

Communication on Progress 2017

 **Davey Bickford**
Enaex





✦ Davey Bickford
Enaex

Our Commitment

Chief Executive Officer's Statement

► OUR COMMITMENT

- ▶ Davey Bickford has long-standing and active participation in the UN Global Compact since 2004.
- ▶ As CEO of Davey Bickford, I am proud to confirm our continued commitment to the UN Global Compact and its principles in 2017.
- ▶ In 2017, we built our new Values Chart and shared emphasis on those 4 Core Values
Our Priority: Life **Our Vocation: Clients** **Our Obsession: Excellence** **Our Strength: Innovation & Entrepreneurship**
that motivate every day all Davey Bickford community engaging with passion with stakeholders in sustainable development.
- ▶ While continuously improving the way we serve our customers and partners, Davey Bickford will keep on with its commitment to create a safer and more sustainable future for all.
- ▶ Here you will find our 2017 Communication on Progress and learn more about our practices in implementing the Ten Principles of the UN Global Compact.

Esteban Fisher, CEO Davey Bickford

A photograph of two workers in a tunnel. They are standing on a yellow metal platform or scaffolding. The worker on the left is wearing a yellow shirt, a white hard hat with a headlamp, and glasses. The worker on the right is wearing a yellow shirt, a white hard hat with a headlamp, and glasses. They are both smiling at the camera. The background is a tunnel wall covered in a wire mesh. The text "Introduction Davey Bickford in a nutshell" is overlaid on the image in white, bold, sans-serif font.

Introduction Davey Bickford in a nutshell

ID Card

- ▶ A leading global company designing, manufacturing and selling initiation systems (detonators & igniters) for civil explosives and specific applications in defense, security & entertainment
- ▶ Strategy:
 - ▶ focusing on mining, quarrying, construction & earthwork markets requiring Premium Electronic Initiation Systems for civil explosives through a direct added-value approach with end customers.
 - ▶ promoting abroad our know-how for defense activity
- ▶ Founded in 1831 – Unique production site in Héry, Yonne, France created in 1906
- ▶ Sales & operations in around 40 countries in all continents



