

CORPORATE SOCIAL RESPONSIBILITY

ALWAYS

GUIDED BY OUR

VALUES

2018 REPORT



**CHASSIS
BRAKES**
INTERNATIONAL

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WE MAKE CHASSIS BRAKES INTERNATIONAL A BETTER COMPANY

WE BENEFIT SOCIETY AS A WHOLE, EVERYWHERE IN THE WORLD

For Chassis Brakes International, Corporate Social Responsibility is just about “doing the right thing right”



**Dr. Thomas Wunsche, CEO of
Chassis Brakes International**

I am pleased and honored to introduce this very first edition of Chassis Brakes International's Corporate Social Responsibility Report. We are an active international player in the automotive industry. We have been a participant in the UN-Global Compact since 2017; as such, we are excited to publicly reaffirm our strong commitment to its Ten Principles, and our full dedication to promote human rights, labour rights, environment preservation and anti-corruption rules and behaviors throughout our Group – and beyond.

The purpose of this document is twofold. By showing who we are, what we do and what we believe in, and by explaining the numerous sustainability initiatives we have implemented across the globe – as well as their main outcomes – we aim to demonstrate our unflinching commitment to integrating the Global Compact principles into our business strategy, culture and daily operations. In addition, we want to share this information, in full transparency, with all of our stakeholders – our employees, our customers, our suppliers and all the people we cooperate with – in other words, the people who, every day, work by our side and share our values.

Our vision of Corporate Social Responsibility, simply stated, is “doing the right thing right”. Everywhere in the world, Chassis Brakes International systematically abides by the law and, whenever possible, sets the bar even higher: we consider that we owe it to our stakeholders and to society. For us it's natural to be proactive: we are a growing company, our SmartUP 2025 strategy and Code of Business Conduct give us solid foundations, and our high-level ambitions are within our reach thanks to constant innovation – it's all in our DNA.

On a day-to-day basis, we include Corporate Social Responsibility objectives on two equally important levels: our core business and society as a whole. Sustainability blends into our core business as a way to boost innovation – for instance, to make our products cleaner and reduce the impact of our activities on the environment. Sustainability is also an integral part of our contribution to society – for example, with small, local, pragmatic actions, or on a larger scale by, for instance, committing to the UN Women Empowerment Principles. Whatever we do, our overall guideline is to “think global, act local”; the diversity of our sus-



**2018 HAS BEEN AN EXCITING
YEAR FOR OUR GROUP.
OUR GOAL FOR 2019
IS EXCELLENCE
ON ALL FRONTS.”**

tainability actions demonstrates how imaginative, creative and agile our employees can be as they find ways of teaming up and adapting to various cultures, needs, constraints and challenges! I, personally, am proud of each and every one of them.

2018 has been an exciting year for our Group. Our goal for 2019 is excellence on all fronts. Corporate Social Responsibility will play a major role in achieving this goal – let's meet again next year to see the progress we have made to become a better company and benefit society, everywhere in the world. ■

CHASSIS BRAKES INTERNATIONAL

A GROUP WE ARE
PROUD OF



WHO ARE WE TODAY?

Chassis Brakes International is one of the world's largest manufacturers of automotive braking solutions. Since June 2012, the Company has been part of KPS Capital Partners, LP portfolio companies. We are present in 16 countries; our 5,500 employees work in 23 locations: 12 manufacturing facilities and 11 engineering facilities or sales offices.

The company has a balanced customer portfolio that includes all of the world's major European carmakers, as well as leading auto manufacturers in North America and the Asia Pacific region.



90
YEARS OF
INNOVATION

5,500
EMPLOYEES



16
COUNTRIES*

23
LOCATIONS

12
MANUFACTURING
FACILITIES




11
ENGINEERING
FACILITIES OR
SALES OFFICES

*Brazil - China - France - Germany - Italy - India - Japan - Mexico - Netherlands - Poland - Portugal - South Africa - Spain - Thailand - Turkey - USA


BRAKING SOLUTIONS TO MEET ALL NEEDS

Our products – disc and drum brakes, automated parking brakes, rotors and drums, and smart brakes – are dedicated to passenger cars and light commercial vehicles. They are supplied to original equipment manufacturers and through aftermarket channel in India, marketed under the brand name KBX.



