

COMMUNICATION ON PROGRESS



COMPANY: RAYGROUP

TITLE: Internal Environmental Guidelines

GLOBAL COMPACT PRINCIPLES :

Principle 7:

Businesses should support a precautionary approach to environmental challenges

Principle 8:

Undertake initiatives to promote greater environmental responsibility

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies

MESSAGE FROM CHIEF EXECUTIVE OFFICER

ARAYMOND is an independent family-owned company founded in 1865.

Since the origin, our enterprise, specialized in engineered assembly expertise, is focused on innovation and value creation.

We are animated worldwide by an industrial culture, and our aim is excellence in the products and the services we generate.

We are doing extraordinary things with extraordinary people.

Our soul is human. The sustainable development of our company fully depends on the engagement of our human resources, people, teams and colleagues.

Our strongest values are “respect” and “pleasure”.

The respect of human being, of our environment, of our customers, suppliers, partners...

All our new buildings and equipments must drastically reduce our energy consumptions and our CO2 emissions.

We are investing here on purpose in order to cope by facts with our values and be in line with our people's expectations.

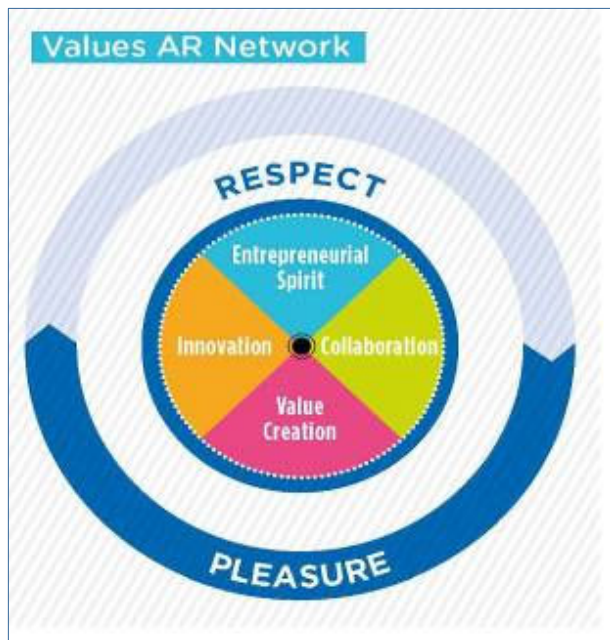
Our second focus is pleasure at work.

We want to increase the well-being of our people worldwide through a better efficiency of our ability to work together, to collaborate, to communicate, to exchange and to share.

We want to improve the recognition, the support and the training of our teams.

We must focus on those vital strategic actions.

It is the only way to ensure the continued existence of the company.



Antoine RAYMOND
CEO

Proudly displaying our environmental commitment!

The Internal Environmental Guidelines were ratified by participants during the Environmental Seminar held in Grenoble on 6th and 7th June, 2011, clearly expressing the Network's determination to respect the environment in all aspects of its business.

Since the end of 2011, an "Internal Environmental Guidelines" poster is being displayed in ARaymond plants and offices around the world. This document was approved by an international gathering of environmental managers in Grenoble on 6th and 7th June, 2011 and signed by all the Network's Managing Directors. This commitment clearly enunciates the company's determination to preserve and improve the environment. It covers four major topics: employees, processes and buildings, products and partners.

Numerous actions and practical measures have been defined by the ARaymond Network. For example, every three months environmental managers will communicate with each other to take stock of the project and to ensure that progress is being made. They will also make sure that each company has the necessary expertise and will establish environmental indicators. A seminar will be organized every year.

To further facilitate exchanges, a forum dedicated to environmental issues has been set up on the intranet. It features documentation, allows users to access the poster and the Rayspect logo (symbolizing the united spirit of the Network) and offers an interactive section to allow people to exchange on general and technical questions.





We, employees of the ARaymond Network companies, want to proactively contribute to a better world by acting eco-responsibly and sharing the below key items and success factors with the world community. We will endeavour to preserve and improve the environment in our business activities.