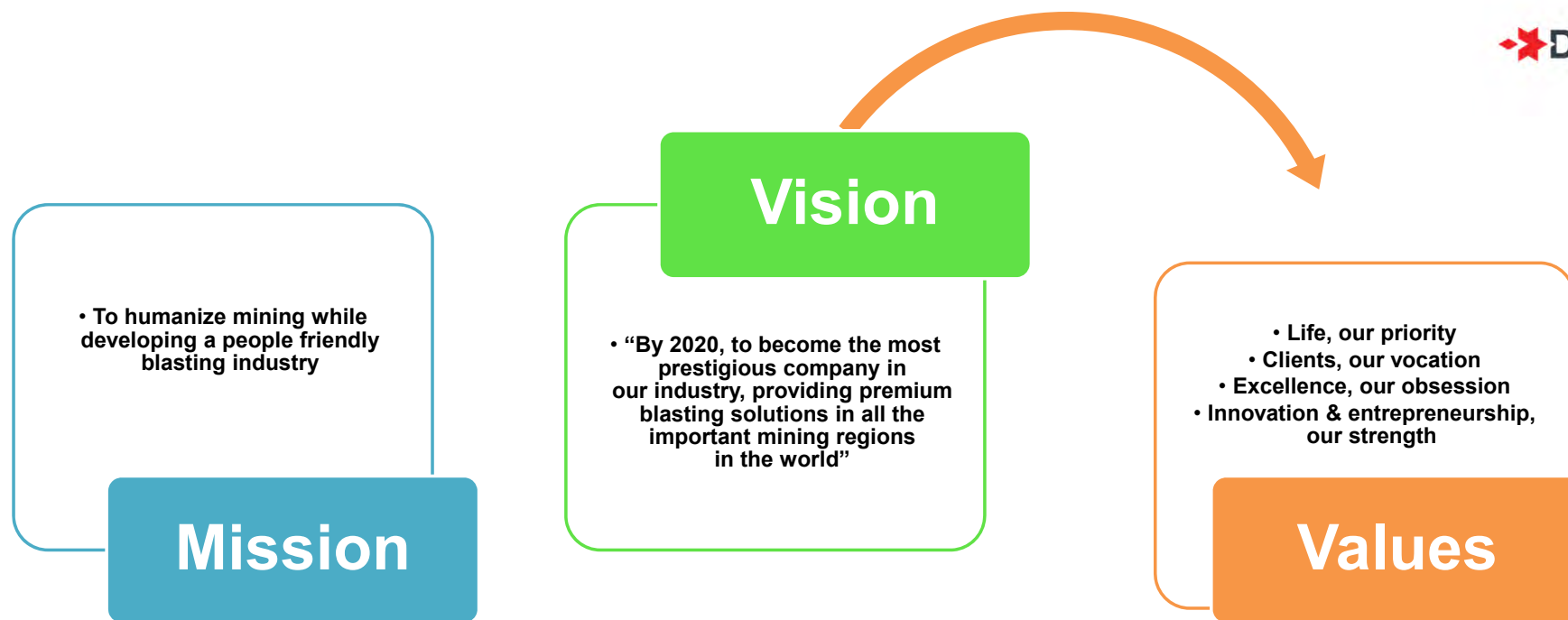
▶ Davey Bickford
Enaex

▶ INTRODUCTION

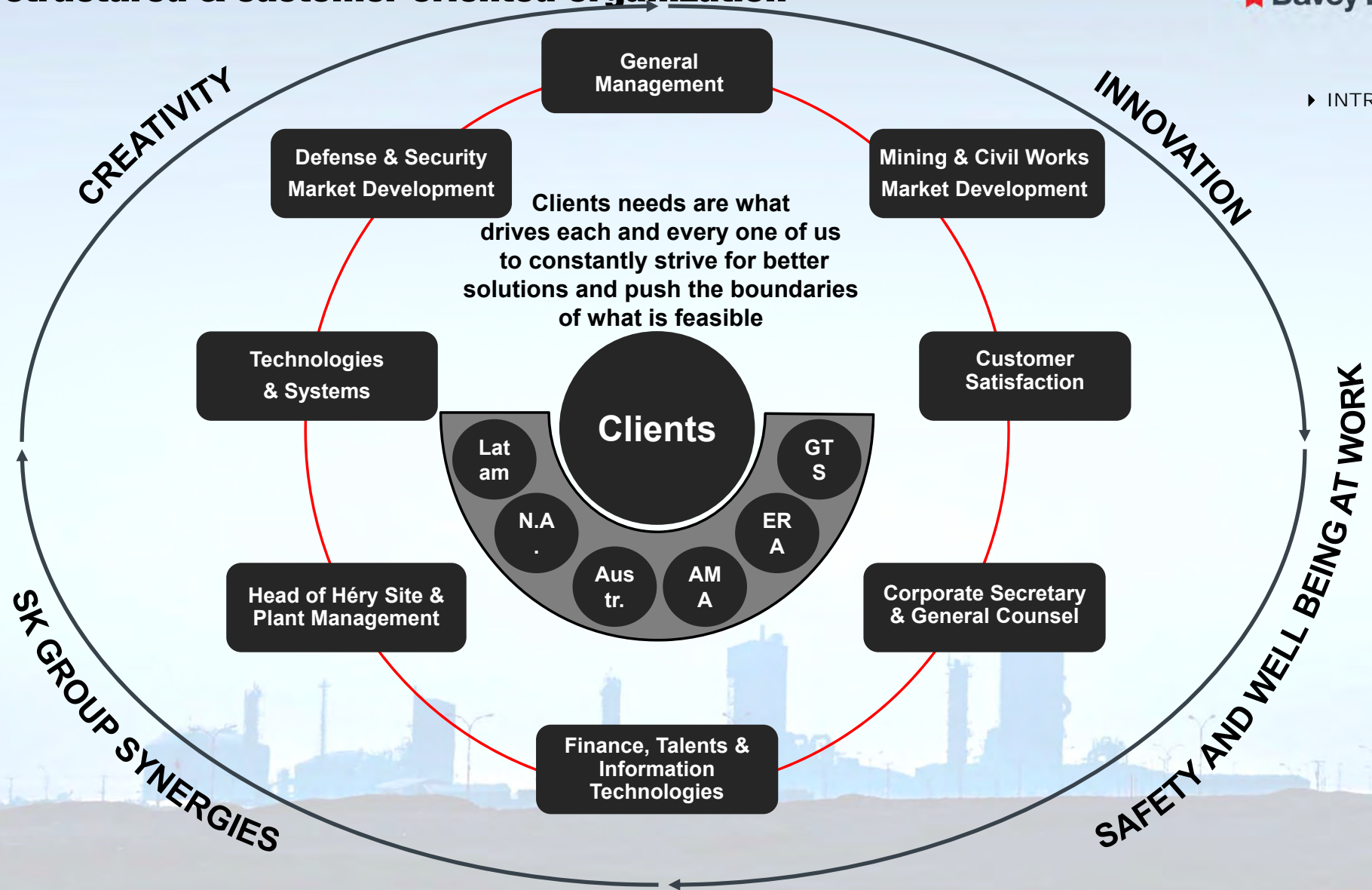


 **Our Purpose**

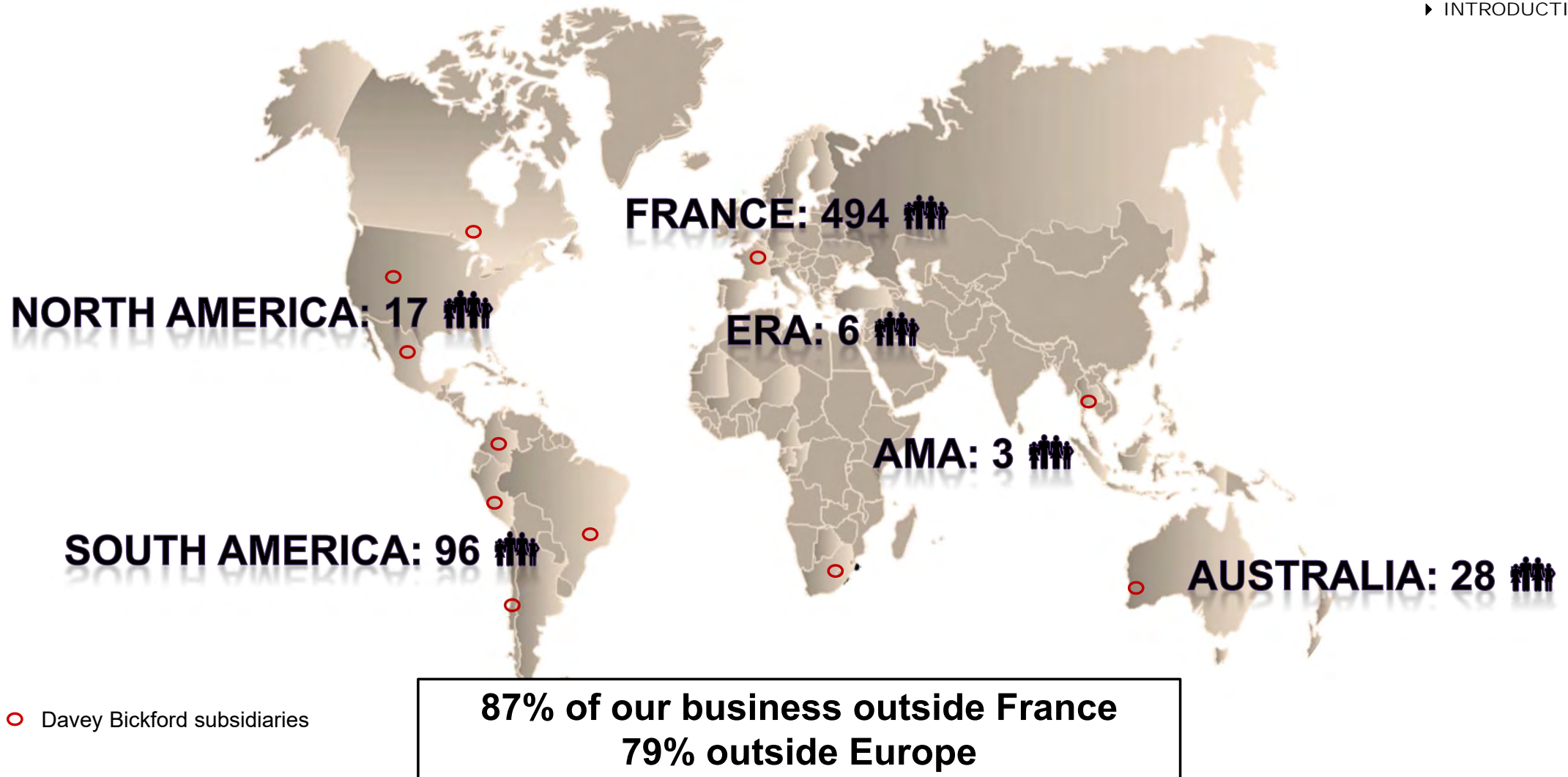
**HUMANIZE
MINING**



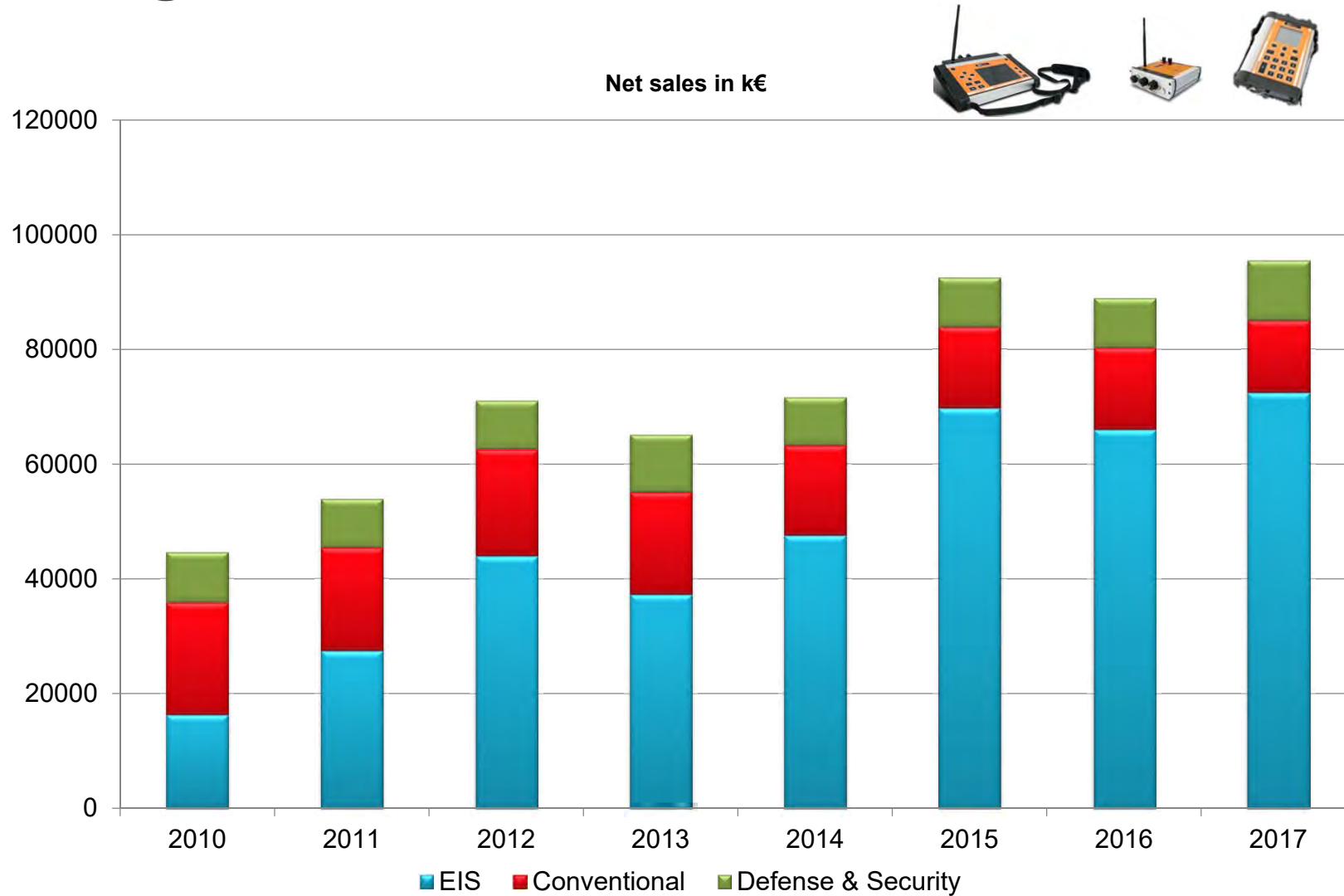
Strongly structured & customer oriented organization



A global footprint



A growing success based on electronics



A red diamond icon pointing to the right, positioned to the left of the main title.

Global Compact 2017 Initiatives

Initiatives to reflect Global Compact Ten Principles

Human Rights & Labour

New Values Chart around the world

- ➔ 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

Growing a global group



Common Goals



Common Values



Common Culture

Our Values



OUR PRIORITY
LIFE



OUR VOCATION
OUR CLIENTS



OUR OBSESSION
EXCELLENCE



OUR
STRENGTH
**INNOVATION AND
ENTREPRENEURSHIP**

The global culture campaign began in March 2017.



Celebrate our values



Nous partageons tous les mêmes valeurs, car maintenant "We are One"



