

COMMUNICATION ON PROGRESS



MESSAGE FROM CHIEF EXECUTIVE OFFICER

The ARaymond Network links more than 5500 people in 25 countries in 2014.

Our goal, as an enterprise, is to generate value and sense for our employees, for their relatives, for our customers and the customers of our customers, for the countries, the communities and societies in which we are present and operate.

This year (2015) our enterprise will celebrate its 150th anniversary!

Each company of our network will celebrate this important event, which represents the evidence that we have always been focused on the long term. Our goal is to make sure that our actions today will have positive and sustainable impacts for the future generations.

We believe in a kind of enterprise which will not be strictly hierarchically driven.

We believe in an enterprise driven by meaning.

We believe that in any country of the world, the true engagement of people is based on trust, respect and meaningful actions.

We believe that the most performing enterprises will be the ones with the most engaged people.

We believe that the combination of engagement and global collaboration of autonomous entities and people is of utmost importance for the future of our enterprise and our society.

In order to achieve this ambitious goal, we need to walk the talk. In 2013 we initiated an internal international training program on "Servant Leadership"; this training was carried on in 2014 with more than 200 managers around the world trained and this program will be going on in 2015; each session being a mix of participants of different nationalities and different fields of responsibilities.

In 2014 we continued our participation in the mindfulness and economic peace chair. In 2015 we will develop through trainings the non- violent communication principles.

In 2014 we continued to support Tree Nation with several actions which are depicted in the following report.

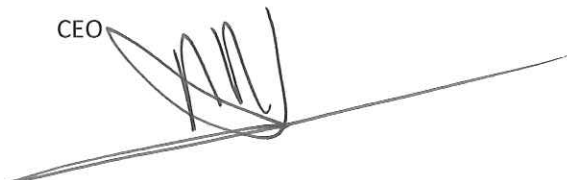
All 12 new buildings erected in 2013 and 2014 are LEED certified whether the building is erected in France or in Germany.

These are a few among many actions which are implemented worldwide which enhance our support our fundamentals: our environment and our people.

The Araymond Company renews its engagement towards the Global Compact and its 10 principles.

Antoine RAYMOND

CEO

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke at the end, positioned over a thin horizontal line.

TITLE: ARAYMOND ENVIRONMENT-RELATED ACTIONS WORLDWIDE

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

ACTIONS

1 – NEW FACILITIES – ALL TAKING THE LEED

LEED

1 -THE AR GERMANY BREMGARTEN PLANT AWARDED

ARaymond Germany was awarded the international LEED (Leadership in Energy and Environmental Design) silver certificate for its Bremgarten plant just before Christmas. About 150 ARaymond employees work at the new facility, which was completed at the beginning of 2013 and produces QCs. The plant was built to the highest environmental specifications and features a heat pump running on ground water, recycling of waste heat generated by machines, collection of rainwater for toilets and irrigation and 7.000 m2 of rooftop photovoltaic solar panels. *“Originally, LEED criteria were developed for administrative buildings, but this certification proves we can achieve the same high environmental standards for industrial buildings,”* says Peter Dreier, Plant Manager in Bremgarten.

2 – THE AR BRAZIL PLANT AWARDED

ARAYMOND BRASIL LTDA

Project ID 1000022338
Rating system & version LEED-NC v2009
Project registration date 02/10/2012



SILVER

Certified (Silver)

CERTIFIED: 40-49, SILVER: 50-59, GOLD: 60-79,
PLATINUM: 80+

LEED FOR NEW CONSTRUCTION & MAJOR RENOVATIONS (V2009)

ATTEMPTED: 64, DENIED: 0, PENDING: 0, AWARDED: 51 OF 110 POINTS



Sustainable Sites 15/26



Indoor Environmental Quality 3/15



Water Efficiency 8/10



Innovation in Design 6/6



Energy and Atmosphere 7/35



Regional priority 4/4



Materials and Resources 8/14



Key Actions implemented at ARB



Quality Internal Environment

White Roof Reflection

- ⇒ Reduction Green House Effect
- ⇒ Temperature Reduction (shop floor)

Thermo-Acoustic Insulation Roof

- ⇒ Internal Noise Reduction (-10dB)

Air-Recirculation Offices

- ⇒ Constant Air Exchange / Increase Quality of Air

Reduction Water Consumption

Rain Water Reservoir

- ⇒ Reduction of Portable Water consumption
- ⇒ Protection of soil water reserves

Re-usage of industrial water- Inelegant Filters

- ⇒ Reduction of Portable Water consumption

Result – 1000m³/year (~25%)

Material Sustainability

Recycled Material

Certified Material Deposit

- ⇒ Reduction of Environment Impact
- Regional Material Purchase
- ⇒ Reduction of Environment/Logistic Impact



Ambience

Sustainability

Re-usage of industrial water- Inelegant Filters

- ⇒ Wastewater Reduction

White Roof Reflection

Reduction Green House Effect

Result - 700m³/year (~20%)

Energy Efficiency

Solar Energy - Warm Water

Economic Lightning

Economic Air-Conditioning

- ⇒ Reduction Energy Consumption:

Result – 60.000 KW/year (~ 2%)



3 - L'ARche: ARaymond Headquarters in Grenoble: one of the few LEED certified buildings in France

In June 2014, 128 employees moved into new premises "L'ARche", ARaymond headquarters, located in the very heart of Grenoble.

The LEED certification induced changes in the technology but not only! Our people's daily behavior also had to adapt.

The building L'ARche has an important facade glass surface; its orientation and design allow to maximize the natural light and heat supply especially in winter.

The ARche Thermal Environment

A reversible air conditioning system was installed and in order to maximize our people's comfort, it is possible to independently control the temperature in each open space, office, or meeting room. This means people have to agree when they share the same space! The sun heating supply is maximized by the external movable blades. When a space needs air conditioning, the blades automatically move in order to maximize the shadow. When a space needs heating, the blades also automatically move to maximize the surface directly heated by the sun. Then, when the weather is cloudy and there is no shadow, the blades automatically move to maximize the area luminosity. Because common sense might also prevail over automation, it is also possible to manually optimize the moving of the external blades via the same remote control as the one used to control the area temperature.

The ARche Lighting Ambience

There again, the LEED certification paved our way towards innovation and energetic efficiency. Each duet working station has its own lamppost, of which the light output adjusts to the natural area luminosity. This enables to consume the necessary additional energy to achieve - at any moment of the day - an optimal visual comfort. In case of need it is at any time possible to force the light output by pressing the button on the lamppost. The use of internal blinds is also possible to reduce the luminosity when needed!