INTERNAL ENVIRONMENTAL GUIDELINES *towards...*

ARaymond employees

- Promote environmental responsible behaviour and culture to all our people through training and communication
- Promote and implement the sharing of best practices

ARaymond processes and buildings

- Take into account the environmental impacts at the early stages of the processes and of the conception of new buildings
- Identify and prevent pollution risks due to ARaymond internal processes
- Optimize the consumption of raw materials and consumables
- Rationalize shipments and transport
- Reduce the energy consumption and use wherever possible clean/renewable energy and environmental-friendly technologies
- Use the CO₂ emission reduction factor as an environmental decision-making driver
- Be proactive in regards environmental regulations applicable in the country of production

ARaymond products

- Make our best efforts in the early stages of the conception to take into account the recyclability of our products and their ability to preserve environment as an advanced fastening solution

ARaymond partners

- Encourage our suppliers to comply with the environmental regulations applicable in the country
- Raise their awareness and support their dynamics to take steps forward in favour of the environmental protection

ARaymond local manager

Antoine Raymond, CEO

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ARaymond



Rayspect
Working together for a better world

During the fall 2011, the subsidiaries were asked to translate the "Internal Environmental Guidelines" into their own language and at the end of the year, each subsidiary received their translated posters to be displayed in the facility. As a total, the poster was translated into 10 foreign languages (such as Czech, Spanish, Italian, Japanese or even Chinese as shown below).



我们阿雷蒙公司的雇员，为了一个更美好的世界，将通过对环境友好负责的行为和与国际社会团
体分享以下重点项目和成功因素的活动，积极主动的作出贡献。我们将努
力保持和改善我们的
业务活动方面的环境

阿雷蒙的雇员

- 通过培训和交流，促进我们所有的员工对环境负责的行为和文化
- 推动和落实分享最佳做法

阿雷蒙的过程与建筑物

- 在过程的早期阶段和新建筑设计考虑到对环境的影响
- 识别和防止我们流程中的污染风险
- 优化原材料消耗量和辅助材料消耗
- 合理的出货和运输
- 降低能源消耗和尽可能使用清洁/可再生能源和环境友好的技术
- 作为环境决策的先驱者减少二氧化碳排放
- 积极主动的关注环境法规和行业方面的要求

阿雷蒙的产品

- 我们将尽我们最大的努力在早期概念设计阶段，考虑到我们产品的可回收性和保护环境的能力，以及其先进的紧固解决方案

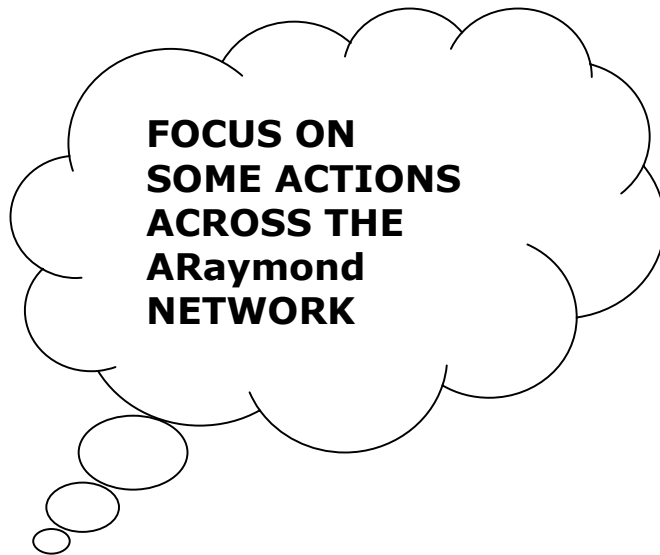
阿雷蒙的合作者

- 鼓励我们的供应商遵守环保法规
- 提高他们的认识和支持他们的动态，向有利于环境保护方向采取措施

ARAYMOND®

Rayspect
Working together for a better world

Each subsidiary was asked to promote the Guidelines locally and to decline each parameter into local actions and associated metrics.



Actions towards ARaymond Employees

The Group Guidelines were presented to the employees through formal or informal meetings.

Training processes have been implemented for employees including new hires to present the environmental aspects and impacts.

Records of environment training sessions are registered (hours/employee).

Actions towards ARaymond Processes and Buildings

LEED® target for new buildings is "SILVER".

Actions towards ARaymond Products

Installation of valves to reduce the air consumption.

Rain water utilization.

Solar heating used for showers.

Use of insulation blankets.

Use of low consumption bulbs.
Monthly monitoring of transports.
Modified start-up process to reduce energy consumption.

