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on **PROGRESS**
A N N U A L R E P O R T
2009



Message from Chief Executive Officer

Since the creation of A Raymond, 140 years ago, we are committed to protecting the environment and to playing a strong social role everywhere we are located. That is reflected in the standards set for our factories. We also endeavour to use non-polluting materials with the aim of protecting our employees' health and the environment.

Our innovations enable us to provide energy-efficient and low-carbon products to our customers.

Thanks to our pioneer action, sustainable development was early on anchored in the culture of our company. The specific feature of our overall economic development strategy is taking account of the social and environmental impacts and integrating the ethical values of the economy.

In 2009, in spite of the crisis, we have maintained our efforts in favour of sustainable development and pursued ambitious projects. In that context, two major facts are noteworthy:

In the environmental area, the new building of Rayconnect, one of our subsidiaries in the United States, has earned the Gold LEED Label (LEED stands for Leadership in Energy and Environmental Design) awarded by Green Building Council, a governmental organization. This distinction rewards our constant environmental protection efforts (see text below).

In the social area, in addition to our efforts to avoid lay offs during the crisis period, we are in the process of developing the social aspects of our CSR (Corporate Social Responsibility). This will enable us to report on our social achievements. It will also help us to define the Group-wide short and medium term actions to implement.

Our CSR project is based on the Global Compact ten principles related to three main areas: respect for human rights, respect for labour standards, and anti-corruption.

This project, as all our environmental protection initiatives, is a strong testimony of our commitment to the Global Compact ten principles. I would thus like to reiterate our firm commitment to the United Nations Global Compact program.

Antoine RAYMOND
CEO

ENVIRONMENT

1- A Gold award for our green building

- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Rayconnect, Inc recently completed the construction of a new 64,000sq foot facility. From the start of the project, Rayconnect had two critical objectives. The first was to create a highly collaborative and extremely efficient facility in which our team can design, develop, manufacture and distribute innovative fluid handling products for our global customers. The second and equally important was to demonstrate leadership in building and operating a facility with highest regards to the environment. With this environmental objective in focus, we targeted to achieve Leadership in Energy and Environmental Design or Gold LEED® certification for the facility.

The LEED green building certification program is a consensus-based national rating system for buildings designed, constructed and operated for improved environmental and human health performance.

LEED addresses all building types and emphasizes state-of-the-art strategies in five areas:

- sustainable site development
- water savings
- energy efficiency
- materials and resources selection
- indoor environmental quality.

The United States Green Building Council (USGBC) is the governing body for LEED. The USGBC is a nonprofit organization committed to a prosperous and sustainable future for our nation through cost-efficient and energy-saving green buildings. USGBC works toward its mission of market transformation through its LEED green building certification program, robust educational offerings, a nationwide network of chapters and affiliates, the annual Greenbuild International Conference & Expo, and advocacy in support of public policy that encourages and enables green buildings and communities.

Results

LEED has four certification levels (Certified, Silver, Gold and Platinum) based upon requirements met. The Rayconnect facility has submitted the supporting documentation to the USGBC to reach the Gold Certification Level based on 44 points of a total of 69 possible.

During the design, construction and commissioning of the facility, Rayconnect focused efforts in each of the 5 strategies.

So specific features of the facility include but are not limited to:

1. capture of rain water from the roof to irrigation.
2. installation of high efficiency lighting systems which include automatic control and sunlight harvesting
3. installation of a high efficiency cooling tower/chiller for process water used in the molding process.
4. installation of an energy management system throughout the facility.
5. use of natural light through the facility.
6. use of certified woods and recycled materials.
7. recycling of construction debris
8. designated parking for ZEV and PZEV vehicles
9. complete building air “flush out” prior to occupancy

2- The A Raymond fight against desertification in Niger

- Principle 8: undertake initiatives to promote greater environmental responsibility;

At the end of 2009, we decided to celebrate the New Year (2010) in a particular way. Instead of sending paper greetings cards, 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 contribution for the year 2010 is to plant 3700 trees. That is one tree per employee. The project will be implemented by next July.