ZOHe ZOHe AST™ BIR / BIRplus Drum/DIH

DISC BRAKES & DRUM BRAKES




APB (GEN2) APB HD Boost APB APB-Di

AUTOMATED PARKING BRAKES



Ventilated & solid discs Drum

ROTORS & DRUMS



Smart Parking Brake™ Smart Brake™

SMART BRAKES

ZOHe Zero-Offset Harmonized evolution
 AST™ Active Shape Technology
 BIR Ball-In-Ramp
 DIH Drum-In-Hat
 APB Automated Parking Brake
 Di Motor on Drum Integrated

OUR VISION AND VALUES

Chassis Brakes International's vision is to be a global partner in braking solutions, through innovation and passion for success! We make this vision a reality through six values which constantly guide the way we work and constitute the base of our corporate culture. By integrating these values in our day-to-day activities, we achieve our objectives, enhance our position as a global leader and create long-term value.

ACCOUNTABILITY

"We perform to the requirements with a constant sense of ownership and responsibility"

CREATIVITY

"We are empowered to test ideas and learn from our experiences"

TRUST

"We value positive relationships based on respect and transparency"

AGILITY

"We are dynamic, enthusiastic and flexible"

EXCELLENCE

"We are committed to achieving high standards of performance"

COOPERATION

"We work as one team through alignment and collaboration"



OUR **CODE** OF BUSINESS CONDUCT

Chassis Brakes International's Code of Business Conduct was renewed and fully deployed in late 2017. This document, translated into the main languages of the countries in which Chassis Brakes International operates, provides guidance on the main ethics and compliance issues related to the Group's activities. It aims to:

RESPECT*
HUMAN
RIGHTS

FIGHT
HARASSMENT &
DISCRIMINATION

GUARANTEE
EQUALITY,
DIVERSITY &
FAIRNESS

FIGHT
CORRUPTION
AND BRIBERY

PROMOTE
ACCOUNTING
ACCURACY &
TRANSPARENCY

*Protect, respect and maintain all components of personal dignity, privacy, working conditions and human rights of every employee.

It also includes specific chapters on how to do business with third parties, conflicts of interest, and confidentiality, as well as how to report non-compliant acts.

Chassis Brakes International supervisors and managers must lead by example; they are responsible for ensuring that their team members are trained on ethics and compliance issues, and that no violations of the law and/or our Business Code of Conduct occur in their area of responsibility. All suppliers, intermediaries, business partners, entities over which Chassis Brakes International has no control and other third parties are expected to act consistently with our ethics.

With our Code of Business Conduct, our permanent guideline is clearly stated: do it right! ■



OUR BUSINESS CODE OF CONDUCT WAS EXTENSIVELY SHARED THROUGHOUT THE GROUP IN LATE 2017. All Chassis Brakes International employees and newcomers are made aware of our Code via a mandatory 45-minute e-learning course which covers all topics with examples and games. The final quiz is checked by local HR: every employee must achieve a high score – or do it again. Local managers are also in the loop to supervise the way their teams follow the rules listed in the Code. In this way, we ensure appropriate behaviors in all of our activities.”

Thierry Couillaud, Vice President Human Resources & Communications



THE WHISTLEBLOWING PLATFORM WAS IMPLEMENTED EARLY 2018. IT IS AN EXTERNAL, ENCRYPTED WEB-BASED SYSTEM WHICH ENABLES ANY EMPLOYEE, IN ANY LOCATION, TO ANONYMOUSLY REPORT A CONCERN, INCIDENT OR NON-COMPLIANT ACT – on issues such as harassment, safety, competition, illicit financing, export control, conflicts of interest, corruption, and so on – straight up to top-level management. Employees who don't have access to a computer can call in to make their report. In either case, I get an alert message directly on my cell phone; I log into the system and either read the report as it is or get it translated via the system. I then escalate the complaint to the Executive Team member concerned or directly to the CEO. I'm happy to say that so far, we haven't had any issues to deal with. But should such an issue occur, the process is in place and operational.”

Wolf Willems, Director Corporate Social Responsibility



OUR SMARTUP 2025 STRATEGY

Our strategic plan, SmartUP 2025, is designed to meet the future challenges of the automotive industry. It includes a strong vision, four dimensions, as well as our financial ambitions for 2025. Our six values are at the heart of everything we do, shaping our thinking, our actions, and the way we interact with each other and with all our stakeholders.



