the ‘Healthy workplaces’ scheme promoted by the European Union and the European Agency for Safety and Health at Work, in compliance with the framework set out by the World Health Organisation (WHO). This commitment will give the Group’s health programme the momentum to apply a global approach encouraging all countries to share the good practices implemented.

### **Article 2.3 – Promoting occupational wellbeing and motivation**

Developing occupational wellbeing and preventing psychosocial risk are part of the efforts to maintain health and safety in the workplace. They directly contribute to the performance of the company and the collective interest of society as a whole.



Thus, the PSA Group shall pursue an active health policy oriented first towards prevention of illnesses which might appear or develop in relation to professional activities, including in the fields of psychosocial risk, the prevention of instances of harassment, of stress, of muscular-skeletal problems, of chemical risks and risks on the road. Warning instruments shall be deployed with the participation of employee representatives.

With the support of the medical community, the PSA Group began developing expertise in many countries in 2007 to identify factors of stress and motivation/demotivation, assess them and put in place multi-disciplinary initiatives to prevent situations of psychosocial risk. The ESSP method (from the French acronym for Assessing and Monitoring Occupational Stress), widely deployed by the PSA Group, is based on a questionnaire completed by employees on a voluntary basis as part of periodic health monitoring. This method includes a range of tools for providing individual or collective support and for deploying actions contributing to the prevention of psychosocial risk as well as the promotion of occupational well-being and motivation.

The PSA Group undertakes to steadily improve ergonomics of work stations and to find for each employee a position appropriate to his/her aptitudes, without discrimination. Furthermore, the Group undertakes to work at reducing physical, postural, cognitive and mental burdens and to promote wellbeing on the job.

In addition, the Group encourages action by the stakeholders in the health sector to introduce information and prevention initiatives intended for employees on such subjects as smoking, alcoholism, drug addiction, AIDS and STD.

Through this agreement, the parties undertake to implement a roadmap to put in place operational action plans, to prevent and address health risks.

#### **Article 2.4 – Work-life balance**

Establishing a good work-life balance contributes to quality of life in the workplace, to stress prevention and the performance of the company.

Within the PSA Group, labour standards promote practices supporting personal and professional life balance, particularly in two areas: the correct use of new digital forms of communication (emails, mobile phones, social networks...) and the organisation of efficient meetings, all the while guaranteeing the right to disconnect.

Teleworking is an innovative working method. It promotes a better work-life balance and improves working conditions insofar as it takes into account the aspirations of employees and respects the organisation of work established by national legislation or by collective bargaining agreements. Teleworking is being deployed within the Group using PSA digital tools.

Teleworking will be promoted wherever possible, depending on organisation, occupations and local regulations. Each country will adopt a definition of the acceptable forms of teleworking and the criteria of eligibility according to organisation and regulations. The PSA Group favours an approach based on preliminary trials. Following positive results in France, Brazil, Argentina, Belgium

and Spain, plans have been made to extend teleworking, depending on needs and interests, promoting this practice in more countries.

The organisation of teleworking is part of an initiative negotiated at the local level between the company and employee representatives.

#### **Article 2.5 – Ensuring gender equality and diversity in the workplace**

In 2016, the PSA Group adopted the Women’s Empowerment Principles, an initiative by the UN and UN Women, which encourages companies to promote gender equality and diversity. This new commitment reflects the Group’s efforts to implement its policy of gender equality and diversity at the global level.

The PSA Group is pursuing an active policy on gender equality. The aim is for this policy to create added value and contribute to economic performance. With the Women’s Empowerment Principles, the Group has adopted an internationally recognised standard, applicable to all its companies in all countries. This standard will be used to assess what has been done in the various countries, in order to identify new progress initiatives and promote best practices.

The objectives and commitments made by the Group concern:

- gender diversity in occupations,
- HR processes ensuring job and salary equality,
- access to all levels of responsibility for women.

The figures reflect the progress made by the Group in this respect: women make up 19% of the overall workforce, more than 20% of managers and 1/3 of engineers and managers under 30. Women make up 13% of senior managers and executives. The Group’s objective is to increase this figure to 20% in the medium term. These key indicators are monitored across all regions.