Actions towards ARaymond Partners

Reviews and audits of suppliers include environmental impacts and aspects.
Assist suppliers that are not ISO 14001 to create environmental projects in accordance with ARaymond guidelines.

- **Principle 7**: Businesses should support a precautionary approach to environmental challenges.

During our Environment Seminar on June 6 and 7, 2011 and besides the official launching of the "Internal Environmental Guidelines", each participant presented a project or a local action as part of a friendly "competition". Based on criteria such as innovation, cost reduction and possibility to easily transfer the "idea" to other locations, the vote rewarded 3 local projects:

- **Brazil**: tool for energy consumption reduction
- **Turkey**: storage silos for raw material
- **France**: software for energy management

The 3 project owners received a special award for their contribution.



The A Raymond fight against desertification in Niger

- [Principle 7](#): Businesses should support a precautionary approach to environmental challenge.

At the end of 2009, we decided to celebrate the New Year (2010) in a particular way. Instead of sending paper greetings cards to our employees, we have joined the Tree-Nation's ambitious program "Niger Heart". Through this program, the association Tree-Nation aims to plant, between 2007 and 2015, 8 million trees in Niger. This country is facing desertification and poverty.

Our participation to the Tree-Nation program will have several benefits, such as:

- Contribute to fight desertification in Niger
- Contribute to protect the environment by working for its sustainability
- Limit the use of paper greetings cards as it is environmentally degrading and lead to deforestation,
- Mobilize all our employees on a common goal and raise their awareness on the urgency to keep our world safe.

In 2011, and as shown on the pictures below ARaymond contributed to the drilling of a well.





COUNTRY : France

KEY WORDS : - Internal Environmental Guidelines – local environmental projects

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COMPANIES: A. RAYMOND BRASIL LTDA
A RAYMOND FASTENERS INDIA Pvt. Ltd
A RAYMOND ITALIANA S.r.l.
A RAYMOND BAĞLANTI ELEMANLARI SANAYİ VE TİCARET LTD. ŞTİ

TITLE: Raising Awareness On Ethics Principles

GLOBAL COMPACT PRINCIPLES :

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

ACTIONS

Respect : an omnipresent and intrinsic principle

In December 2010, the bi-yearly Global Management Days gathered together 140 managers of the ARaymond companies, from different departments and from all ARaymond companies. They worked together on establishing the set of values of the ARaymond Network. As a result, Respect was identified as the core value, the intrinsic principle omnipresent within the Araymond Network, on which the others values can be based.

Our understanding of Respect is wide, but clearly related to the principles of the Global Compact (respecting people and people's rights, respecting law, respecting ethics).

The involvement of all members of the ARaymond Network is then key, and work was done on our practices in order to promote and make sure that the management embodies this vision and knows about our engagement to the Global Compact principles, as any member of the Araymond Network.

RESULTS

Awareness and communication actions are frequent within the ARaymond Network, about the principles of the Global Compact in general.

Four different ARaymond companies are used as examples to illustrate this Communication On Progress :

