

ARaymond

• GLOBAL COMPACT
Communication on Progress 2017







Word from our Chief Executive Officer

The ARaymond enterprise Network links 6800 people in 25 countries.

Our goal is to create together a meaningful sustainable extraordinary adventure for our collaborators, for their families, for the communities we belong to and where we operate, for our customers, for our suppliers, and for our partners.

In 2017 we wrote a manifesto with our convictions and our intentions in actions. We believe our enterprise is a social web, and that we foster people to reach greater achievements. We believe we contribute to generate a meaningful life for ourselves and others. We believe our company is part of the global ecosystem, and we connect ourselves to our planet and the nature from which we get our resources in order to preserve it.

To be consistent and walk the talk, in 2017 and all along 2018 we continue to support and train leaders in the practice of the "Servant Leadership", "Non Violent Communication", and "Mindfulness", worldwide.

We develop and encourage internal communities, with project providing a common interest and sense.

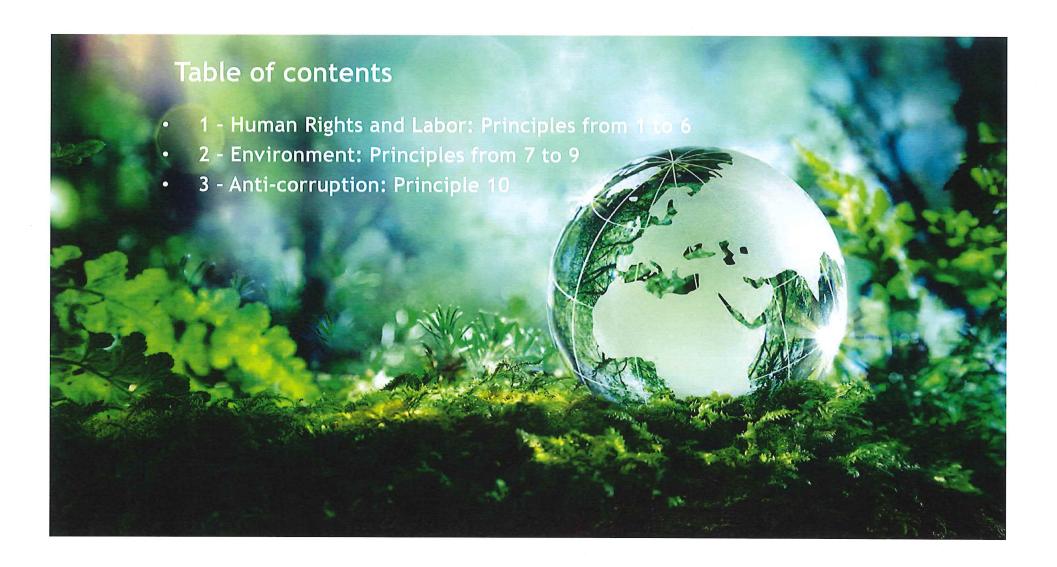
We further build green buildings and achieve 'LEEDS" Certification.

We continue worldwide to encourage local charity initiatives.

All those actions are fully supported by our Executive Committee made of the total 43 Managing Directors and Officers of our Network.

Antoine RAYMOND







Gender distribution Male: 70% - Female: 30% **Total headcount** Average employee age (full time equivalent) In 2016 42,6 years 6200 5900 5500 2015 **Average** Conclusion seniority in 2016

10.77 years

respectively.

respectively.

In EMEA and North America, men

have longer seniority than women

by 1.93 and 1.92 years (23 months)

In China and South East Asia, women

have longer seniority than men by 0.68 and 0.70 years (7 months) Based on statistics, the "average"

from the EMEA zone

and turned 32 just after arriving!

(Do you know anyone like that?)

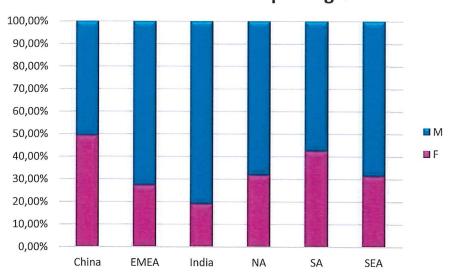
who joined the Network in

March 2006

ARaymond employee is a Man

ARaymond cares about its people

Gender distribution per region

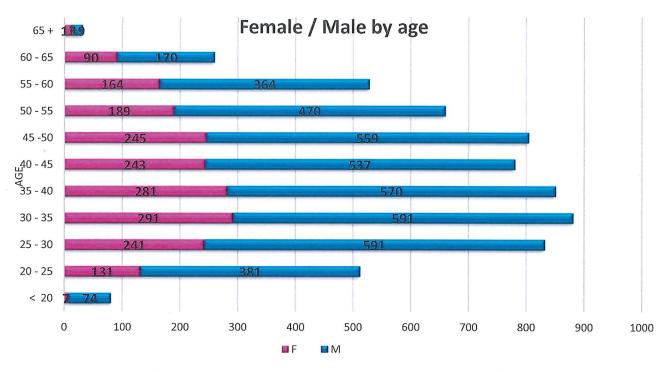


2017 AR network average = 69,5 % Male / 30,5 % Female

Between 2014 and 2017, the portion female/male went from 28.6%/71.4% up to 30.5%/69.5%