The Waste Reduction

During the construction of L'Arche, nearly 75% of the construction waste was recycled. This recycling process was true during the building of our Arche but continues in our daily life in our new building. The individual waster collectors are now replaced by collective ones for organic waste, on each floor. For paper waste, each workplace is equipped with a collector to store waste paper. This allows the cleaning ladies to have more time for more valuable tasks.

A Green Roof

It has been implemented to isolate and regulate the temperature in the building.

Collection System and Reuse of Rainwater

An underground tank collects the rainwater and redistributes it into the flushing lavatories.

happy



In June, 128 Raygroup and Raynet employees moved into L'ARCHE. The new building, located in Cours Berriat in Grenoble, was given this name to express its architectural design and aim. Rayview invites you on a guided tour of this building.

1 THE OUTSIDE

Just like the nearby Villa d'Achille and production facilities, L'ARCHE is well integrated into its environment, in harmony with the landscape. With its unique U-shape, the new metal and glass facade is equipped with motorized vertical blinds to

2 THE GROUND FLOOR

A receptionist welcomes people in the lobby decorated by an impressive map of the world, highlighting the companies of the ARaymond Network. Visitors can discover the activities of each company.

control the inside temperature, in conjunction with a heat pump. These and other environmentally efficient features have made the building labelled LEED (Leadership in Energy and Environmental Design) at Gold level, a very high level of excellence in design based on sustainable development and environmental principles.

3 THE MEZZANINE

Once visitors have been welcomed, they have access to a waiting area. During that time, they are invited to learn about the Network's vision and values posted on the walls. Then they access the different floors using a winding wooden staircase in the center of the Atrium. They can also use the elevators.

4 THE FIRST FLOOR

One level above the ground is where a team of 53 Raynet people work, ensuring that the Network's IT is functioning properly. There is a small enclosed work area near the elevators designed for meetings. For purposes of spaciousness, 20 Raynet employees have remained

at the nearby Villa d'Achille.

5 THE SECOND FLOOR

This floor houses several Raygroup departments: Purchasing, Finance, Legal and Intellectual Property, HR. As the other office floors, it's a quiet area, designed in open spaces. Here and on all other floors, individual wastepaper baskets have been replaced with shared recycling bins in keeping with the LEED sustainable development principles and its goal of raising employees' awareness of environmental issues.

6 THE THIRD FLOOR

This is the area for the Marketing, Business Intelligence Operations, Automotive Business Development departments, and also the executive

members. Meeting rooms on each floor have been named after famous people chosen by Antoine Raymond, such as Simone de Beauvoir and Albert Einstein.

7 THE FOURTH FLOOR

The top floor of the building has various facilities for the 128 employees. It's a place for having a coffee, lunch or just have friendly chat. When the weather is good, people can enjoy the terrace, with a great view on the three mountain ranges surrounding Grenoble.

8 THE BASEMENT

There are a few outdoor parking spots at L'ARCHE, and inside in levels -1 et -2, with space available for all employees.

Discovery. Welcome aboard L'ARCHE.

ACTIONS

2 – RAISE ENVIRONMENTAL AWARENESS AMONG OUR EMPLOYEES

For the 3rd time, a photo contest was organized in 2014 “Stronger together for a preserved environment” for the theme which was proposed to illustrate our care for the environment. Among 70 pictures, 3 were awarded:





Principle 7 Businesses should support a precautionary approach to environmental challenge

A GROWING FOREST

The ARaymond Network continues to develop its commitment to the Tree Nation community in its fight against deforestation. In line with previous actions, we have funded projects to build two irrigation reservoirs and to continue the planting of 367 new Moringas in Niger, bringing the Network forest to 4,564 trees. We are also contributing to the installation of solar panels in a coastal area of Kenya to support training programs that aim to conserve the rainforest. We are providing more solar equipment for housing in the Pedregoza reserve, in Colombia, to maintain biodiversity. ARaymond Tinnerman participated in this initiative by building and shipping four solar pumps to the project.

Our contribution in 2015 takes account both of the local priorities, and our commitment to the fight against deforestation, either by specific facilities or aid to the local population.

Dosso, Niger: Increase of micro-irrigation

Installing a complete network of drip on a second hectare.

Currently 1ha micro-irrigated with the Moringa. Started in 2014, the results seem very promising. Harvesting of Moringa leaves is much more important for the micro-irrigated area. Micro-irrigation allows better water resources management and thus increase the planting of Moringa.

Pedregoza, Colombia: An oven for the manufacture of "biochar"