#### **Article 2.6 – Promoting diversity and preventing discrimination**

For the PSA Group, the diversity of employees and cultures is a source of added value and economic performance, provided that equal opportunities are guaranteed. By fostering all skills and enabling their full potential, the Group is able to meet the challenges of collective performance and international expansion.

This social issue concerns all the countries in which the Group is present. Looking beyond legal requirements, the PSA Group is committed to applying and promoting best practices in human resources management. This means placing the emphasis on skills to access employment and career development, and encouraging inclusive management practices. Under this form of management, everyone is valued for their merit and discrimination of any sort is not tolerated. The PSA Group does not tolerate racism, xenophobia, sexism or homophobia. To ensure this policy works in practice, procedures of detection and of resolution are being put in place and are made available to employees within the Group.

The PSA Group has adopted a Worldwide Diversity Commitment, expressing its policy on equal opportunities and promoting diversity around the world. This commitment provides a standard for countries to assess their practices and pursue progress.

### **Article 2.7 – Supporting the Group’s digital transformation**

The ambitions of the PSA Group employee journey include developing digital resources and putting in place new, more collaborative, working methods. To support the digital transformation, a number of initiatives will be implemented.

A ‘digital passport’, covering a common base of knowledge, will be available to employees, via the Learn’In website.

Using digital resources, the company also wishes to simplify everyday work and make life easier for all employees in their working environment. The company’s digital transformation will be supported by communication tools that favour collaborative, cross-cutting agile working methods, notably with the implementation of a Corporate Social Network.

To support this process, the Group is transforming work areas, placing the emphasis on collective strengths with collaborative workspaces alongside informal meeting areas, and making new communication technologies available. The possibilities offered by digital resources are part of this reconfiguration. Adopting a working organisation based on collaborative methods in order to promote a cross-cutting approach, share information, develop synergies, and contribute to simpler, smoother employee interaction, will position the PSA Group at world class level.

This transformation of the organisation and of working conditions of each employee must be the subject of consultations and exchanges between the Management and employee representatives.

## **CHAPTER 3: REINFORCING THE STRUCTURES OF SOCIAL DIALOGUE**

The signatories underline the essential role played by trade unions in supporting dialogue and social cohesion within the company. The PSA Group favours a relationship of trust and transparency to conduct changes in the company.

### **Article 3.1 - Organisation of transnational social dialogue**

**Global Works Council:** the unique body bringing together employee representatives of the PSA Group at global level having a field of application extending over all the regions;

**Group European Works Council:** a transnational body of information and discussion having the European Economic Space as its field of application;

**Joint Strategic Committee:** a body of information and discussion dealing exclusively with the challenges and strategies of the company.

### **Article 3.2 - The Global Works Council**

The Global Works Council established in 2010 has seen its role reinforced. The Global Works Council is the unique body bringing together employee representatives of the PSA Group at global level. It is part of the co-building efforts conducted at international level, with employee representatives from the main countries.

Each country with at least 500 employees is represented within the Global Works Council. The Global Works Council comprises a European body (Group European Works Council) and an extra-European body. Through the extra-European body, employees of the PSA Group Automotive Division benefit from global representation.

Reflecting the Group's global activity, the Global Works Council makes it possible to share implementation of the Group's strategic plan across all regions and to conduct a dialogue with employee representatives. The actions of the Human Resources policy worldwide are presented and monitored at every meeting.

The Global Works Council is chaired by the President of the Group Executive Board of PSA or his representative. Each director of the global regions comes to report on the region's results before the Global Works Council.

Furthermore, the Global Works Council is the body monitoring the present agreement.

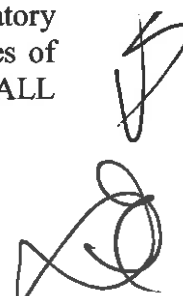
It ordinarily meets once a year. In order to have sufficient time for discussions and to properly monitor this agreement, the meeting is organised for a minimum period of two days.

Ordinary meetings can be held in all of the PSA regions without distinction. Some meetings may be organised using telepresence facilities on a trial basis.

Travel by members of the Global Works Council is organised by local management of the PSA Group which fully covers all travel expenses. Travel time and time spent at the meetings are considered to be working time.