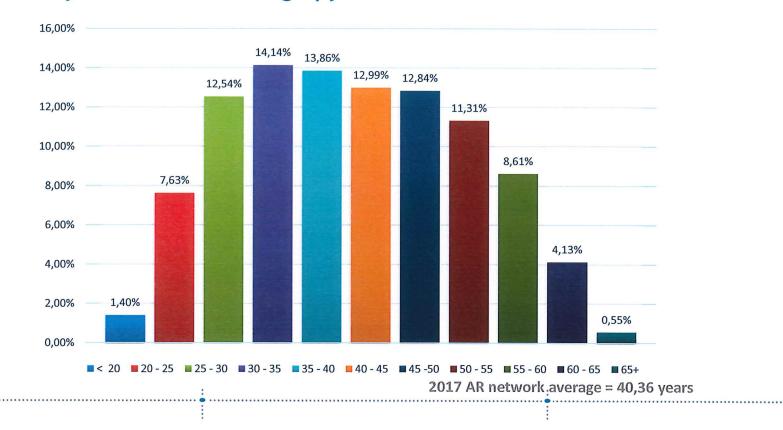
Age & Gender distribution: AR Network - 2017



Headcount as of September 30, 2017

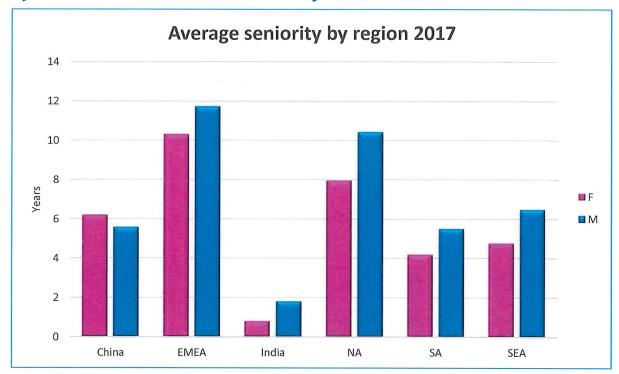


ARaymond Network : Age pyramid - 2017





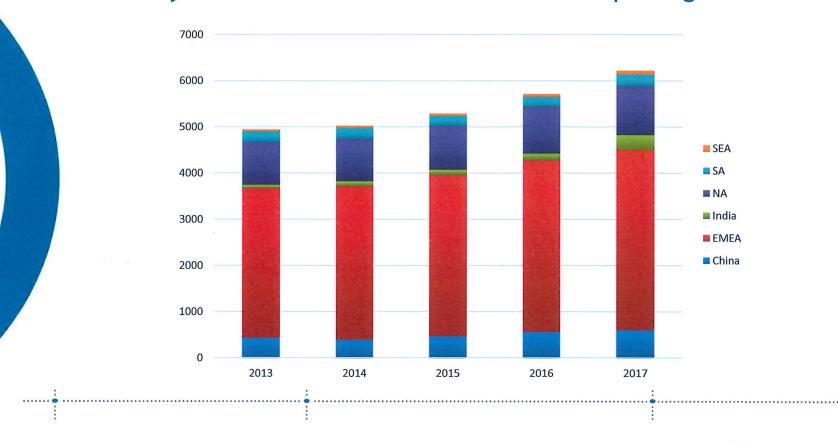
ARaymond Network: Seniority - 2017



2017 AR network average = 9,69

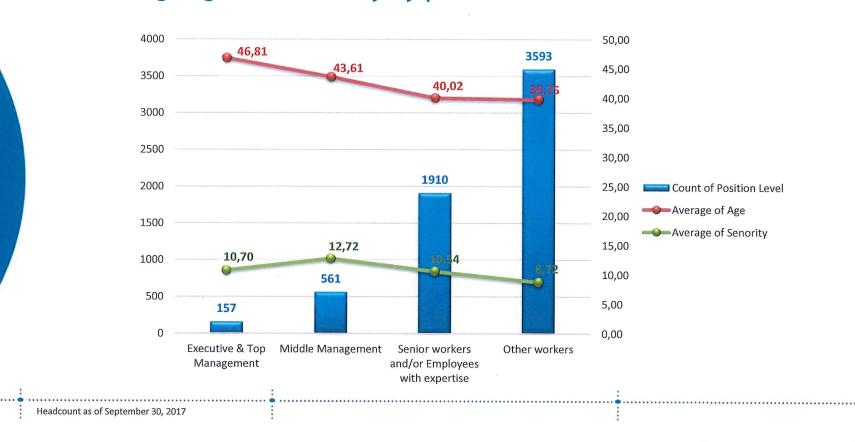


ARaymond Network: Headcount evolution per region



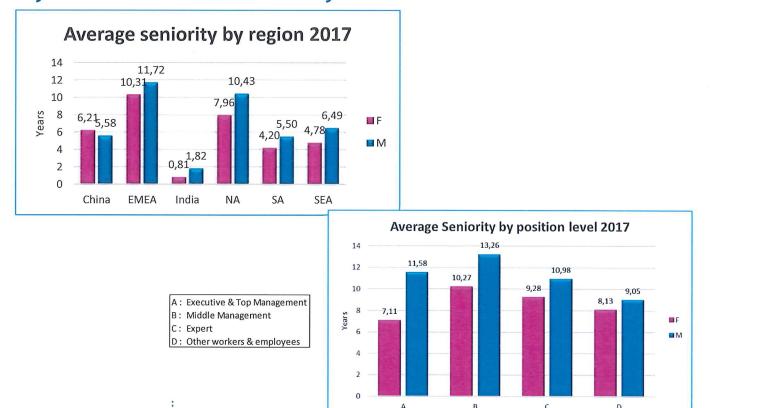


Average age and seniority by position level - 2017





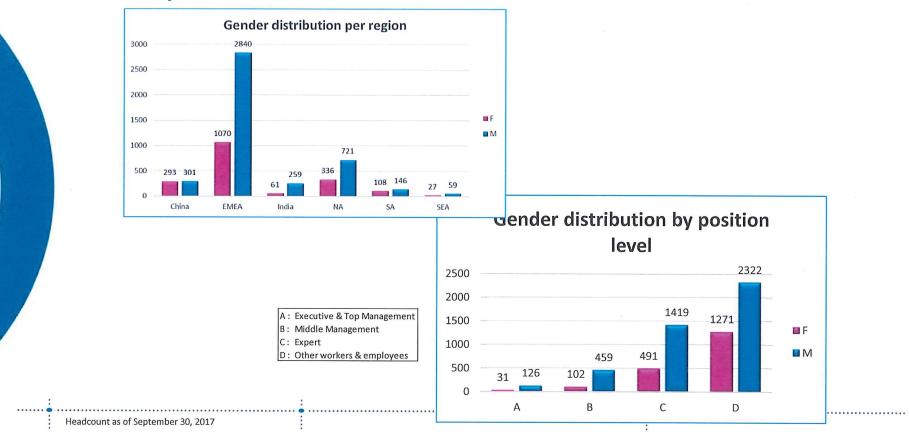
ARaymond Network: Seniority - 2017





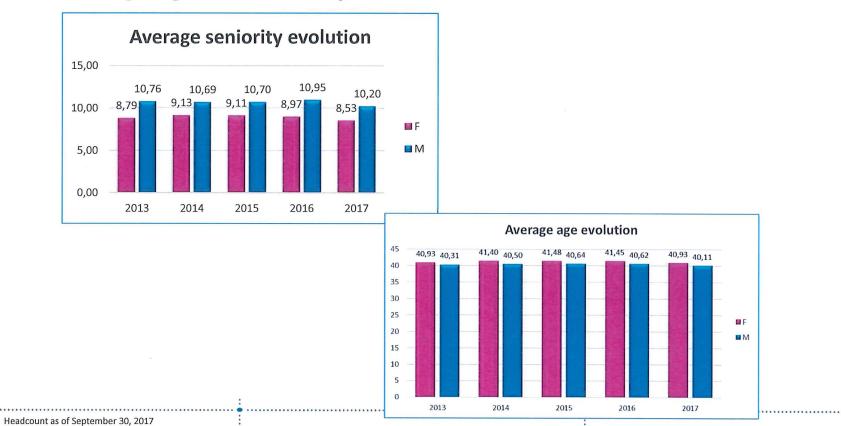
Headcount as of September 30, 2017

ARaymond Network: Gender distribution- 2017





Average age and seniority evolution





— The employee opinion survey has to date been conducted three times: in 2010, 2013 and 2015, with a fourth edition scheduled for 2018. Its guarantee of respondent anonymity and the high participation rates make it a valuable tool for HR to work on people development./

4,200

— The number of employees who answered the survey in 2015. This equates to a response rate of 73%, qualified as excellent for an engagement survey, and compares with 71% in 2013



89%

— The employee engagement rate, calculated from a targeted selection of questions to determine the degree to which employees identify with the company and its values, and align their ambitions with those of the Network.

13

— The number of languages in which Rayquest was deployed around the world, making it an easily-accessible tool for employees of all qualifications.

ayquest was created in 2010 by a working group of human resource leaders and managing directors. The 2015 survey featured 115 questions across 15 categories. Rayquest helps to identify areas for action and progress at company and Network levels regarding collaboration and engagement.

One such example relates to the implementation of employee annual review, a process which varies by region, entity and department. "We believe that every employee must have at least one formal interview with their line management to discuss their performance and have the

ayquest was created group of human remanaging directors, analoguest 15 questions and was a giving continuous feedback all over the year' states Géraldine Eyraud, Chief Human Resources Officer.

Some managerial practices have been confirmed by the result of the survey. Indeed, the notion of Servant Leadership was first introduced in Rayquest in 2015 edition. The aim was to know employee opinion towards the six pillars of this approach: Listening, Delegating, Trust, Encouraging, Dialogue and Taking Care. On average, each of these pillars received 80% of positive opinions. "Those results

show us that Servant Leadership is well perceived and understood by the employees, and that we all have to continue to develop it and go further in each local company" concludes Géraldine Eyraud.