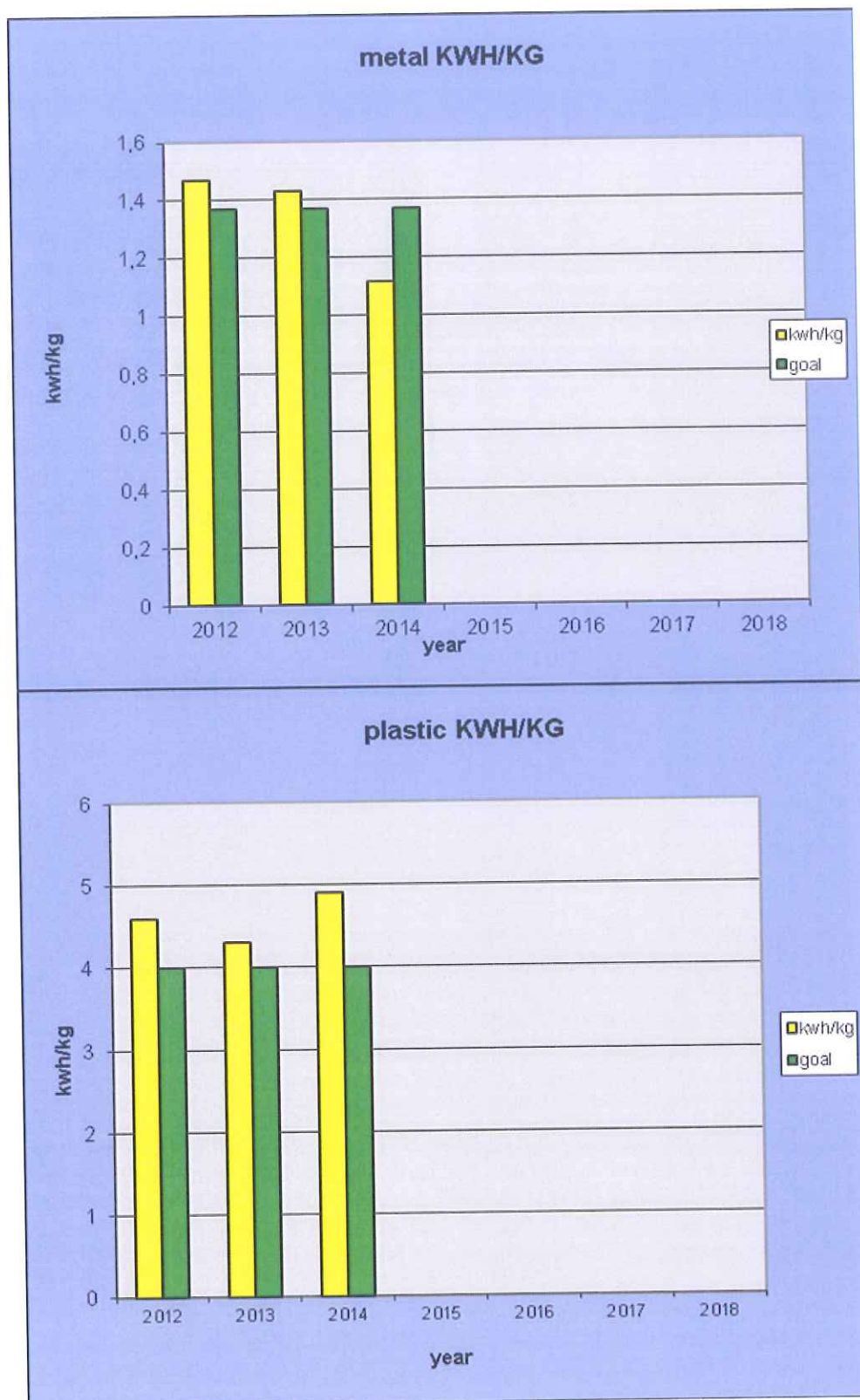
Biochar is a solid material obtained from the carbonisation of biomass. The process of creating the "biochar" results from the production of ash from wood. When pruning trees, branches and twigs are reused to turn into "biochar". The ashes are then added to the soil to stabilize tropical soils by providing essential elements to the growth of trees. In controlled applications, they can reduce or neutralize soil acidity and thus improve agricultural productivity and the number of species that can be grown.

Bore, Kenya: Construction of a school class.

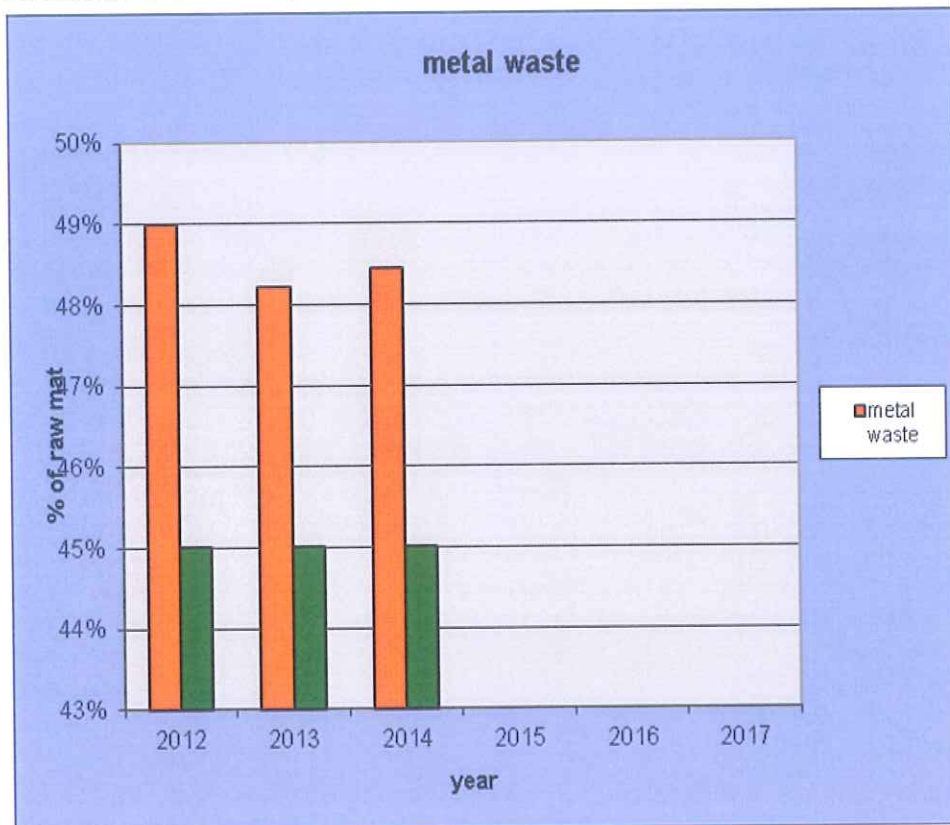
Contribution to financing. The school class will be built by local farmers with locally available materials. In 2014 we have funded the lighting of the school with the purchase of solar panels.