OUR ROAD TO SUCCESS

Our strategic plan SmartUP 2025 is based on 4 dimensions

CUSTOMERS

“Stay In, Grow Smart, Stay Out”

We are involved in long-term relationships with automakers worldwide. We are committed to providing our customers with braking solutions that exceed their expectations in terms of quality and innovation. Because we are one step ahead, we are designing robust and breakthrough technologies to meet the major automotive trends.

SYSTEMS AND PRODUCTS

“Safer, Cleaner, Smarter”

We are continuing to evolve from a mechanics to a mechatronics systems provider, in order to provide our customers with the right products and solutions.

We are following a winning-products strategy. Safer, Cleaner and Smarter are the three drivers which derive from the major automotive trends and guide our innovations.

BUSINESS EXCELLENCE

“Decide, Perform, Improve”

Technologies requiring special expertise are manufactured in-house. We adjust our production processes and locations as well as the decisions on investments in order to focus on strategic products.

Our approach is systematically customer-oriented, and our employees are fully empowered to create added value whenever possible. We make sure that we are doing the right thing at the right time and in the right way, with a continuous improvement mindset.

ALLIANCES

“Speed Up, Create Synergy, Add Value”

As an independent supplier, we use the advantage of our flexibility and join forces with partners to speed up and grow further. Thanks to this, we create synergies and added value for our customers.

Our aim is to grow, to prove the success of our brand and to strengthen our global presence in order to reinforce our position in a highly competitive market.

INTERVIEW

Thierry Couillaud, Vice President Human Resources & Communications and **Wolf Willems**, Director Corporate Social Responsibility



WITH CORPORATE SOCIAL RESPONSIBILITY, WE ARE BUILDING A BETTER WORLD

What are your respective roles regarding Corporate Social Responsibility (CSR) within Chassis Brakes International?

Thierry Couillaud: As a member of the Executive Team, I contribute to the definition of the Group strategy which includes the CSR approach. In 2017, we stepped up and created a dedicated management position at Group level, held by Wolf Willems. CSR used to be led by local HR's and is now supervised at the global level. Addressing CSR challenges worldwide requires specific expertise!

Wolf Willems: Upon joining the Group I took up the challenge to make CSR initiatives a focused effort. Today, I coordinate and manage projects at the global level to continuously improve Chassis Brakes International's performance as a responsible corporate company.

Chassis Brakes International joined the UN Global Compact in 2017. What is this initiative and why did you join?

W. W.: The Global Compact is the world's largest CSR initiative, supported by over 13,000 organizations in 170 countries. This international "pact" is a call to align companies' operations and strategies; it encourages businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. Today, all stakeholders – including our customers – are increasingly attentive to CSR standards. CSR is a must-do!

T. C.: CSR is crucial to the future of society in general and our company in particular. Joining the Global Compact helps us put the right resources in the right places, boosts us to be in a continuous

■■■ improvement mindset, and publicly states our strong commitment to being a responsible company. This first CSR report shows that we don't just talk – we act.

What is Chassis Brakes International's strategy to support the Global Compact?

W. W.: Our guideline is the Global Compact 2030 Agenda for Sustainable Development; it comprises 10 universal Principles grouped in 4 categories:

- **Human rights:** ensure workers are provided safe, suitable and sanitary work facilities, but also eliminate elements that could harm or threaten human life and health during manufacturing, usage or disposal of products;
- **Labour standards:** ensure that the company does not participate in any form of forced or bonded labour, comply with minimum wage standards and objective recruitment;

- **Environment:** avoid environmental damage and handle dangerous substances safely;
- **Anti-corruption:** assess the risk of corruption and ensure that the internal procedures support the company's anti-corruption commitment.

Each category comprises Sustainable Development Goals (SDGs) which the participant companies commit to including in their priorities. Today, at Chassis Brakes International we are putting together a precise roadmap to meet the 17 SDGs of the 2030 Agenda; our SmartUP 2025 strategy is fully in line with these goals and enables us to integrate them in our day-to-day activities.

T. C.: We are in action mode, supported by the whole Executive Team and Board. Our SmartUP 2025 strategy provides a solid foundation for our CSR roadmap, as do our Group Values: Trust, Accountability,



CSR IS CRUCIAL TO THE FUTURE OF SOCIETY IN GENERAL AND OUR COMPANY IN PARTICULAR. Joining the Global Compact helps us put the right resources in the right places, boosts us to be in a continuous improvement mindset, and publicly states our strong commitment to being a responsible company. This first CSR report shows that we don't just talk – we act.