With a new survey planned for 2018 featuring specific questions on employee perceptions of Raymotion 3, the strategic plan running to 2030, teams at ARaymond can once again look forward to helping shape the future of the Network.

A valuable barometer for continuous improvement with regards to employee engagement

A new Rayquest will be conducted in 2018





ARaymond European Works Council

www.araymond.com



ARaymond EWC: Go live in 2017



- After more than three years of work within a special European negotiation body, eight French, Italian and Spanish staff representatives and Antoine Raymond ratified an agreement on October the 2nd in Grenoble.
- Made of European ARaymond companies or establishments that fall under the control of the parent company AR & Cie scs.
- ARaymond EWC includes
 - 6 countries: Czech Republic, Germany, Great Britain, France, Italia, Spain
 - 25 entities: all companies & subsidiaries in countries belonging to the EU, except AR GmbH & AR FC Germany that are not under the control of ARaymond Cie scs
 - · About 2000 employees
- The agreement plans to appoint 18 accredited full member representatives (doubled with substitutes) who would be split as following:
 - · 7 places for French employees
 - 3 places for Czech employees
 - 2 places for each other countries: Germany, Great Britain, Italia, Spain







AR EWC achievements during 2017

- Agreement signature on Octobre the 2nd
- Agreement registration in November :
 - French labor authorities in Grenoble
 - European employee and employer unions



- Agreement internal announcement from October 2017 to January 2018:
 - Document's presentation to all European MDs and HR managers (October)
 - Document's distribution to all European employee representatives currently in office (November & December)
 - Antoine Raymond communiqué on EWC creation with 2018 best wishes to all European employees
- Representatives appointment still ongoing:
 - · Official request in each country for employee appointment according local regulation
 - Support for organization of professional elections where no employee representatives where in office (Italia & Chez Republic)
 - On the request of a French trade union, the deadline for employee representative appointment has been postponed from end of January to mid of May 2018





Safety Leadership Project

Safety: our core value

• In 2016 our Safety Leadership Project was rolled out in the entire ARaymond network. The **Safety Promise and the Commitment Charter** were explained to all the employees. On the following page, the testimony from 3 safety managers who were deeply involved in the rollout.

SAFETY PROMISE

WHAT?

ARaymond commits to creating the conditions needed to care for people's safety kindly and totally so that it becomes naturally embedded into everyone's mind.

TO WHOM?

For employees, customers and any stakeholder involved in the company's activities.

WHERE?

In all job practices at every level of management, our decisions and actions focus on ensuring workers', users' and contractors' health and well-being in our processes and solutions.

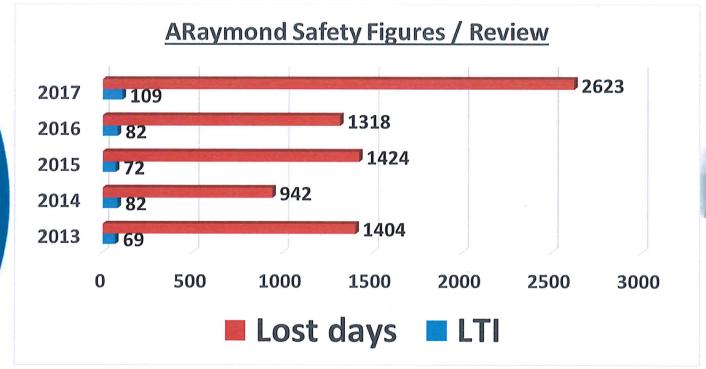
WHEN?

At strategic consideration level and in the dayto-day operations, permanent care of others, full transparency, and continuous improvement are the key elements of our Safety Culture.



SAFETY COMMITMENT CHARTER

- C1: I have an exemplary safety behavior in line with the safety promise and with the safety guiding principles, wherever I am, whenever I make decisions and take actions.
- **C2:** I systematically take into consideration people's safety and the assets preservation when I design, procure and implement an asset's investment.
- C3: I pay full attention to ensure the users' safety with the products and services which I contribute to develop, produce and deliver.
- **C4:** I relentlessly focus on ensuring the safety of the people who work around me, wherever I am in the network and without distinction of organizational affiliation.
- **C5:** I take any opportunity to make my working pairs and any stakeholders aware about the critical importance to implement the safety promise and to respect the safety guidelines.
- **C6:** I build my safety management approach on encouraging a safety mindset and a preventive approach to safety in line with the « servant leadership » principles.
- C7: I commit to notifying any instance when I perceive or detect a danger related to occupational health or preservation of assets wherever I am in the company network.





Increasing figures, especially in France where 2 incidents caused more than 300 lost days in 2017 (falls).