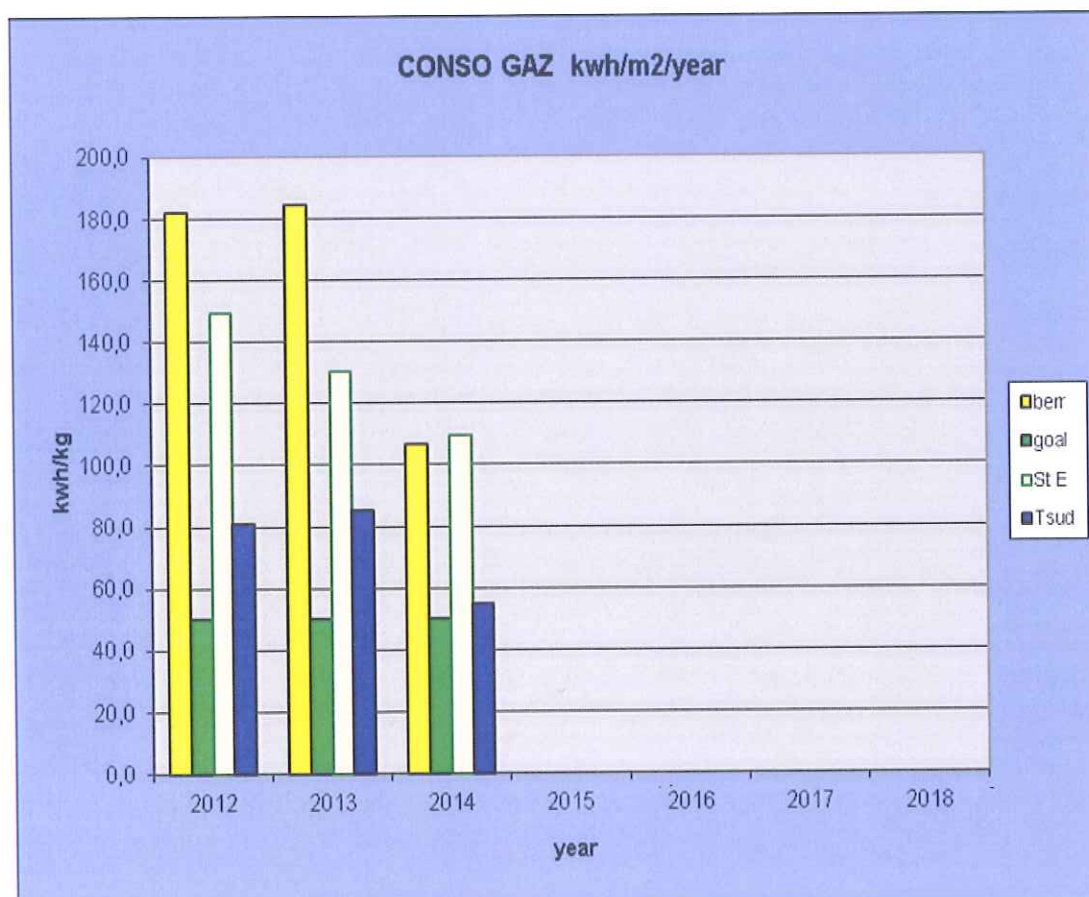
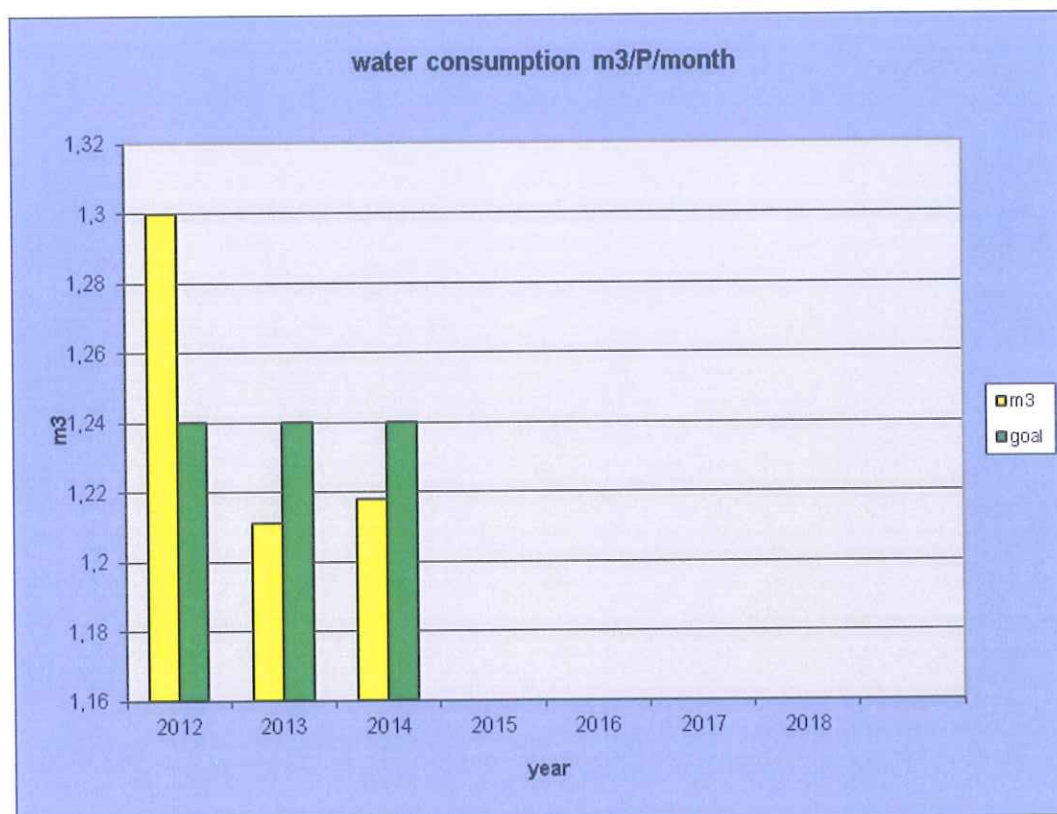
4 – OVERVIEW OF OUR ENVIRONMENTAL KPIS

Overview of our energy consumption/kg of raw material



Percentage of waste compared to raw material





5 – OVERVIEW OF SOME LOCAL ACTIONS WORLDWIDE

Celebration of World Environment Day is done everywhere in the Network; actions such as tree plantings, improvement of the waste management, special family days and ideas to improve the environment awarded with small gifts are widespread !

In addition, improvements of the air conditioning systems (cooling and heating : installation of an inverter system with “A” class energy efficiency are done in the countries where it was not the case before (for example Spain).



Message from the AR Network Safety Team:

SAFETY: an invariant basis, not only a priority which can change!

Respect for people.

The fundamental value, respect for people, is an integral part of our culture and our identity. Employees are regarded as the main driving force of success of the ARaymond Network.

Pleasure.

Pleasure without safety is not pleasure!
Pleasure without safety is **risk!**



ARaymond®
MORE THAN FASTENERS

Target:

- SAFETY as a daily concern as sales and financial results!

- Decrease of lost days

What does Lost Days mean?

Lost days refer to the total number of work days that are lost (usually scheduled days) as a result of a worker injury (each country according to its local regulation). Lost days can also be defined as the number of work days following an injury during which the employee was unable to perform routine functions.



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MORE THAN FASTENERS

Factors of Success:

Exemplarity and Visible HSE Management of each Manager

A Top Management Commitment: requiring to be HSE aware & sharing during EXCO meetings safety updates (+ zoom on severe incidents if any)



Means:

- Clear commitment and message from CEO and EXCO Members
- Develop **SAFETY** rules everywhere
- Set regular & standard **SAFETY** reporting:
Lost Time Injury/Lost Days as Progress Measurement

What does Lost Time Injuries (LTI) mean

A lost time injury is one which causes an employee or contractor as defined to be absent from work for one full day or shift on any day subsequent to the injury occurring. In relation to the LTI definition, Work is defined as the person's normal duties or alternative/modified duties agreed to by a registered Medical Practitioner that continue to contribute to the business's normal operations. A shift is a work period as scheduled prior to an incident.