Nossa
prioridade
é a vida

▶ HUMAN RIGHTS

OUR PRIORITY LIFE





► HUMAN RIGHTS

OUR PRIORITY
LIFE

For us
SECURITY
& integrity are at the
1st position

We are responsible for our
ENVIRONNEMENT

We are engaged with
& we support
COMMUNITIES
where we conduct business

Transversal Initiatives

GLOBAL LAUNCHES



SAFETY BOX



BREAST CANCER AWARENESS CAMPAIGN



WE ARE ONE



LEADER'S NEWS



BRANDING



Transversal Initiatives: Santiago Marathon

► HUMAN RIGHTS

Involvement Commitment Courage



of our teams





THIS IS THE TEAM
**THAT KNOWS
NO BORDERS**

If you think that running is an individual sport, it's because You've not heard about #RunEnaex team.

25 athletes from 4 countries will represent us as a team that knows no borders.

Alexis Carrizo	Esperanza, Chile	Juan Andrés Errázuriz	Santiago, Chile	Enrique Vargas	Santiago, Chile
Claudio Fariás	Esperanza, Chile	Andrés Aguilera	Santiago, Chile	Carlos Sandoval	Planta Olavarría, Argentina
Hantar Agud	Río Loa, Chile	Eugenia Alvarado	Santiago, Chile	Thierry Reverdy	Héry, Francia
Gustavo Bastías	Collahuasi, Chile	Felipe Carmona	Santiago, Chile	France Catherine Czuprinski	Héry, Francia
Johnny Taucare	Collahuasi, Chile	Karen Gaete	Santiago, Chile	Christine Wójtaszek	Héry, Francia
Juan Orellana	El Tesoro, Chile	Louis de Vos	Santiago, Chile	Silvia Hirata Lopes	Brasil
Mauricio Linares	Centinela, Chile	Sebastián Reinoso	Santiago, Chile	Mateus Pontarolli	Brasil
Braulio José Jara	Los Pelambres, Chile	María Díaz Barraza	Santiago, Chile	Cercio Cardoso De Carvalho	Brasil
		Francisco Baudrand	Santiago, Chile		



Initiatives in France

► HUMAN RIGHTS



LAUNCH OF THE VALUE « THE LIFE »

Davey Bickford
Igniting your Future

ODYSSEA RUN in AUXERRE on the 15 of OCTOBER 2017
IN FAVOR OF THE FIGHT AGAINST BREAST CANCER



Massive involvement of employees of DAVEY BICKFORD, with **90 people**



Our association OMNISPORTS hopes that there will be even more participants in 2018 Thanks to all of you !