FERNANDO GODOY, QUALITY & ENVIRONMENT SUPERVISOR ARAYMOND BRAZII

"Foster a strong safety mind-set as part of a coherent safety culture"

The Safety Leadership Project has been very important for ARaymond Brazil in supporting improvement actions relating to our safety management system. The aim? Fulfil local requirements in harmony with the entire ARaymond Network and, most importantly, foster a strong safety mind-set

as part of a coherent safety culture. So far, we have been able to deploy the promise — creating the conditions necessary to care for everyone's safety— and 7 commitments across almost all local entitles. The employees recently signed a glant board as a symbol of their commitment to these aims, After just a few weeks, we started to see changes in behavior on the shop floor and in the offices. This took the form of simple gestures like wearing PPE (Personal Protective Equipment) and other preventive actions to improve safety while performing daily tasks.

The next step for us is to implement "Exemplary Management". In parallel, we are also carrying out targeted actions relating to Major Security Risk Management and Third Party Safety Awareness, both important issues locally. We have already organized a workshop to align the expectations of the top management team and those of the safety teams over the coming months. We have also started sharing this project with local teams through dedicated workshops.

ARaymond takes a safe step forward: **The Safety** Leadership **Project**

 As the number of employees at ARaymond has increased, so too has the need to protect and care for them. This commitment goes beyond limiting lost days and lost time injury to taking responsibility for employee well-being. How is ARaymond creating a strong safety culture?/



ARNAUD BOCQUIN, INTEGRATED MANAGEMENT SYSTEM (INS) & ENVIRONMENT HEALTH AND SAFETY (EHS) REGULATION ADMINISTRATOR, ARAYMOND FRANCE

"The values of the ARaymond Corporate Network are intrinsically linked to the notion of employee well-being"

The values of the ARaymond Corporate Network are intrinsically linked to the notion of employee well-being that lies at the heart of the Safety Leadership Project, it therefore goes without saying that safety is one of our main concerns at ARaymond France, as I'm sure is the case across all our countries and entities.

In France, we have already taken two important steps towards implementing this strategic project. The initial launch was divided into two stages; firstly, we communicated the key aims and actions to the management teams; secondly, we shared this information directly with production teams at the different sites, for example, by putting up posters featuring the Safety charter and promise.

This is just the beginning. The next stage will involve validating the workshops that are currently being deployed to ensure they run smoothly and effectively. Based on the feedback provided during these workshops, the global steering committee will then select key ideas to develop. Working closely with local teams we will find ways to apply these safety improvements to our daily lives to reduce risk and increase wellbeing.



"Because we care, we care about each other and the safety of the people around us"

Safety is one of the foundations on which ARaymond has been constructed. As we continue to develop, more than ever, we need to take risk into account to guarantee the safety of every employee. Safety is, without doubt, one of the values underpinning the ARaymond Network, which we do our upmost to respect. Why? Because we care, we care about each other and the safety of the people around us.

At ARaymond China, the first step in implementing the Safety promise was to bring all the Managing Directors together to review the project and build a detailed action plan for each business unit to deploy the safety charter.

We then translated the promise and seven safety commitments to create an adapted Chinese version, which was published via our EHS newsletter for all our employees to read. As the steering team member for Asia, I was in charge of coordinating the Safety Leadership Project across all ARaymond entitles within the Asia

Moving forwards, we will review each business unit action plan for "the group commitment charter" at our ARaymond China quarterly safety meeting. We will also deploy the first "Management Exemplarity" workshop for ARaymond China, which will then be rolled out across Asia.

Key dates

2016: Safety charter & promise developed 2016; Safety Leadership Project launched

Safety Leadership Project

Safety: our core value

- In 2017 the network started to work on themes related to the project. 2 wer identified as utmost importance and worked on by the network as common subjects:
 - Management Exemplarity
 - Safety Network Leadership

Other themes could be worked on with a different timing, according to local issues.

- This was the case in France for « Safety Consideration for Personnel Commuting » with a dedicated group addressing this specific issue and with a special event on September 26 focusing on road risks.
- On that specific occasion, a flyer was distributed (see next 2 pages)
- A conference was held by a doctor on sleep
- And some workshops around safety on the roads were attended by the employees











Pour plus d'informations, vous pouvez contacter

ARaymond 9

ARaymond

prenons soin de nous-mêmes et des autres. »

Antoine RAYMOND, Président du Réseau ARaymond

ARaymond ● et le risque routier

Quels sont les facteurs du risque routier ?

En 5 ans.



9 accidents de voiture avec 270 jours d'arrêt



Attention aux « fausses bonnes idées »

> « L'air frais revigore. » L'effet est faible et de courte durée.

> « Prendre un café ou des produits contenant de la caféine permet de rester éveillé. » L'effet n'est pas immédiat et de courte durée.

> « Je sais lutter contre la fatigue sans m'arrêter, » Le sommeil est imprévisible, un organisme qui en est privé, tôt ou tard reprendra ses droits.

> « Furner permet de lutter contre la fatique, » Au contraire! La fumée réduit la quantité d'oxygène disponible dans l'habitacle, favorisant la fatique.

Problème de santé ou de handicap

- > J'en parle :
- A mon médecin traitant,
 A mon médecin ou l'infirmière du travail.





La fatigue : difficulté de rester concentré. Ses signes annonciateurs sont : le picotement des yeux, le raldissement de la nuque, les douleurs de dos et le regard qui se five

La solution : une pause toutes les deux heures !