Frequency Rate: $\frac{\text{Nber of LTI} \times 1.000.000}{\text{Nber of working hours}}$

Severity rate: $\frac{\text{Nber of lost days} \times 1000}{\text{Nber of working hours}}$



Safety KPI to share quarterly during EXCO meetings

Frequency Rate: 12,8

Cost: 2000 K€

	Headcount	LTI			Lost Days	
		2013	half year 2014	half year 2014%	2013	half year 2014
AR Germany	1604	21	10	0,62	248	112
AR France Sarl	668	22	17	2,54	794	168
AR Spain	92	8	4	4,25	67	11
AR Italy	100	0	0	0,00	0	0
Arlife	60	0	0	0,00	0	0
AR India	151	0	1	0,66	0	1
AR China	500	2	4	0,80	20	36,5
AR Czech	240	6	1	0,42	120	23,5
AR Turkey	60	0	4	6,67	0	42
AR Brazil	224	0	0	0,00	0	0
AR Japan	43	0	0	0,00	0	0
AR Tinneman	450	9	5	1,11	151	65
Rayconnect Inc	123	0	2	1,62	0	0
Raybond	42	1	1	2,38	4	2

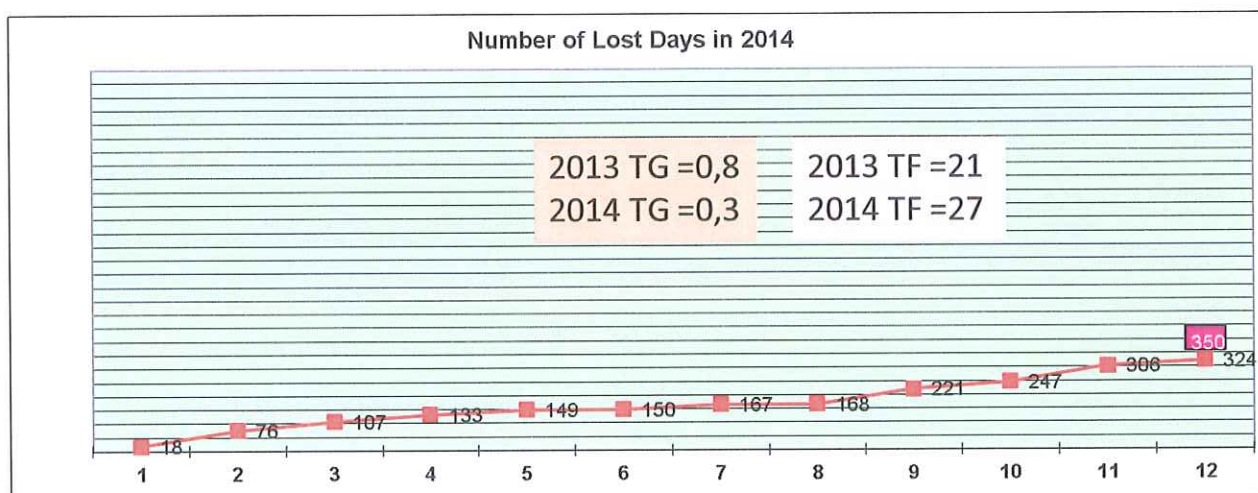
Increase of LTI

Decrease of Lost Days

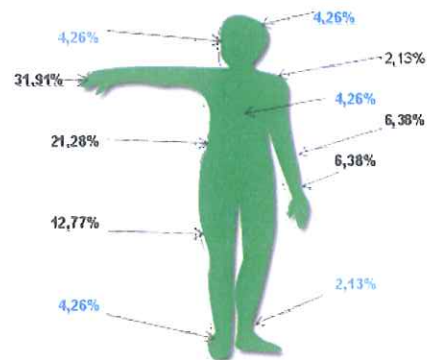
Severity Rate: 0,18
Equivalent to 6 full time employees

mond
MORE THAN FASTENING

Below example of the data received from France which helps consolidate the worldwide results.

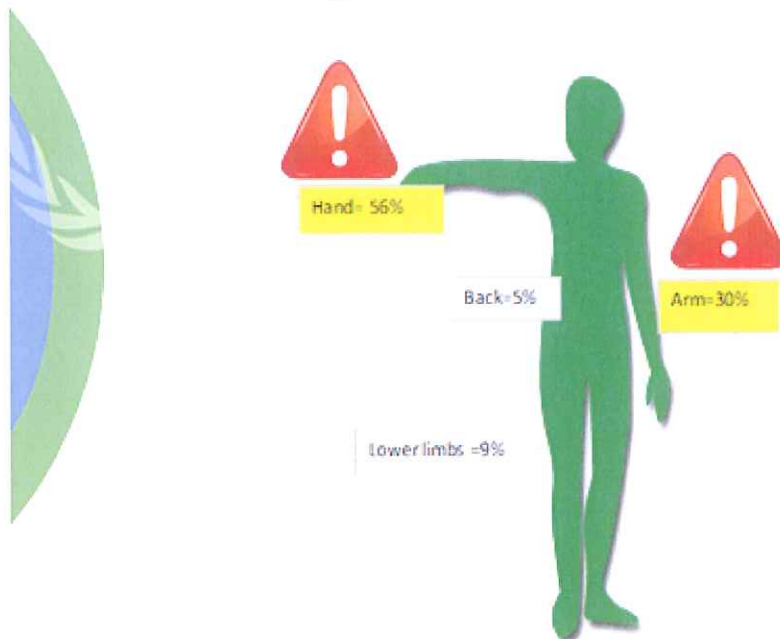


2014	Grenoble	St Egreve	Technisud	total 2014	
tete / head	1		1	2	4,26%
yeux/eyes		1	1	2	4,26%
epaule / shoulder		1		1	2,13%
bras / arm	1	2		3	6,38%
poignet / wrist	1	2		3	6,38%
main / hand	3	11	1	15	31,91%
thorax		2		2	4,26%
dos / back	2	5	3	10	21,28%
jambe / leg		3	3	6	12,77%
cheville / ankle			1	1	2,13%
pied / foot		2		2	4,26%
total	8	29	10	47	



Consolidated results Mid Year 2014!

2014 Injuries : where does it hurt?



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MORE THAN FASTENING

Our LTI and lost days figures were updated to review the 2014 general trend compared to 2013.

The below table shows an increase of the LTI (+ 24%) and a decrease of the lost days (-29 %). This update was presented to the top management during their quarterly meeting; special focus was made on the management of change as the increase of the LTI appears mostly in new sites (transfers, new equipments etc...).