DIRECTION-COM INTERNE - 19 October 2017

an Enaex Company



Doctor visits to talk about breast cancer prevention

Enaex

Enaex

Davey Bickford
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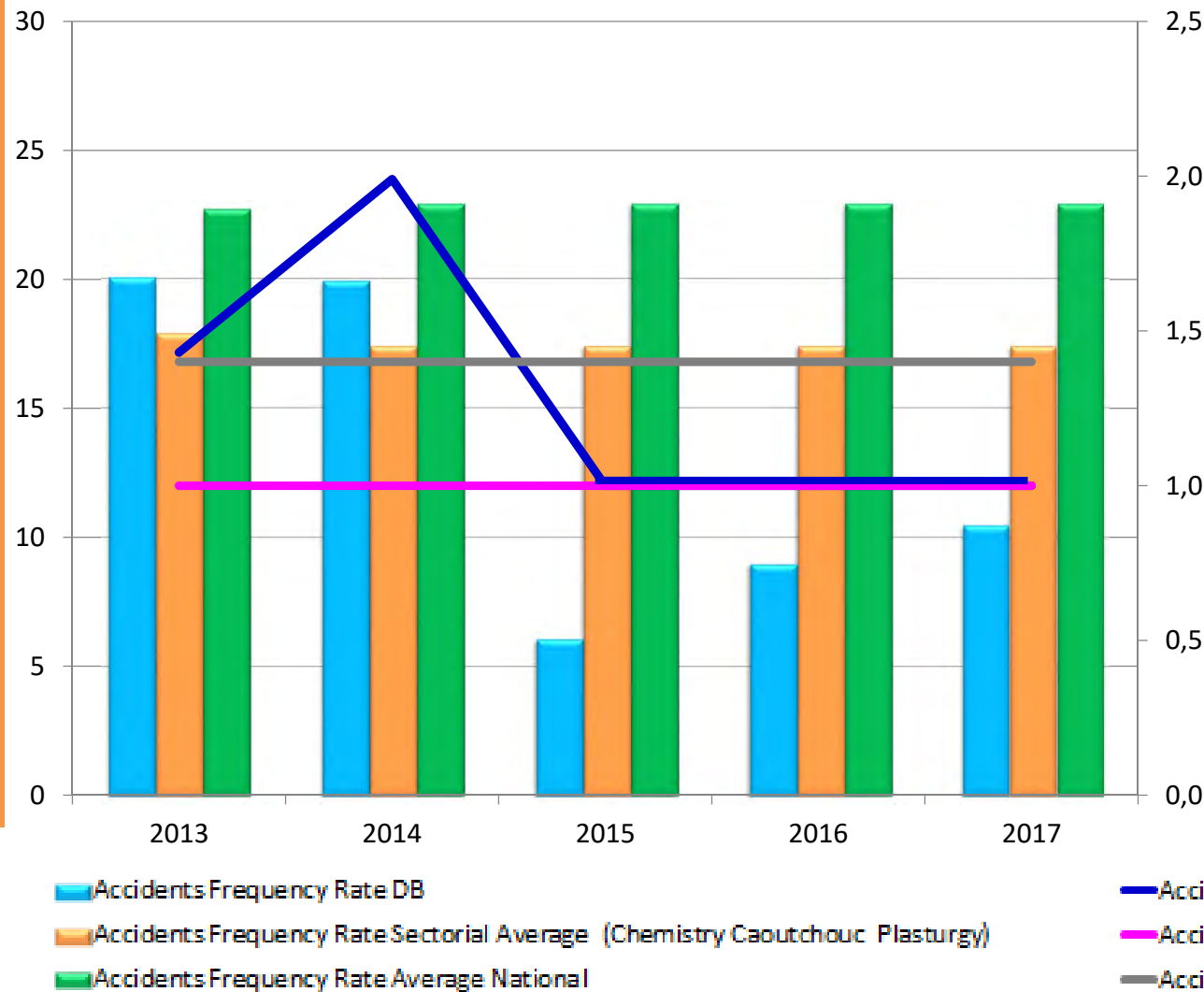
Enaex



Health safety & security

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

Safety



The accident frequency rate at Group level, although low vs sectorial and national average, was still higher than our objectives. A special action plan has been defined to prevent.