La somnolence : difficulté de rester éveillé, avec le risque d'endomissement, quale que soit la longueur du trajet. Elle sermanifiste par des ballements et des pusqu'ens lourdes. La sonnolence entraine des périodes de e micro-sommels » (de 1 à 4 secondes) pouvant être extremement dange-reures pour la sécurité de lour.

La solution: un arrêt d'au moins un quart d'heure pour se reposer.



Effet du trouble du sommeil

- Absence de récupération, sensation de fatigue au réveil et toute la journée,
- > Augmentation du risque d'endomissement,
- Diminution des réflexes et augmentation du temps de réaction,
- > Pour les cas les plus sévères, perturbation de

ALCOOL

L'alcool est à l'origine de 34 % des accidents mortels de la route. Un verre d'alcool = taux maximum autorisé.





Le taux d'alcool maximal est atteint :

15 heure après absorption à jeun,
 1 heure après absorption au cours d'un repas.



> Une mauvaise coordination des gestes, > Un allongement du temps de réaction,

> Le trouble de la vision, 1 l'agressivité

DROGUES ET MEDICAMENTS

Certains médicaments peuvent amplifier les effets de l'alcool II peut diminuer ou augmenter l'action

Safety Leadership Project

Safety: our core value

Promoting the exchanges of best practices is our priority as far as safety matters are concerned.

On September 21, a group of 30 Safety Delegates visited our Grenoble sites!

This was a fruitful and intensive day where our German guests exchanged best practices with their French colleagues in terms of Safety and Ergonomics.

A collaborative day on common topics which will be renewed in 2018 with the French visiting Germany!









The training room





"Protecting our personnel and our partners"

Protecting our personnel and our partners is our number one priority at ARaymond – of course we have a legal responsibility towards the people that work for us, but most importantly, we see this as our moral responsibility and a key part of our values. Mexico was a new location for us, and of course the security aspect required that we manage the perceived and real exposures relative to criminal activity, drug cartels and other related risks. Antoine Raymond himself insisted we should take all the necessary measures to ensure the safety and security of our personnel both on our production site and while traveling to meet our clients and partners in Mexico.

Indeed, a large part of the Security Plan for the San Luis Potosi site deals with the potential security issues of the ARaymond personnel working in Mexico. For example, everyone who travels to or within Mexico has must be equipped with the GPS Tracking VISMO app on their smartphone. This system will enable us to know immediately if anything goes wrong, where our people are and provide them with the help they need.

As a significant part of our production will be exported indirectly or directly to the US, we will be obliged to comply with the stringent requirements of C-TPAT (Customs-Trade Partnership Against Terrorism). This is a supply chain security program fed by U.S. Customs and Border Protection and is focused on improving the security of private companies' supply chains with respect to terrorism. Many of our clients are now demanding that our production sites are at the very least compliant or better yet, C-TPAT certified.

We therefore designed our facility with C-TPAT certification as a potential option. This includes CCTV both inside and outside the perimeter, alarm systems, site security organization and the isolation of the supply chain of finished goods bound for the US. The execution of the work has been excellent and illustrates the high quality workmanship of the Mexican companies who worked on this project.



ARaymond cares about disability

ARaymond is mobilizing to integrate and maintain the employment of people with disabilities.

This year, as part of the <u>European Disability Employment Week</u>, Raygroup and Raynet organized a morning event dedicated to this subject, with the intervention of some actors:

- •Handi'Chiens presented with 5 assistance dogs, the activity and missions of the association which the
- •objective is to raise and offer comanion/assistance dogs to person with disabilities.
- •FCG Quad Rugby gave employees the possibility to play rugby or move around the building in wheelchairs.
- •Acteurs & Cie animated interactive and playful activities.

This day was very rich and interesting. Employees put themselves into the shoes of someone with reduce mobility, they thought about what a handi-welcoming company would be, they saw what kind of actions various actors (companies, associations, etc.) implement continually for the handicap.



ARaymond cares about disability!