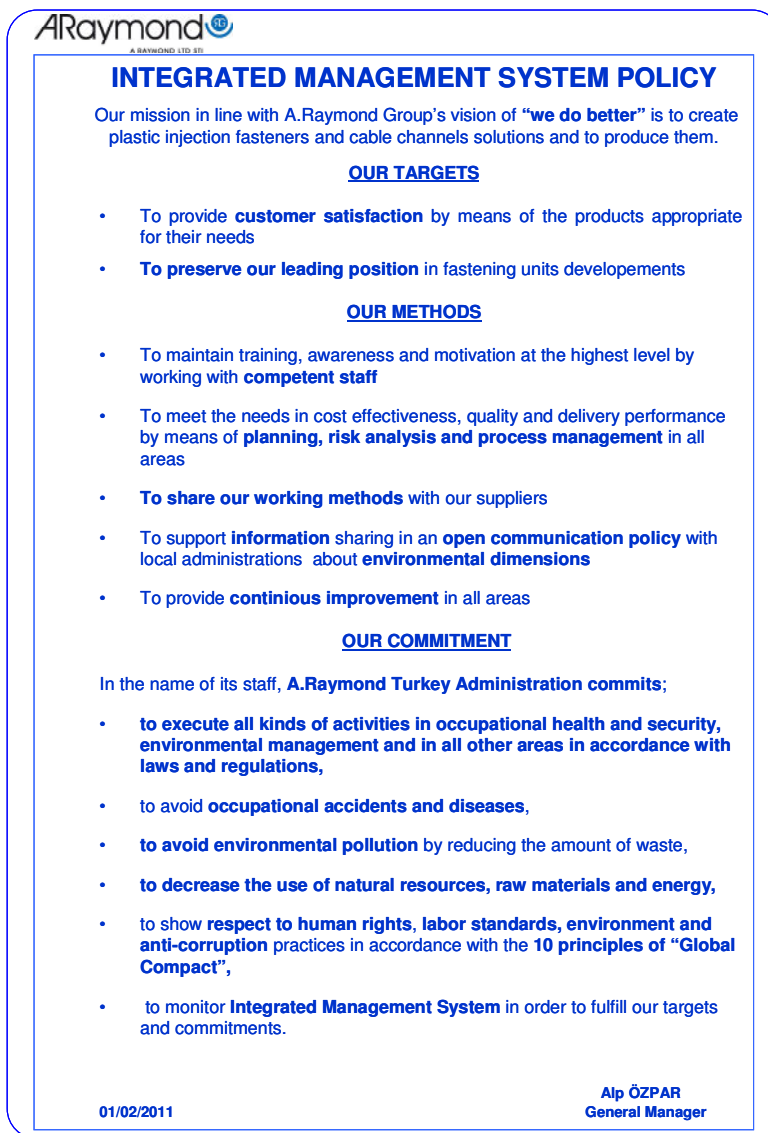
- A. RAYMOND BRASIL LTDA, hereinafter referred to as "ARaymond Brazil". The extracts below are from the "*Código de Ética e Conduta*" (Code of Ethics and Conduct)
- A RAYMOND FASTENERS INDIA Pvt. Ltd, hereinafter referred to as "ARaymond India". The extracts below are from the "*HR Manual*", Chapter 8 : "*Code of Conduct*"
- A RAYMOND ITALIANA S.r.l., hereinafter referred to as "ARaymond Italy". the extracts below are from the "*Codice di Condotta*" (Code of Conduct)
- A RAYMOND BAĞLANTI ELEMANLARI SANAYİ VE TİCARET LTD. ŞTİ, hereinafter referred to as "ARaymond Turkey" : the extracts below are from the internal "*IMS Policy*" ("*Integrated Management System Policy*")

ARaymond Turkey has an Integrated Management System which includes explicitly the commitment to :

"show respect to Human Rights, labor standards, environment and anti-corruption practices in accordance with 10 principles of the Global Compact"

The 10 principles of the Global Compact are communicated as an appendix to the IMS policy. This policy is public, communicated on the walls, and concerns all employees. Refreshment trainings for all, and orientation trainings for newcomers, are organised systematically. The system itself is reviewed and audited one a year, and the company took part to a seminar with a local Non Governmental Organization about the Global Compact.

Below is a copy of the synthetic description of this IMS Policy.



In 2011, actions of communication and awareness were also launched not only regarding the general orientation of the Global Compact, but also working on the details of some of the principles, especially non corruption.

We chose to focus on ethics and non corruption in this Communication On Progress.

Various ARaymond companies implemented internally their Code of Conduct, which is for all of them communicated to all employees and used both as a mean of communication of our beliefs and values and as a guidance on how we do business within the ARaymond companies.

General introduction : aim of such Codes

Codes of conducts include a general introduction and presentation of the aim of such a code. Find extracts below :

In ARaymond India

"This code of conduct sets standards for employee conduct and help us to conduct our business in accordance with the highest ethical standards that has always been primary concern to [the ARaymond companies and people]. In many aspects both the successes we have enjoyed and the future of the company depends upon doing business in an ethical manner.[This] Code Of Conduct, has been drafted to provide guidance in this area. It also addresses , as to how we should protect our hard – earned reputation, how we should exercise good judgment and common sense and how we should interact with each other, as well as with our customers, suppliers , competitors , the community and the environment ."

In ARaymond Brazil

"For A. RAYMOND BRAZIL people represent the true moving force that moves and leads to the perpetuation of the company, so the company considers essential the recognition and respect for human beings.