For that, we have selected Acacia Senegal. This species has several advantages. It has a long roots system (between 30-100m), and it can restore and enhance the fertility of the soil by tapping into the underground water. It also produces Arabic gum (resin).

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.

As a partner, Tree-Nation, an association recognized by the United Nations Environment Programme (UNEP), allows us to follow the progress of our project on the Internet. A virtual forest will be created so that we can see the results of our action in Niger. A Web page on A Raymond contribution will also be created in the Tree-Nation Website.

Results

The first, and one of the most important, is to contribute to give local people better living conditions. Our action will help to roll back desertification and poverty in that country.

We are also contributing to the protection of the environment. Planting a tree means less CO₂ in the atmosphere. With the Acacia Senegal, the soil's fertility will be restored. That will contribute to the sustainability of the world.

This partnership is based on long term. For the years to come, other trees will be planted and will come growing the A Raymond forest.

And last but not least, our participation in "Niger Heart" gives us the opportunity to make a collective action, with all our employees throughout the world, in relation with one of the company's key values: the protection of the environment. We have seized the opportunity of the project to reach out to our employees and to engage with them on that value.

3- Carbon Footprint of A Raymond France sites

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility;

In order to fight global warming, A Raymond France is willing to realize a Carbon Footprint diagnosis of its 3 sites. The target is to reduce our greenhouse gas (GHG) impact.

A Raymond France is currently conducting the Carbon Footprint calculation according to the Bilan Carbone[®] tool developed by ADEME, the French Environment and Energy Management Agency.

The objectives are:

- To have a clear and large-scale diagnosis of the greenhouse gas induced through the company's activity and the usage of our products. A Carbon Footprint diagnosis will be realized for each site, as the activities are very different (Logistics, HR, Development, Sales, Metal production, Plastic production...);
- To find the major levers to activate in order to reduce our Green House Gas emissions;
- To develop and implement action plans;
- To simulate the vulnerability of our business to the energy price increase;
- Preparedness before the implementation of CO₂ taxes.

Results

Ongoing. To be finalized by the end of July 2010.

SOCIAL ACHIEVEMENTS

✚ In 2009, we decided to focus on our social achievements. For this purpose, we have gathered information on the practices of all our subsidiaries.

We have designed two questionnaires and have collected statistical data and information which will enable us to have a global view of the social policies applied in A Raymond's subsidiaries.

The objectives were to:

- make an assessment of the current situation,
- highlight our best practices, but also identify the ones requiring corrective actions
- propose common initiatives by developing an action plan for the entire Group.

This mission has been built within the frame to our commitment to the Global Compact program. Its ten principles were used as a basis for the selection of the social subjects analysed.

Thus, thanks to the Human rights component, we have enforced:

- Gender equity;
- Non-discrimination ;
- Diversity ;
- Non-harassment.

The labour standards enabled us to approach:

- Youth employment
- Senior employment
- Abolition of child labour
- Elimination of forced and compulsory labour
- Freedom of association and of expression ;
- Safety.

Fight against corruption led us to think about anti-corruption measures to be defined within our Group.

Finally, we enlarged the scope of our study by covering subjects related to health and wellbeing of our employees, as well as our charitable and humanitarian actions, and our relationship with local communities.

All these subjects will not be analysed in this report. We have chosen to highlight the most significant and the closest to the Global Compact ten principles. However, all subjects will be shared, where appropriate, with our stakeholders (customers, suppliers and subcontractors), our managing directors and our employees.