	Headcount	LTI			Lost Days	
		2013	2014	2014%	2013	2014
AR Germany	1604	21	27	1,68	248	279
AR France Sarl	668	22	28	4,19	794	350
AR Spain	92	8	5	5,43	67	44
AR Italy	100	0	0	0,00	0	0
Arlife	28	0	0	0,00	0	0
AR India	171	0	2	1,17	0	1
AR China	500	2	5	1,00	20	114,5
AR Czech	240	6	1	0,42	120	25
AR Turkey	130	0	6	4,62	0	65
AR Brazil	224	0	0	0,00	0	0
AR Japan	43	0	0	0,00	0	0
AR Tinnerman	450	6	4	0,89	66	56
Rayconnect Inc	126	0	1	0,79	0	3
Raybond	42	1	3	7,14	4	4
	4418	66	82		1319	941,5

The request from the Top Management for the next meeting will be to share the Severity Rate and to focus on near-misses with potential high risks.

SUPPORTING ACTIONS IN FAVOUR OF THE LOCAL COMMUNITIES

GLOBAL COMPACT PRINCIPLES

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2

make sure that they are not complicit in human rights abuses

Principle 6

the elimination of discrimination in respect of employment and occupation.

Local solidarity actions

AR India : Solidarity after heavy rains in Jammu and Kashmir

Principles 1 – 2

In the month of September-14 Our state Jammu & Kashmir which was severely hit by heavy rains and floods at many places causing loss of valuable lives and properties.

We proposed that all employees to contribute One day salary and most of the employees actively agreed and contributed for the cause.

Collected amount from all employees & Company also contributed equivalent amount of voluntary contribution from employees for the social cause.

The collected amount we deposited in the “Prime Minister Relief fund for J&K”.

Winter campaigns

Principles 1 – 2

In various AR companies, for instance Brazil and France, winter clothes were collected just before the winter started from employees to be offered to people in need.

Initiatives from ARaymond people :

Principles 1 – 2 – 5 - 6

Employees of the AR Network contribute themselves to local actions, for instance :

- Collection of plastic caps in the Arche, to support “bouchons d’amour” (France), an association which finances equipment for the disabled people by selling plastic caps
- Proposition to collect school materials from an employees before a travel to poor regions of Marocco, to be distributed to local school

Raising awareness of our employees and their families

Principles 1 – 2 - 6

Rescue with Krystof (Czek Rep.)

Aerial rescuers from Liberec taught children to provide first aid and to call helpline

The main objective of the project « Rescue with Krystof » was to provide information about work of rescuers to children from kindergarten and primary school.

Children could examine the helicopter called Krystof and learned how to behave, when the helicopter is landing. They learned to use their equipment and learned the assistance signals. They also learned, how to call the helpline.

Our company provided the financial support to this project. This project will continue in spring 2015.

Christmas party for all employees' children (Germany)

Every year during Christmas time ARaymond GmbH invites employees and their children for a Christmas party. Children from 0 year to 10 years can take part at the event. It is located at a town hall, nicely decorated and the guests get warm cacao and Christmas cookies.

After a puppet theatre and the show of the Santa Claus the children receive presents.





Local events :

Many ARaymond companies organize local events to raise awareness around social responsibility topics. It includes each time information sharing on key topics : non discrimination, sustainability, no resources waste, health tips. For instance in Brazil :

- Sport day
- Mothers' day
- Healthy eating
- No smoking
- Importance of water reasonable consuming

Partnership with local associations

Principles : 1 – 2 – 3 – 4 – 5 - 6

Sport dans la Ville (France)

Our support to local NGO is continued. For instance in France, we keep supporting “Sport Dans la Ville”, which aims at integrating kids to a social community through sports practices, giving them a sense of professional conduct and a link with business environment, to raise awareness on potential professional paths. HRs offer their support to prepare for job search, and we provide financial support, and attend the association charity event together with the youngsters tutored by ARaymond employees.





DES ACTIONS INDIVIDUELLES



ACCOMPAGNEMENT INDIVIDUEL PAR LE RESPONSABLE INSERTION PROFESSIONNELLE DE SPORT DANS LA VILLE

OBJECTIF être guidé dans son choix
d'orientation. Construire son projet
professionnel.



PARRAINAGE PAR DES COLLABORATEURS D'ENTREPRISES

OBJECTIF partager avec un professionnel
son expérience du monde du travail et mieux
comprendre les codes et exigences des
entreprises.



EXPERIENCES PROFESSIONNELLES

OBJECTIF accéder à des expériences en
entreprises (Stages, CDD, Alternances, CDI)
grâce à l'organisation trimestrielle de « Cafés
de l'emploi ».



DES ACTIONS COLLECTIVES



VISITES D'ENTREPRISES ET DE CENTRES DE FORMATION

OBJECTIF découvrir les secteurs d'activités,
les métiers et le fonctionnement des
entreprises et des organismes de formation
partenaires de Sport dans la Ville.



ATELIERS DE PRÉPARATION AU MONDE PROFESSIONNEL

OBJECTIF être formé aux techniques de
recherche d'emploi, gagner en confiance en soi
et se qualifier à travers des formations courtes
(BAFA, Formation aux premiers secours).

DES PROJETS PROFESSIONNALISANTS
(RÉALISATION D'ÉMISSIONS TV ET WEB RADIO).

SWADHAR (India)

In the month of December-14, as responsibility towards Women & Weaker section of the society we worked with the SWADHAR, an NGO working for Women & Girl Child and kids suffering from AIDS and poverty.

As a part of our initiative we associate SWADHAR by donating utility items Voluntary collected from our members, along with the Money-(Voluntary)

Employees donated by way of Used Gadgets, Toys, Clothes , in good and usable condition, Non-perishable food items like Wheat / Grains,& Money (Voluntary Contribution)

Company also contributed equivalent amount of voluntary contribution from employees.



Human Resource and Management Practices

Taking care : one shot campaigns

Principles 1 - 2

Local practical initiatives aim at bringing our employees a better daily life : yearly vaccination campaigns against flu are offered in France and Brazil for instance.