Whenever a point on the agenda concerns a given country, a trade union representative of that country will be invited to the meeting.

Each plenary meeting of the Global Works Council is preceded by a preparatory meeting of representatives to the body. Time is set aside for the representatives of Global Works Council to hold discussions with the representatives of the IndustriALL Global Union and industriALL European Trade Union.



### **Article 3.3 – The Joint Strategic Committee**

In view of their role as social partners, the trade unions are informed of the company's objectives and strategies, as well as business performance. All transformation projects with a major impact on working conditions are preceded by social dialogue and the implementation of appropriate support measures.

The Joint Strategic Committee is an additional body for dialogue and discussion set up in 2007 and expanded at European level through the agreement of 19 June 2008. It allows confidential discussions at an early stage and a greater understanding of the objectives, strategies and goals pursued by the Group.

The role of the Joint Strategic Committee has been reinforced several times. The medium-term plans are now submitted to this committee every year. This information is then cascaded down to each production centre and plant in Europe.

The Joint Strategic Committee will expand its membership. Alongside the representation set out in the agreement of 19 June 2008, a representative appointed by the trade union(s) in Slovakia will sit on the Joint Strategic Committee. Some non-European representatives will have the possibility of participating in the Committee.

Reflecting the Group's organisation by region, this expansion means that the five countries with the biggest automotive division workforces in Europe are now represented. This underlines the pertinence of adopting an international standpoint in discussion on strategic objectives with employee representatives, as well as the maturity of Group practices in this domain.

### **Article 3.4 – Links between different levels of employee representation within the PSA Group**

The Global Works Council is the unique body bringing together Group employee representatives at global level. When it discusses a question relating to the general running of the company and its strategic objectives, all members have the same right to ask questions or put forward their views. To make it easier to prepare meetings, all representatives are able to take part in a joint meeting, without management present, with interpreters the day before the plenary meeting.

The European Group Works Council was founded through the agreement of 10 July 1996. Its role was reinforced by a rider signed on 7 July 1999 on the introduction of a Liaison Committee. The agreement of 23 October 2003 made other changes allowing the European Group Works Council to adapt to a changing environment and giving it operating rules that remain applicable today. Ensuring the consistency of information conveyed the French Group Works Council exercises and conducts its remit and duties as part of the European Group Works Council. The French delegation to the European Works Council makes up the French Group Works Council.

The Joint Strategic Committee is an additional body for dialogue and discussion at European level. It allows confidential discussions at an early stage and an understanding of the objectives, strategies and goals pursued by the Group.

These various entities do not substitute for one another and work in their own domains of activity as defined above.

A handwritten signature in black ink, consisting of a stylized 'J' followed by a flourish.



## COMMUNICATION AND MONITORING OF THE AGREEMENT

### CHAPTER 1: IMPLEMENTATION AND MONITORING

The global framework agreement is applied in every country where entities falling within the scope of the agreement are represented.

The signatories undertake, by means of social dialogue, , to define initiatives for the chapters relating to social, environmental and human resources policy of the Group which are implemented for the purpose in application of this global framework agreement. The parties accept the commitment to implement this global framework agreement by ensuring its effective application at the local level while respecting national rules. The provisions of this agreement are not intended to substitute for local laws, regulations and conventions.

Nevertheless, when it is a matter of fundamental standards of labour and jurisprudence of the ILO, they must supplant national legislation when the latter is less favourable than the respective conventions of the ILO.

This agreement is translated into the languages of the countries in which the Group is present.

Information about this agreement shall be given to all the line managers and employees. Its dissemination will be facilitated by publication on Live'in, the Group's intranet portal, and by local spin-offs. Its principles and the good practices resulting from its application will be subjects of a communication and promotion among all personnel. New employees will be informed of the existence of this agreement.

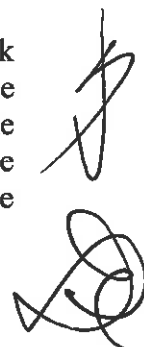
This agreement shall be available on the website of the IndustriALL Global Union and the industriAll European Trade Union.

Two copies of this global framework agreement will be sent to the Versailles Regional Directorate for Enterprises, Competition Policy, Consumer Affairs, Labour and Employment, as well as to the registry of the French industrial tribunal.