Expected Results :

- maintain confidence of our customers by giving accurate information on our social achievements;
- share with our managing directors a variety of experiences which they can use locally;
- raise employees' awareness on our commitment and foster company values among the employees;
- use A Raymond group as the first ground of experimentation of our good practices

Indicators	2009	comments
Total staff	3885	
Percentage of permanent contracts	89,31%	
Percentage of short-term contracts	10,69%	
Total number of training hours	54819	progression
Average hours worked per year per employee	1863,88	> European average
New recruitment (2009/2008's ratio)	-0,48	drop

2009's general data

1-Valorisation of internal competences

Recruitments have dropped in 2009 because of the crisis. To cope with this difficult period, we found in-house solutions through internal competency-building.



✚ In Germany, for example, using the activity slowdown due the crisis, the Human Resources department organized, throughout the year, training sessions on quality control, leading to a certification. Operators have been divided into small groups so that the six 25-day modules of the program were completed without interrupting production. The 307 operators of A Raymond Germany have been trained.

Results :

- align operators skills with customer requirements,
- reduce customer returns by 30%;
- improve our Group overall performance,
- professional certificate in quality control recognized in the European Union obtained by 100 % of operators.

✚ In France, activity slowdown in our sector led us to suppress temporary employment and stop renewal of short term contracts. We then developed an internal solidarity system to continue to supply our customers. Employees of various departments volunteered to help production in the factories. Everyone contributed: technicians, administrative staff, and top executives. Thanks to this momentum of solidarity, we have been able to continue to meet customers' demands in a cost-effective manner.

This experiment was enriching for all participants. They discovered a new job, but especially became aware of the quality requirements the operators have to meet.

Results :

- relationship between employees was strengthened;
- feeling of belonging to a global entity was accentuated;
- commitment to A Raymond Group was reinforced.

2- Gender Equity: good representation of females

- Principle 6: the elimination of discrimination in respect of employment and occupation.


In some subsidiaries, percentage of females is higher than the national quota.

- In Belgium, our subsidiary Facil, has a percentage of 32 females whereas the national quota is 3.
- In Spain, our company Tecniacero has a 20% level of females, while the law requires 2%;
- In A Raymond Zhenjiang (China), there are more females than males. The percentage is 63%.

Gender Equity (%)								
Total staff		Training		Promotion		Recruitment		Salary
male	female	male	female	male	female	male	female	female / male*
73,44%	26,56%	70,45%	29,55%	71,43%	28,57%	63,39%	36,61%	67,69%

*the average salary of female divided by the average salary of male

Group situation:

 As far as gender equity is concerned, we can say that:

- the percentage of men and women who have been trained is equal to their level of representation in the Group;
- the percentage of women and men promoted is also equal to this level.
- we appreciably improved our performance in the field of recruitment. Indeed, the percentage of women recruited in 2009 is higher than their level of representation within the Group. We wish to preserve this dynamic;
- in May 2008, the first woman was appointed in the Executive Committee. We will maintain our effort in this direction

According to the results of our survey, the wage of a female represents 2/3 of the wage of a male. We have decided to undertake a specific study to analyse this subject.

Expected results:

- act for female career development;
- insure that gender equity is effective in all our companies;
- correct the wage discrepancy which appears between employees with equal competences and responsibility.

3- Diversity and non-discrimination: Act on that

- Principle 6: the elimination of discrimination in respect of employment and occupation.

We have selected four criteria to deal with diversity: disabled persons, young, seniors and people of different origin. For these populations, it was easy for us to collect information without breaching local laws. We will refine our analysis when defining our Group's action plan.

In A Raymond Network, people coming from diversity represents 35%. But this percentage is increased by the number of seniors. The following table gives a more precise vision of the reality.