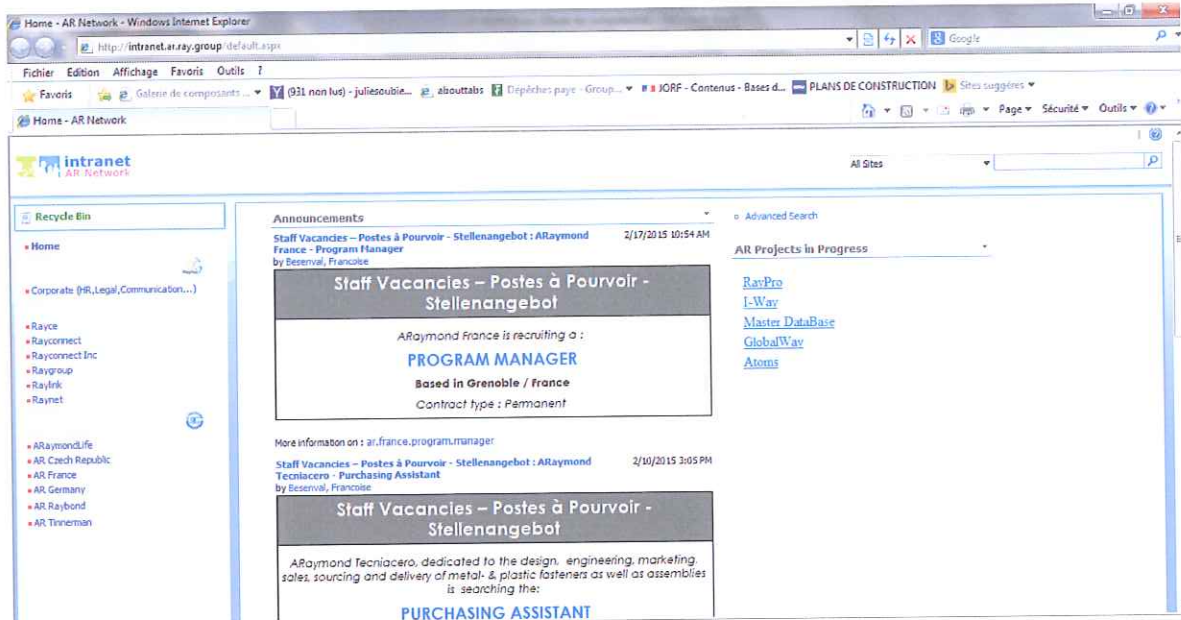
HR procedures and practices

Principles 1 – 2 – 6 – 7

HR in all ARaymond companies keep working on their own procedures and practices in order to make sure that cannot be considered complicit, even implicitly, in unethical practices.

HR procedure

Recruitment procedures are implemented, job profiles are systematically prepared to analyze applications, and released to all, internally, before an external search.



Locally, there are some initiatives also in HR practice in order to ensure good working conditions, health, and of course interest of work and development of the people. For instance, ARaymond in Spain develops versatility in the manufacturing positions, making the rotations easier and the jobs more interesting and less repetitive.

BRIBERY – Reinforcement of ethics message

Principle 10

Corruption and bribery shall not be used in any situation, not even to increase our business or gain new orders from customers.

Our relationship has to be built on honesty and loyalty. We will never accept that any of our employees is actively or passively bribing in the relations with customers or even supporting any actions in such a way that suspicion might occur.

In Brazil, in 2014, a special event was organised : all employees were given a filed copy of the ARaymond Brazil 'Code of Ethics and Conduct' and the 'Code of Basics Work Conditions'. All employees read and signed, and also all newcomers are informed when they are hired in the company.

Employment fairs

Principle 1 – 2 - 6

AR HR teams often attend job fairs dedicated to many different job searchers.

One example this year in India : As our responsibility towards Weaker section of the society ,In the Month of November -14 We attended the Employment Fair for the Specially Abled Providing Equal Opportunities for Persons with Special Abilities. This fair was organized by The Confederation of Indian Industry (CII), in partnership with the National Society for Equal Opportunities for the Handicapped, India (NASEOH). We could select some candidates for the job openings at ARaymond.

Servant leadership

Transversal approach including International Rights, Labour, Anti-Corruption principles

As mentioned earlier in the message from our Chief Executive Officer Mr Antoine Raymond, we have been developing recently our “Innovative Leadership Program”, a development program of more than 200 leaders in the ARaymond network, based upon the notion of “servant leadership” (as developed by R. K. Greenleaf, 1904–1990). Below the 10 key concepts of Servant Leadership, as developed in this program :

10 key concepts

1► **LISTENING** because commitment is enhanced when people are allowed to contribute their ideas.

2► **EMPATHY** meaning that we are deeply aware of the other person's point of view.

3► **HEALING** because servant leaders recognize that the workplace is somewhere that people improve their lives.

4► **AWARENESS** the best leaders are champions in managing themselves.

5► **PERSUASION** which, on its own, is a way of building sustainable commitment.

6► **CONCEPTUALIZATION** to facilitate

commitment to a vision (not one's own vision, but a shared vision).

7► **FORESIGHT** because using lessons learnt through past experience makes it possible to create a better future.

8► **STEWARDSHIP** as guardians of the interest of others, servant leaders consider others before themselves. They are not egocentric.

9► **COMMITMENT** to the growth of people: because when we ourselves grow, we grow our teams and the organization.

10► **BUILDING COMMUNITY** servant leadership is anchored in the belief that a champion team inevitably beats a team of champions.

Servant Leadership. Changing for the better.

The Servant Leadership program is currently being implemented in the Network. This approach is radically different to management practices in most companies throughout the world. Rayview looks at what has been achieved.

The key words of Servant Leadership are simple: listening, dialogue, taking care, delegation, encouraging and trust. Antoine Raymond puts it in a nutshell: "We need to ask what we can do for our teams and not the opposite." However, sustainable and efficient success in a change of culture isn't easy to achieve. Since October 2012, ARaymond has decided to develop a vast program and trained all its managers and officers – over 200 people – in Servant Leadership and its promising innovations. "We've developed a specific

training program for the Network," explains Pascale Lagarde of the Raygroup HR department, "so that managers understand and adopt this specific management approach that is entirely people-focused. It is geared to supporting employees and help them to develop, so that in the end the company becomes more efficient, profitable and collaborative."

Since October 2013, groups of 10 managers, representing different nationalities, functions and managing levels have come to Grenoble for two two-day sessions, between which they are asked to

do personal work and are given individual coaching, so that they can understand the key points in this new way of thinking and working. "The main goal," continues Pascale Lagarde, "is to make sure that everyone comes away from this program with heightened awareness of the benefits of Servant Leadership and that they become motivated ambassadors in everyday actions to generate efficient change and improvement." By the end of the year, 18 groups will have been trained, so that in 2015 the Network will move to a new way of management.