The PSA Group reconfirms its commitment to continuously monitor the agreement and assess its application. It also undertakes to deal with recourse and claims filed in reference to application of this agreement and to ensure due diligence vis-à-vis suppliers in its supply chain.

The monitoring of this agreement is carried out at two levels.

In each country an annual monitoring of application of the global framework agreement is carried out by company management and the trade unions or employee representatives. This monitoring of application will be incorporated into the customary functioning of local social dialogue. A document is jointly prepared by the signatories to this agreement which allows each trade union to offer its opinion in the context of the annual monitoring of application of this agreement in their subsidiary.



At the Group level, monitoring of the agreement will be performed by the Global Works Council in the presence of representatives of the IndustriALL Global Union and industriAll European Trade Union, signatories to this agreement.

The application of this agreement will be monitored and assessed annually on the basis of a consolidation and summary document containing a status report, key indicators and main contractual provisions adopted locally, based on each commitment set out in this agreement.

## **CHAPTER 2 – INTERPRETATION AND SETTLEMENT OF DISPUTES**



In case of any disagreements relating to the interpretation or application of this agreement, the signatories undertake to inform one another as soon as possible in order to cooperate in finding an amicable solution within a reasonable time frame. They agree that:

- Any employee has the right to warn the management of a site and the trade unions about possible breaches or non-respect for the agreement. Under no circumstances should such action be prejudicial to the employee ;
- To the extent possible, the difficulties will be handled locally, on the ground, by the local management. An employee who reveals breaches of the agreement can be assisted by a representative of the local trade union. The signatories shall be kept informed about the course of the discussions and of their result by the management and the representative of the local unions;
- If no satisfactory solution is reached, the subject will be dealt with directly by the signatories in liaison with local management and trade unions;
- Failing a resolution, the parties will have the possibility to bring the case to the competent tribunal in the location of PSA headquarters, notwithstanding the place of execution of the agreement or/and the intercession of a third party;
- All problems encountered and solutions adopted shall be presented during the annual meeting of the Global Works Council.

## **CHAPTER 3: FINAL PROVISIONS**

This agreement is governed by French law. Its signing has rendered it directly applicable for an indeterminate period.

The signatories may submit and approve the total or partial revision of this agreement. This agreement may also be terminated by one of the signatory parties and cease to apply after a period of three months.

In the event of a problem of interpretation or legal dispute, the French text is authentic and binding.

The governmental and administrative bodies in each country have been officially notified of this global framework agreement.

The signatory parties to this Global Framework Agreement are:

- The PSA Group, an automotive Group operating worldwide, which bases its development on the principles of socially and environmentally responsible action and conduct in all the countries in which it is established, and in its various sectors of activity ;
- IndustriALL Global Union, which represents more than 50 million workers in 140 countries in the mining, energy and industrial sectors, as well as the majority of trade unions in the scope of the Group's activities, and which fights for the improvement of working conditions and trade union rights around the world;
- industriAll European Trade Union, which represents 6.9 million workers across supply chains in manufacturing industry and the mining and energy sectors in Europe, and pursues the same objectives.

For the PSA Group



Carlos Tavares  
Chairman of the Managing Board



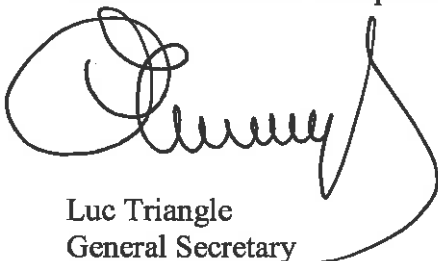
Xavier Chéreau  
Director of Human Resources

For the IndustriALL Global Union



Valter Sanches  
General Secretary

For the industriAll European Trade Union



Luc Triangle  
General Secretary

**With**

- The ratification of the French trade unions affiliated to IndustriALL Global Union and/or industriAll European Trade Union :

For FO Métaux

For CFE-CGC Métallurgie

For FGMM-CFDT

For FTM-CGT

For CFTC Métallurgie

**And with**

- The participation of the Secretary of the PSA Group Works Council, the body which brings together the representatives of the PSA Group employees at global level

Patrick Michel  
Secretary of the Group Works Council