Action Plan

- ▶ **Safety behavior visits** are the initiatives launched to encourage a culture of safety within the Group
 - ▶ Deploy safety behavioral visits by involving everyone on the site. On our worksites, ensure compliance with the measures agreed with external companies
 - ▶ Behavioral visits to exchange and control the risks of your workstation, increase the number site audits
 - ▶ Visits are made by our people (89 people trained to Safety behavior visits)
 - ▶ > 1 068 visits per year

- ▶ Senior management is committed to meeting all injured workers, an opportunity to understand accident circumstances, and moreover to assess the state of safety for the company

- ▶ A video spots is realized where the injury explains accident circumstances and how to prevent it

- ▶ HSE send a communication to all employees (see example next page)

Exemple of communication in France

FLASH ACCIDENT MAI - 2017



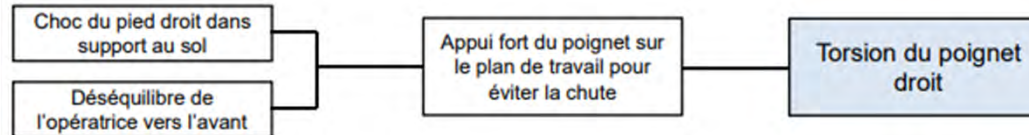
Accident survenu le 5 mai 2017 au bâtiment 12

Torsion du poignet droit (accident sans arrêt, avec soins externes)

Circonstances

En rejoignant son poste de travail, la personne a heurté avec son pied droit le pied-support provoquant son déséquilibre vers l'avant. En voulant se rattraper en appuyant son poignet droit sur le plan de travail, celui-ci s'est tordu.

Arbre des causes



Actions

1° Modifier le poste en inclinant le pied

Responsable : [REDACTED]

Délai : Semaine 24/2017

Work Accident
Date and damage

Circumstances
Description

Cause
Root causes
analysis

Action plan
Actions, people in
charge and deadline



Protect people & materials

→ Principe 9: encourage the development and diffusion of environmental friendly technologies

Increased flood risk and economic damage from flood in Davey Bickford

- ▶ The plant Davey Bickford is located near the river Serein, which regularly suffers flooding.
- ▶ Davey Bickford sets up an action plan to protect people and equipment from floods. The aim is also to reduce consequences of floods, especially quantities of waste.

1- Conception of buildings



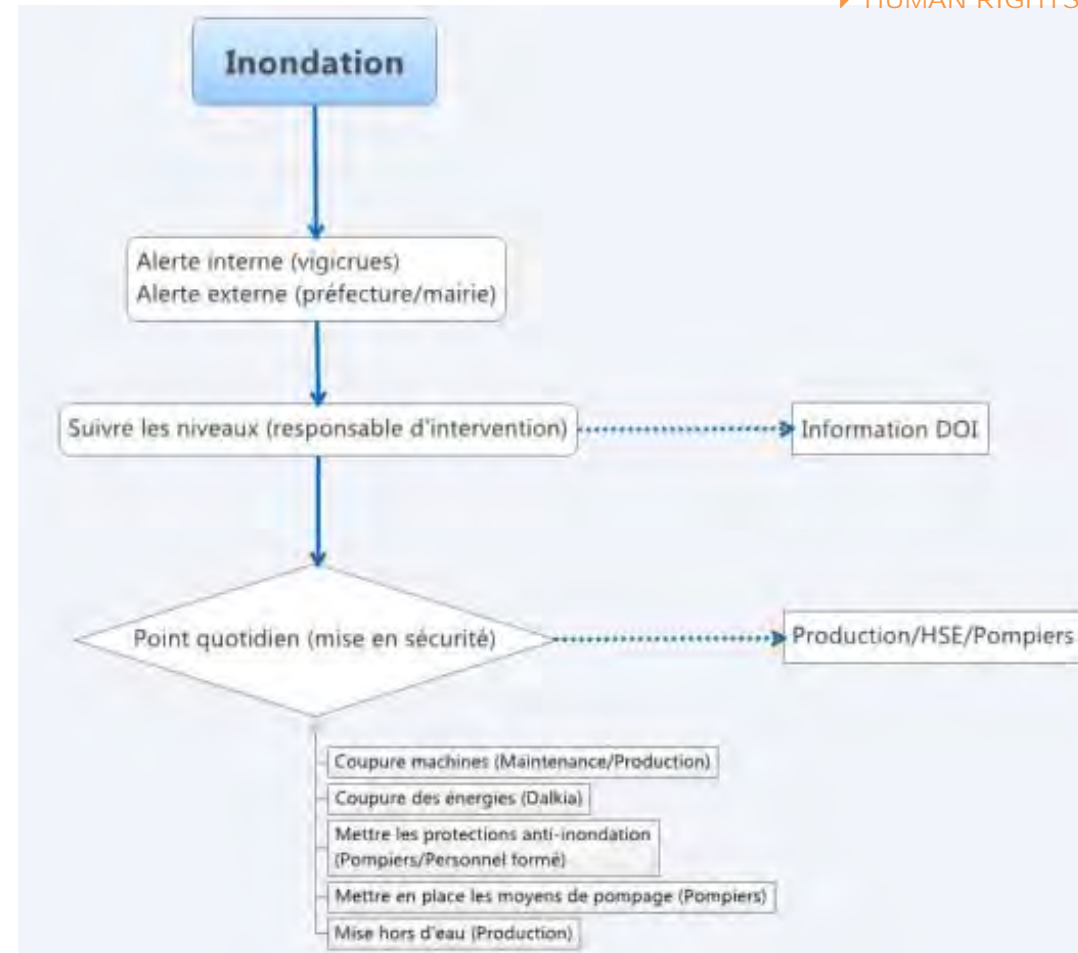
Examples : engines are put at height, buildings on silts

and equipment



2 - Organization

- Crisis unit and frequent meetings to update prevention and to organize prevention teams
- At each reached level of flood, actions are taken to protect raw materials or finished products and to secure strategic equipment (like IT equipment or effective machine)