Speaking out



"I really believe in the principles of Servant Leadership and I like that it focuses on 'taking care' of employees and the

organization as a whole, and not being egocentric as a leader. For me, the concepts of Servant Leadership are not new, but going through the program helped me see how they are so closely tied to our core values and how I can work to incorporate the behaviors into my everyday life. Some of the behaviors come naturally, but others don't. I keep some of the material from the program posted in my office to remind and motivate me!"

Lindsay Nicholson,
Director of Human Resources
ARaymond Corporate North America



"The principles of Servant Leadership training in Grenoble were not completely new for me, since I remember the RayTrain program,

which was rolled out some years ago in AR Germany. But it was a good opportunity to get a view on the subject from another angle. I am totally convinced that these principles will help us to strengthen our position and supports us to give life to our values. It was a pleasure for me to share all of this with colleagues from all over the world."

Ralf Heuberger, Head of Purchasing,
ARaymond Germany



"It was a pleasure to participate in the Servant Leadership training program. It's very clear that the Network has the concern and

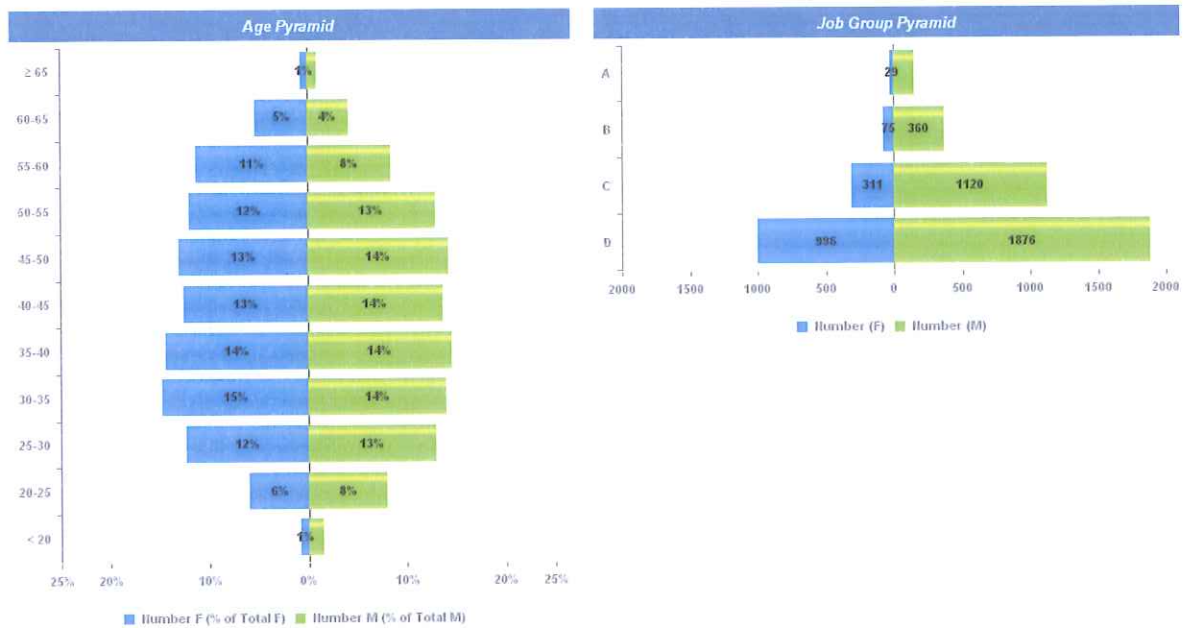
interest to invest in programs which "focus on people", strengthening the organization's culture. Currently not many companies have this vision. During the events, the involvement and motivation of the participants were very positive, contributing good results and action plans. After sharing the concepts of Servant Leadership locally with the engineering team, we now have a dialogue, respect each other and encourage team members to grow, thus strengthening confidence in themselves."

Wagner Ulett, Engineering
Supervisor ARaymond Brazil

Demography

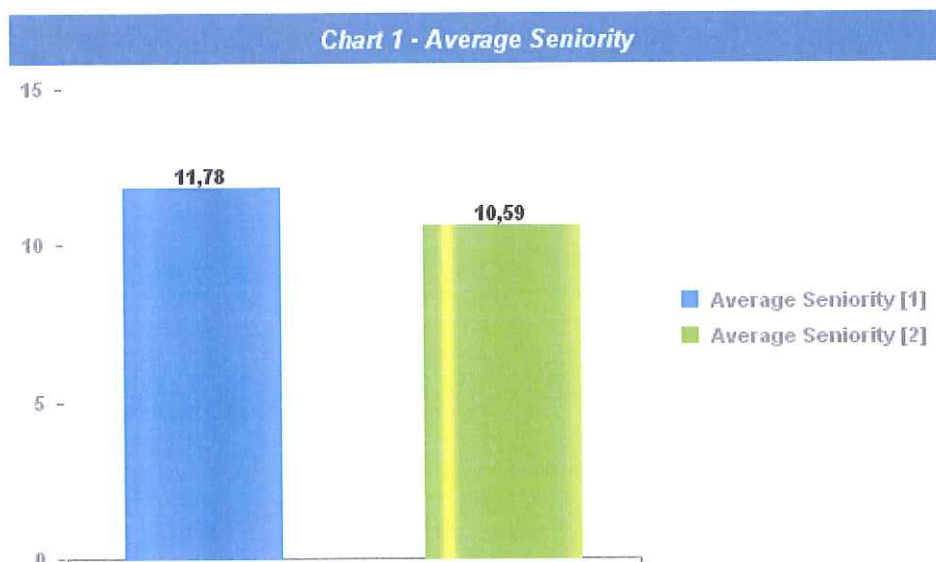
During year 2014, we could start using and analysing the new HR indicators defined in 2013 within our network, in order to gain a better view of our people.

Monthly indicators analyse the evolution of headcounts and full time equivalent people. Yearly indicators, reported each month of October, give a better vision of our demography. Age, gender, and "position level", can be combined and analysed.



The Job Group Pyramid, especially, analyses the presence of men and women according to the level of responsibility and management of each person. Between 2013 and 2014, there are only minor differences (data provided below is 2014) : proportionally, the presence of women raises slightly faster than the number of men in position levels A and B (with more responsibilities / management).

The average seniority worldwide is quite high, close to 11 years. It is decreasing for one main reason : our youngest companies especially in Asia are recruiting many newcomers, so the more newcomers they welcome, the lower the average seniority worldwide (hence the difference between 2013 _1, in blue_ and 2014 _2, in green_ in the chart below).



And interesting hint on this analysis is to compare the seniority in Europe (1 in blue) and Asia (2 in green) in 2014, as in the chart below :

Chart 1 - Average Seniority