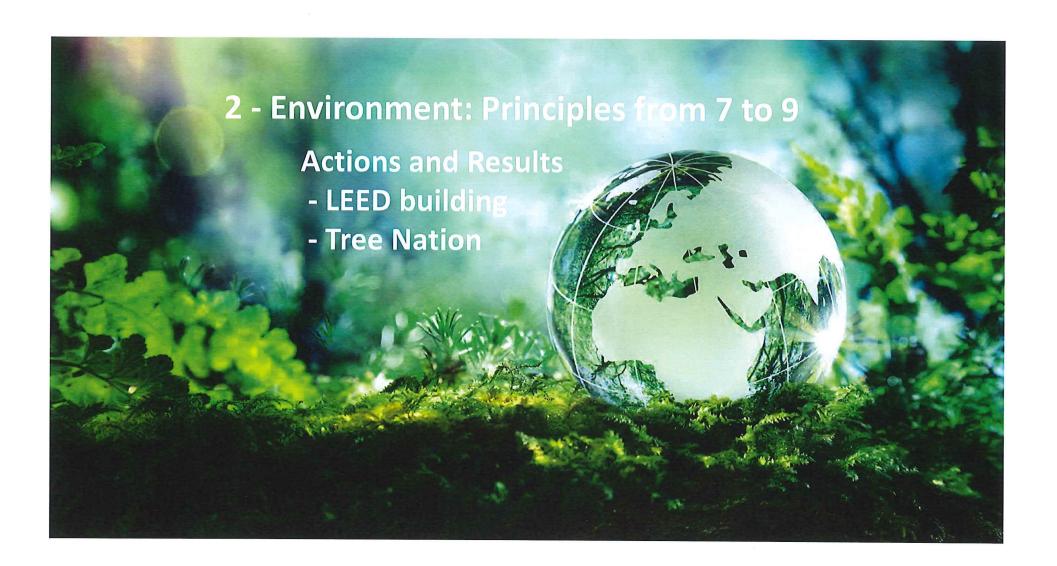






Title of presentation - Legal entity





ARaymond cares about the Environment

It is in our internal environmental guidelines to have LEED silver certification for each new building or extension of building across the ARaymond Network.

In 2017 our new German building located in Weil-Am-Rhein received the Gold Certification.

Our headquarters located in Grenoble – France – received early 2018 the LEED Gold Certification.



Weil am Rhein • Araymond built a production site including raw material store, office space and cafeteria on a 43.000 square meters area. About 350 employees have moved from several locations in Lörrach to the new building in Weil am Rhein.

The most important objectives of the new metal pre-production:

<u>Optimization of the material flow</u>: According to the concept "form follows function", in a first step, together with the "Institut für Anlagen- und Fabrikplanung (IFA)" in Hannover, ARaymond planned the optimum production layout. Then, in order to match the building/construction with this layout, the architecture firm Lais was involved at an early stage. Important points to be realized were: clear flow of the goods and components, no empty runs in the intra logistics and no duplicated operations.

<u>Staff orientation</u>: Another important requirement of the new building was to design optimal workplaces for the employees offering an attractive work climate. This resulted in light workplaces with sufficient space and good ventilation. All machines have been equipped with noise protection cabins and are connected to the central stamping waste disposal management. Furthermore, a separate production cell for training purposes was designed.

Transparency: In spite of the immense size of the building, a quick communication flow was essential as well as open and evident structures.

<u>Flexibility:</u> The building is extremely flexible and can be adapted to any future manufacturing technology. Therefore the machines have been arranged modularly enabling ARaymond to easily and quickly rearrange them.

<u>Sustainability</u>: The construction was planned and built according to the principles of "LEED Silver". LEED is a US-certification for sustainable and environmental friendly constructions. The ARaymond Network implies the high requirements of LEED as a standard for all new buildings worldwide. The new pre-production building was even awarded the "LEED Gold" certificate.

<u>New organization</u>: Production is divided into two big shop floors. In the first one ARaymond manufactures continuously running parts, in the other one irregularly or rarely running parts. Taking this into consideration a new organization for the employees had to be implemented and the approx. 350 employees had to be put together in new teams. The collaboration of and within the teams is very positive.



Facts and figures of the new building

The new construction is located close to the existing manufacturing complex of buildings in Weil am Rhein, Germany. In 2012 a tunnel was built underneath the Heldelinger Street in order to link the new area with the existing site. The new-constructed building composes of nearly 20 000 square meters manufacturing area, 4 000 square meters raw material store, 2 500 square meters tool and facility maintenance area, 850 square meters office zone and another 850 square meters cafeteria.

The manufacturing area is divided into two big shop floors. Each of them with a size of about 10 000 square meters, where all stamping and bending machines have been arranged modularly. Only 6 and/or 8 pillars exist in each space, resulting in almost unobstructed space conditions. The staff facilities and office areas are located on the upper floor on the side all around the production halls. All areas can be reached over the gallery on the second floor, which helps to avoid passenger traffic on the manufacturing floor.

All machines have been equipped with noise protection cabins, which can be ventilated individually to get perfect working conditions. This required a complex ventilation and energy concept. The heating energy of the machines is recovered and used for heating in winter time. The sprinkler system is used to support the cooling of the building during the day. At night, a cooling device to reduce the temperature is switched on. This idea has gained additional innovation scores for the "LEED Gold" certificate. Overall, the statutory requirements regarding energy saving have been undercut by more than 20 % by the new building.

The central stamping waste management contributes to an essential improvement in the workplace ergonomics. Manual handling of heavy and sharp-edged waste is reduced to a minimum. The stamping waste is automatically evacuated by a conveyor system and suction technology.





1. Creation of a second oven for the production of Biochar

In 2015, the first funding of ARaymond for blochar had allowed the creation of the first Biochar oven of the plantation in La Pedregoza, Colombia.

In 2016, the second financing of ARaymond was used to make Biochar's production a major project. It is now possible to produce 2 to 5 tons of Biochar per day!