ENVIRONMENT

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



Davey Bickford & REACH regulation

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

REACH Regulation:

a European directive to reduce & eliminate noxious substances

► ENVIRONMENT

► REACH

- a regulation of the European Union
- improve the protection of human health and the environment from the risks from chemicals
- enhancing competitiveness of the EU chemicals industry
- also promotes alternative methods for the hazard assessment of substances in order to reduce the number of tests on animals.

► REACH applies to all chemical substances

- industrial processes
- day-to-day consumer products, for example in cleaning products, paints as well as in articles such as clothes, furniture and electrical appliances.
- the regulation has an impact on most companies across the EU.

- To comply with the regulation, companies must identify and manage the risks linked to the substances they manufacture and market in the EU. They have to demonstrate to ECHA (European Chemical Agency) how the substance can be safely used, and they must communicate the risk management measures to the users.
- REACH stands for Registration, Evaluation, Authorization and Restriction of Chemicals. It entered into force on 1 June 2007.

👉 For more information ECHA official website : <https://echa.europa.eu/fr/home>

REACH Regulation: steps for change

There are 3 lists of chemical products to be addressed:

► The « candidate » list

- This list can be considered as the first step before restriction or authorization of use for a substance. In general terms an SVHC (**S**ubstance of **V**ery **H**igh **C**oncern) is a substance meeting one or more of the following criteria:
 - Class 1 or 2 carcinogen, mutagen, or toxic for reproduction (CMR)
 - Substance which is PBT (persistent, bio-accumulative and toxic) or vPvB (very persistent and very bio-accumulative) in accordance with Appendix III of REACH
 - Other substances for which there is evidence of equivalent degree of concern (e.g. endocrine disruptors)
- ☞ Note that there are over 1000 substances that potentially fulfill these criteria.
- ☞ In terms of REACH compliance, SVHC refers specifically to those substances that meet the hazard categories mentioned AND that have been placed by the Commission on the Candidate List of substances considered for authorization.

► The « annex » lists -

- Annex XVII: this list limits the manufacture, use or placing on the market of substances, mixtures and articles which entail an unacceptable risk to human health or the environment. Examples of targeted substances include mercury applications such as in thermometers, certain phthalates in toys, etc.
- Annex XIV: this list applies to substances for which manufacturing is strictly prohibited unless a special authorization has been delivered by the ECHA (such authorization being applicable for a limited period of time and for a given duly declared application)

Davey Bickford's commitment: become REACH proactive leader in our industry

► ENVIRONMENT

- ▶ Our commitment is that 100% of Davey Bickford's products are REACH compliant
- ▶ For our needs, preference is given to "clean" substances rather than special authorizations (in case of substances in the authorization list). Accordingly, R&D resources are allocated in priority to "REACH" programs
 - ▶ Defense & Security sector: >60% of budget allocated to REACH related developments
 - ▶ Chemical lab: 100% of resources are dedicated to REACH related developments
- ▶ We also commit to anticipate all REACH restrictions to make sure that our customers don't face a break in their supply chain. We know that the replacement of materials or substances submitted to restrictions or obsolescence is a long and expensive process. For this reason we pay efforts to anticipate and continuously inform our customers of the evolution of the above lists

Some examples of REACH targeted substances:



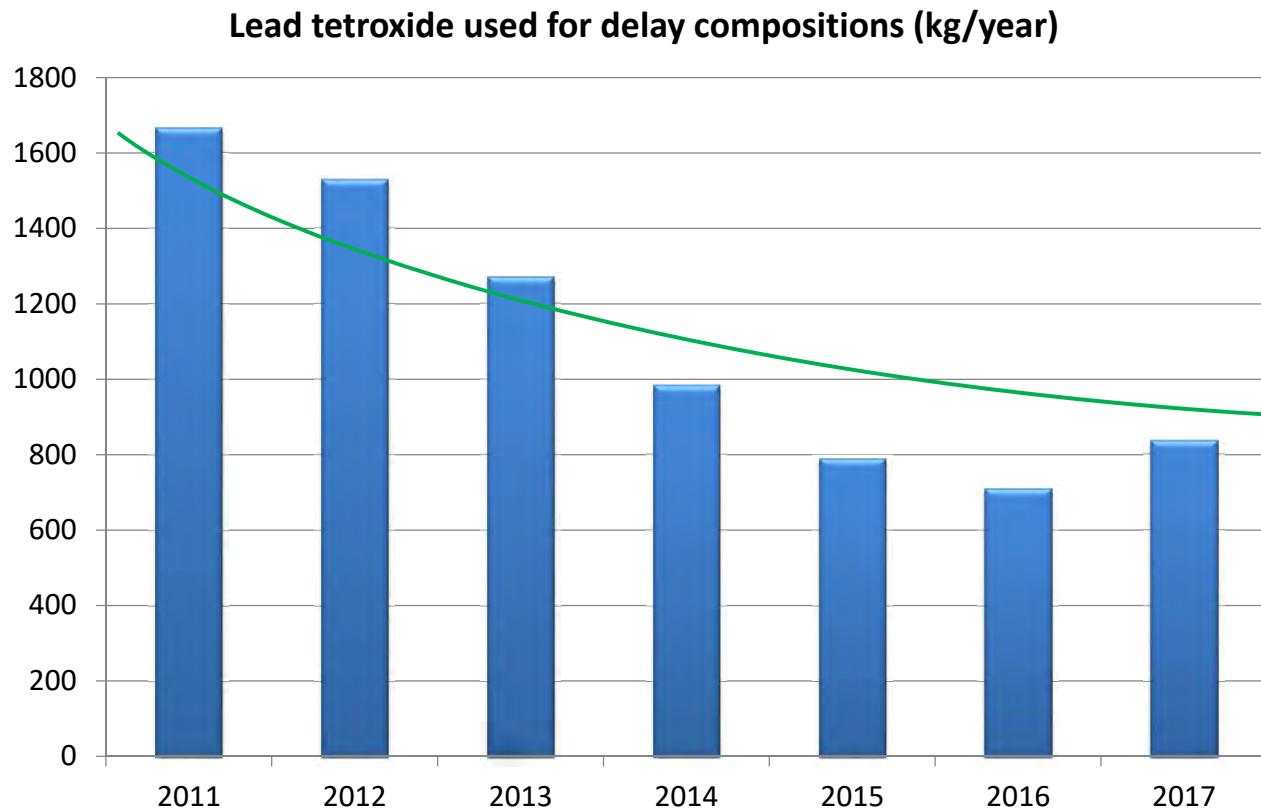
► Example 1: the ammonium dichromate (CAS # 7789-09-5)

- Listed in Annex XIV, this substance is used in one of our pyrotechnic composition. This substance will be prohibited from 21/09/2017 onwards.
- Anticipating the above *sunset date*, the formulation of a replacement solution has been started and a REACH compliant solution has been available for a few years. Since 2017, this solution has already been qualified on many programs, in cooperation with our customers (according to their technical specifications).
- Several of our major customers have already confirmed their satisfaction with this new solution which permit to ensure the continuity of strategic space, defence and aeronautics programs

► Example 2: the lead tetroxide (CAS # 1314-41-6)

- This substance is in the candidate list. It is used by Davey Bickford in several pyrotechnic manufactured compositions.
- Development effort has been started to formulate and manufacture a replacement solution offering at least the same performances. We shall be soon able to start validation tests in partnership with our customers.

A significant reduction in using lead tetroxide for delay compositions (Kg/year)



In 2017 lead consumption has risen in line with our sales. There is no change in the percentage of lead in our products.

In terms of R&D, we have reached a plateau since the remaining few percent of lead oxide are more difficult to eliminate (to maintain a good level of product quality).

Illustration of example 2 (previous page): Lead tetroxide consumption
This substance is on REACH « candidate » list.




Quality specification

Suppliers selection

→ Principe 9: Encourage the development and diffusion of environmental friendly technologies

Suppliers selection

- ▶ Davey Bickford responsible purchasing approach is one of the structuring elements of its social responsibility.
- ▶ To ensure sustainable development of its activities, we expect our suppliers and subcontractors to meet the same standards of social and environmental responsibility that we impose on ourselves. Davey Bickford engages with each and supports each with a progress-oriented approach.
- ▶ This Purchasing policy addendum is implemented by clear document (Quality Specification).
- ▶ It is applied internationally by a Purchasing function that is present in Davey Bickford entities. Within the Purchasing Department, a Purchasing Manager monitors and implements the responsible purchasing rules.

 Davey Bickford Enaex	SPECIFICATION GENERALE QUALITE ASSURANCE QUALITE FOURNISSEUR	SA 08 Q001 -FR Ind M
		15/01/2018

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Légende : Texte en bleu = modification					Gestion Doc Original HA (2) « site web Davey Bickford Intranet DB / Référentiel – Gest doc / R&D / SA	
RDP	HA	SG	DIR			
M. STOJANOVIC	P. FICHOT	S. DEAU				
REDACTION	VALIDATION	APPROBATION			DESTINATAIRES	

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A focus on French suppliers today:

✦ Davey Bickford
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► ENVIRONNEMENT

Strategic suppliers



82%



71%

- ▶ **“I believe that longevity in the mining industry requires a deep sense of responsibility to people, communities, and the planet.**
- ▶ **Here in Davey Bickford we are committed to preserving the natural environment and social communities in which we operate”**

Esteban Fisher
Chief Executive Officer

Communication on Progress 2017

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