All our employees, as well as anyone that somehow acts on behalf of A. RAYMOND BRAZIL, are committed to ensuring the values and image of the company, maintaining a posture consistent with these values and acting in defense not only of their interests, but also and equally, in the interest of its customers, suppliers, service providers and trainees .

This ethical conduct involves working virtuously, honesty and with integrity, valuing what is right.

The search for development of A. RAYMOND BRAZIL is with these principles and actions guided by the highest ethical standards." (Chapter IV – General Principles)

"This Code of Ethics and Conduct guides the behavior of all professional initiatives and business decisions, applying to all those who, somehow, provide services on behalf of A. RAYMOND BRAZIL, as in the case of employees, interns and contractors." (Chapter V – Objective)

A focus is set especially on fighting against Bribery and Conflict of Interest

Some extracts of the Codes of Conducts are copied below.

In ARaymond Brazil :

"In relationships, both internally and externally, those who act on behalf of the Company must not use their position to influence decisions that favor their own interests or others linked to it by any kind of influence, rather than the interests of the Company, always with special attention to standards and procedures.

Gifts, benefits, favors offered by persons, companies or suppliers, who have contact with A. RAYMOND BRAZIL, can not be accepted. Can only be accepted gifts of nominal value (no economic and / or financial value) and, in case of doubt, the management the company should be consulted.

Therefore, it will be considered as a violation of this Code to accept any inappropriate gifts, of a monetary value or otherwise, from a supplier, potential supplier or any other organization or person performing business or searching to perform business with the Company (either directly or through a customer of the Company), or that would otherwise be in a position to influence business decisions of the Company's employees.

Employees, interns and contractors should be careful not to accept favors of any kind. It is important to disclose the existence and content of this Code of Ethics and Conduct for others, internally and externally, not to feel entitled to receive or require different treatment." (Chapter 7 – Conflict of Interests)

In ARaymond India

"Dealing with Suppliers

If an employee or his or her family member has a relationship with a current or potential supplier, there exists the potential for a conflict of interest. For that reason, the employee should not participate in any decisions related to the supplier or potential supplier, and should inform his or her supervisor of the relationship." (Chapter 8 : "Code of Conduct")

In Araymond Italy :

"The company, as all the rest of the ARaymond Network, do not tolerate that tools such as bribery and extortion can be used in any situation, even for more business or to acquire new orders from customers.

Relationships with partners in the company (customers, suppliers, bankers and authorities etc ...) must be based on honesty and legality.

The management of the company does never accept that any of its employees is actively or passively involved in corruption with customers or supporting any action that might be suspected of corruption.

Employees of the company before entering into business relationships with third parties should verify the information available on potential counterparts (client or provider) in order to ascertain their respectability and the legitimacy of their activities."

"It is prohibited for all employees to accept transfers of money or goods / services or benefits of any kind which may have as an objective the hiring of someone, or his transfer or promotion."

The Code of Conduct of Araymond Italy also explicitly writes down the 10 principles of the Global Compact as part of the Code of Conduct and informs all employees that the HR department will be in charge of making sure that these principles are respected by all.

Some companies even went further than implementing these Codes of Conducts. For instance, Araymond Italy created an ethic committee, led by HR Manager and General Manager of the company, in order to allow each employee to raise anonymous complaint about potential breach of the Code by any person in any department of the Company. Also, it is important to point out that Araymond Italy wanted to work at the same time on raising awareness of the people thanks to the Code of Conduct, and on implementing a new organisational and legal model. Since this model aims at protecting the company against the crime which could be done by employees, it was important to also raise awareness of all on the ethics principles promoted within the Company rather than working only on the organizational and legal model.

Awareness actions : a means of communicating our Corporate values and beliefs, and contributing to the awareness and commitment of the ARaymond people

After a few years being part of the Global Compact, there are more and more actions deployed in the Araymond Network in order not only to inform the people of the expectations regarding ethics attitude, but mainly to share and communicate our beliefs. The ARaymond companies wish to embody high standards regarding Ethics : theses internal Codes of Conducts help making sure these beliefs are respected of course, but mainly raising awareness of all the ARaymond people and trigger the commitment of each of them.

COUNTRY : Worldwide – Focus on : Brazil, India, Italy, Turkey

KEY WORDS : Code of Conduct – Communication on Ethics – Raising Awareness – Corruption – Conflict of Interest

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