Diversity					
Category	Disabled persons	Young	Seniors	others	Group
Total staff (%)	2,12%	9,11%	18,61%	5,85%	35,75%
Recruitment (%)		42,15%	3,14%		
Training in average hours per employee		69,49	16,38		29,10
Commentaires	Have to make effort	Effort made, maintain the dynamics	Level to increase	Level to increase	

Diversity data

✓ Priority to disabled workers

We should make effort to promote diversity, particularly for the disabled workers. Some actions are already being conducted in France and in Brazil:

🇫🇷 In France :

- we signed the diversity charter in 2008, and we actively participate in the meetings organised by the Grenoble Chamber of Commerce. This gives us the opportunity to share our best practices, to identify partners and initiatives that can make our actions more effective;
- we have started to add the diversity logo in all our job advertisements;
- some of our offers are specifically directed to disabled workers. We want to give more impact to our actions in their favour;

- we have also started to raise awareness among our managers on the value of diversity;
- we inform all our partners in the recruitment process (public organizations, recruitment agencies...) about our commitment to diversity;
- we ensure a broad diffusion of our offers through the traditional channels (Internet, newspapers...), and the associations acting in favor of discrimination victims.

🇧🇷 In Brazil, our subsidiary is implementing a project named «Inclusion program » in partnership with a local NGO. Together, they identify workstations to adapt for disabled workers and they support their recruitment there.

Actions to implement

- Create a synergy within our companies, for disabled employment.

✓ Youth : provide them the skills of tomorrow

The information we have collected reveals that the majority of our subsidiaries (nearly 80%) contribute to the training of young people. This collaboration consists in general in welcoming students in the company during their studies: training periods, sandwich courses, internships and professionalization contracts.

In 2008, 72% of these aided contracts for youth have been converted to sustainable employment: permanent or short-term contracts of more than 4 months. But in 2009, only one contract out of two was converted into a long-term employment. These figures do not reflect a deceleration of our efforts but merely the impact of the crisis.

However, we have maintained our efforts in favour of young people. We are realizing training programs. Two initiatives are to be highlighted here.

🇫🇷 In France :

- we are participating to the implementation of a tool setter training program with a training centre in Isere, the Centre de formation d'apprentis de l'Isère, (CFAI - Grenoble). This function is the core of our activity in the production of metal fasteners, but the skills in this field are rare. Nowadays, it's become important to encourage young people to embark in this field.
- in 2010, according to our capacities, we will welcome some students in our Group for the practical part of their studies.

Results :

- sustain know-how;
- incite young people to choose a up-and-coming job and;
- keep them employable;
- adapt the training programs contents to the company needs



In Germany :

- we are contributing to the implementation of a training program leading to a mechatronics engineer diploma. This project is being set up by three universities located in three countries: France, Germany and Switzerland;
- the program offers internship opportunities to students in companies every three months.
- the internships take place by rotation in each country involved in the program.

Results

- the engineers arrive on the labour market with a recognized qualification level;
- they have international experience;
- an important adaptability capacity

✓ Seniors : Assist their career development

In A Raymond Network, one employee out of five is a senior, but the consideration we have for them is more than figures. In our Group, a senior is an employee with skills and experience. He detains knowledge needed by the company and he can transmit them to younger people. He is also aware of our values and respects them.



In 2009, we signed an agreement on senior employment in our most important French subsidiary A.Raymond SARL. This agreement will be implemented in the other French subsidiaries even if there is no legal obligation. Its possible extension to the whole Group will be studied later on.

The main trends of our Action plan in favour of the senior employment are:

- career evolution ;
- skills development ;
- adjustment of their working conditions
- recruitment.

In concrete terms, we will:

- organize interviews to discuss the professional evolution of our seniors; that concerns employees of 45 years old and more. This meeting will be an opportunity to define actions to be implemented for the realization of their professional project. A specific document has been designed for this purpose;
- develop the skills of the seniors. Our objective is that the average hours of training for a senior should be the same as for the rest of the employees. According to information collected this year, this figure is lower, approximately 44% (translating a difference of 13 hours). We would like to reduce this variation in 2010; we would also like to reach the equality by 2011 or 2012.
- assist seniors to better prepare their last professional years: adjustment of workstations and working hours. From 2008 to 2009, we recorded an increase of 23% in the number of adjustment of work stations. This effort will be maintained. With regard to working hours, we would like to give a positive answer to all requests.
- encourage recruitment of seniors. To implement this action, we are following the same course of action as for diversity (see above, paragraph "priority to disabled workers").