3 news:

 $https://tree-nation.com/search? category=project_updates \\ @filter=3 \\ @filter_name=La \\ \% 20 Pedregoza \\ @search_content=A \\ Raymond \\ 2016 \\ @filter_name=La \\ \% 20 Pedregoza \\ @search_content=A \\ Raymond \\ 2016 \\ @filter_name=La \\ \% 20 Pedregoza \\ @search_content=A \\ Pedregoza \\ Pedregoza \\ @search_content=A \\ Pedregoza \\ Pedregoza \\ @search_content=A \\ Pedregoza \\ Pedreg$

The history of Biochar in La Pedregoza:

https://tree-nation.com/search?category=project_updates&filter=3&filter_name=La+Pedregoza&search_content=biochar@

2. Development of a social project in relation to the environment

The funding of ARaymond for the Bore project in Kenya was used for the construction of a Forest Center.

This incredible building of impressive proportions is perfectly integrated into its environment thanks to its traditional method of construction.



2. Development of a social project in relation to the environment

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This incredible building of impressive proportions is perfectly integrated into its environment thanks to its traditional method of construction.







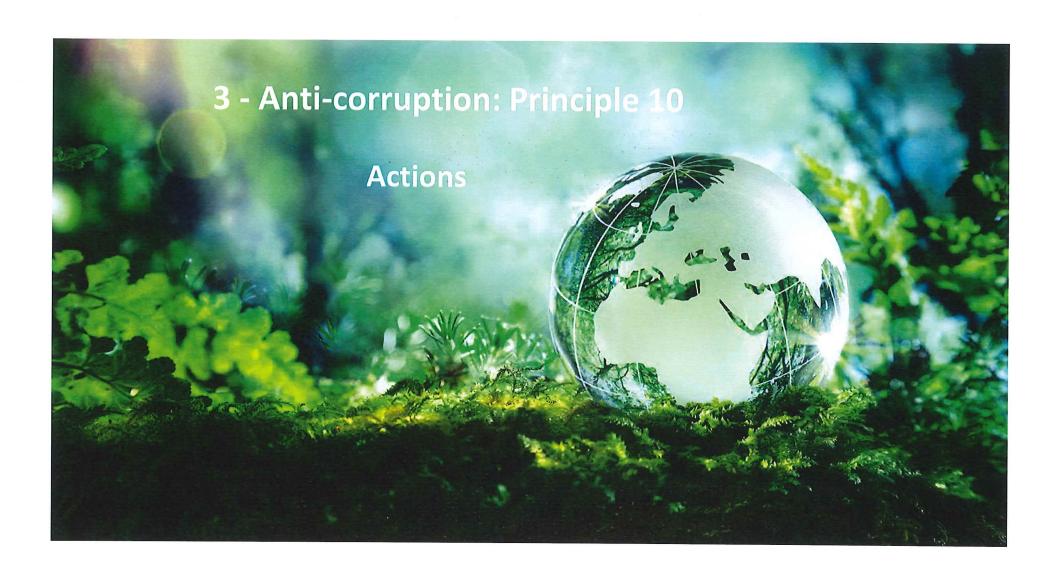
FRANCE - SEPTEMBER 2016

A proactive approach to sustainability

The ARaymond environmental charter focuses on the impact of its own buildings and vehicles, but what about the products and components it produces? Inspired by this very question, Rayconnect R&D in Grenoble decided to develop a tool capable of analyzing the environmental impact of any part. After establishing a product profile, four energy KPI (Key Performance Indicators) - including the CO₂ required for production and delivery - are converted into meaningful figures. For example, the tool indicates that 1.7m³ of water equates to an adult's water consumption over 10 days. Initially applied to the Quick Connector, this integrated eco-design approach will enable ARaymond to adapt its existing product ranges and design new, more sustainable, parts. As well as making ARaymond more energy-efficient and more cost-effective, this tool will also meet customers growing demand for environmental transparency.

Title of presentation - Legal entity







ARaymond cares for compliance



AR Code of Conduct & Ethics - overview

In all of the countries where ARaymond is present, our ambition is to conduct all our activities with integrity and respect. These key values are the foundation that guarantees a long-term visibility and a sustainable future for our enterprise. They are the cement of our actions, they are the basis of the trust that we must have within our organisation and with our business partners.

With this objective in mind, ARaymond Network has undertaken to further reinforce our position and internal organisation with the implementation of a Global Code of Conduct and Ethics policy.

This Code of Conduct notably includes the points that are detailed in your requirements notably business integrity, labour practices (forced labour etc...), employee health and safety, export administration regulations as well as environmental management

requirements.

www.araymond.com



AR Code of Conduct & Ethics - overview

Our Code of Conduct & Ethics defines high standards of behaviour for our workplace and give us guidelines as to how we may protect the people within our organisation, the ARaymond Network, our business partners and the environment.

Our global and proactive approach demonstrates our objective to respect Industry Standards and Legal requirements wherever we are present in the world notably the French Sapin 2 Anti-Corruption law and the IATF 16949:2016 certification.

ARaymond Network is committed to responsible business practices and ensuring that all partners share the belief that "working ethically" is a critical business requirement.





ARaymond Network Compliance Framework

Compliance document foundation

Code of Conduct



Whistleblower Procedure

Anti Corruption Guidelines Conflict of Interest Guidelines Business Partner Evaluation Procedure





COP 2017

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