NB: The objective for our French subsidiary is 5% of seniors recruited each year.

Expected Results

- keep our seniors as active as possible by providing them better working conditions ;
- keep our skills in-house;
- transmit seniors' skills to the youngest employees;
- offer a second professional life to the seniors.

- 4- Freedom of association : preserve social dialogue

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.



In 2009, we have initiated several actions in favour of social dialogue:

- started to identify the subsidiaries without staff representatives. We will examine, in these subsidiaries, the means available to help employees express their concerns when there is a problem;
- analyse relationship between staff representatives and managing directors. For that, we have used two indicators: number of meetings held during the year and projects managed together. The result is that, each subsidiary where there are staff representatives has held an average of 24 meetings in 2009, 2 per month. Several projects have been conducted in the field of environment, health and wellbeing;
- raise the competences of our staff representatives. As for seniors, the objective is that the average hours of training for a staff representative should be the same as for the rest of the employees. For the year 2009, without our German subsidiary, this figure was 8 hours lower. We will work on reducing this number.

Expected results :

- ensure that employees can express their concerns when they have problems (through staff representatives or others...)
- maintain and improve the social dialogue in-house.

5- Freedom of expression : Carry out satisfaction survey

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights



Several initiatives have been undertaken to improve the freedom of expression in-house in 2009:

- installing suggestion boxes in some subsidiaries ;

- implementing an open door policy to encourage employees to come to discuss with management members. This is in effect in our US subsidiaries Rayconnect and A.Raymond Inc ;
- several companies have carried out satisfaction surveys

Actions to be implemented:

At Group level, we have planned to carry out a satisfaction survey in all our companies during the year 2010. This action will allow us to:

- listen to our employees in order to know their feelings;
- identify our best practices and continue to improve them;
- identify areas where corrective actions are required.

6- Forced labour and corruption: Inform and raise awareness

- Principle 4: the elimination of all forms of forced and compulsory labour
- Principle 5: the effective abolition of child labour;
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

All our subsidiaries have started to inform their suppliers and sub-contractors about our commitment against child labour and all kinds of forced labour. But only one of them has clearly formalized this action: A Raymond Brazil. Since the end of the year 2008, this subsidiary has:

- adopted a clear declaration against child labour, and forced and compulsory labour ;
- defined internal rules related to working conditions ;
- ensured that suppliers and subcontractors respect legal terms of labour rights and that they do not resort to child labour or any forms of forced labour. This is done through a questionnaire annexed to all contracts with suppliers and sub-contractors.

Actions to be implemented:

We will implement this action in all our subsidiaries by the end of 2010. In concrete terms, we will:

- add our commitment to the Global Compact program and its ten principles in all contracts signed with suppliers and sub-contractors;
- design a questionnaire to be attached to all contracts signed with suppliers and sub-contractors in order to check if they respect the Global Compact key principles;
- write an ethic charter for our employees. Our subsidiary Facil has already done this.
- define our anti-corruption policies and procedures ;
- inform our suppliers and sub-contractors about our anti-corruption policies and procedures.

In addition to these topics, we entered in local partnerships to improve the living conditions of the populations close to our sites. Through this, we are contributing to charitable and humanitarian actions. In this context, the efforts of our Czech subsidiary, AR Jablonec, are particularly noteworthy.

7- Our humanitarian action in Czech Republic

Each year our company located in the area of Jablonec (Czech Republic) supports various associations involved in the improvement of disabled youngsters' living conditions. Our contribution is used to:

- offer summer holidays to about 30 children;
- pay for rehabilitation course with horses;
- buy minibuses for their transport.

For the purchase of the minibuses, we act in partnership with about 15 other companies of the area. Our initiative is a humanitarian action and it is directly profitable to people concerned by the program.

We started this action in 2003. Since then, our engagement has been unwavering.

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