Thierry Couillaud, Vice President Human Resources & Communications

Creativity, Agility, Cooperation and Excellence. We are committed to offering the best working conditions to all our employees worldwide. Our innovations continuously make vehicles more environmentally friendly and improve the global footprint of our operations. And our Business Code of Conduct helps us “get the job done” the right way.

In what ways does the Global Compact contribute to the Group's CSR approach?

W. W.: The Global Compact provides guidance and support to focus on the right topics and it encourages us to push beyond our limits. By committing to the principles, targeting the Sustainable Development Goals, and reporting on our progress, we are finding our place in the global sustainability challenge - and we are making Chassis Brakes International a better company. In addition, the Global Compact provides a network, with conferences, meetings, trainings... it has also “opened our eyes” to other guidelines such as the Women Empowerment Principles which we now include in our gender equality criteria. ■■■

10

PRINCIPLES

to guide our actions

and stay aligned with the participants of the UN-Global Compact

+100

CSR INITIATIVES

organized every year
within the Group



17

SUSTAINABLE DEVELOPMENT GOALS (SDG)

to focus our efforts
on various CSR topics

What exactly is Corporate Social Responsibility?

The United Nations define Corporate Social Responsibility as “a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is the way a company balances its economic, environmental and social imperatives, while at the same time addressing the expectations of its stakeholders”.

Inside the company, Chassis Brakes International Chief Executive Officer Dr. Thomas Wünsche gives a somewhat shorter definition: “CSR is just about doing the right thing right.”



THE GLOBAL COMPACT PROVIDES GUIDANCE AND SUPPORT TO FOCUS ON THE RIGHT TOPICS AND IT ENCOURAGES US TO PUSH BEYOND OUR LIMITS.

By committing to the principles, targeting the Sustainable Development Goals, and reporting on our progress, we are finding our place in the global sustainability challenge and we are making Chassis Brakes International a better company.

Wolf Willems, Director Corporate Social Responsibility

■ ■ ■ **T. C.:** We are also using the UN calendar to boost our Group communication. We have selected 17 “focus days” to highlight what we do, both globally and locally. These days provide a framework to coordinate our CSR actions and launch new initiatives. We started in March with the Zero Discrimination Day and the International Women’s Day. Other focus days are planned in the coming months: the World Day for Safety and Health at Work, the World Environment Day, the International Anti-Corruption Day, the Human Rights Day...

From a practical viewpoint, where do you stand today on your CSR approach?

W. W.: We are assessing our current performance and global footprint by improving and increasing our reporting, as well as through audits. We want to see

where we stand, benchmark, establish our base level, identify improvement areas, set goals for the future, track our actions in full transparency, and report on our progress.

T. C.: We also need to measure our future performance. Once we have our starting point we will set goals and define a measurement methodology. Our timeframe for this is 2019.

Finally, how does Chassis Brakes International motivate its employees to integrate Sustainability in their day-to-day activities?

W. W.: There is already a lot of momentum. Some of our employees are also amazing volunteers, and many sites repeat local initiatives (family day, support to elderly people, etc.) every year. Although we have

occasional one-shot actions, our vision is mainly long-term. Coordination and alignment of our efforts – supporting our colleagues and sharing ideas and practices – drive our continuous improvement, internal commitment and external recognition. There is no brake on our drive to be a responsible corporate company.

T. C.: We listen to our people. Our employee engagement survey provides interesting bottom-up comments and suggestions; we also have local processes to contribute ideas. CSR activities are definitely “feel good” actions: they generate pride among the employees, build respect for the company, reinforce the sense of belonging, boost teamwork...

So our motto is FULL SPEED AHEAD TO MEET THE CSR CHALLENGE ■

The UNITED NATIONS GLOBAL COMPACT 10 UNIVERSAL PRINCIPLES



HUMAN RIGHTS

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.



ENVIRONMENT

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8

undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE 9

encourage the development and diffusion of environmentally friendly technologies.



LABOUR

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4

the elimination of all forms of forced and compulsory labour;

PRINCIPLE 5

the effective abolition of child labour; and

PRINCIPLE 6

the elimination of discrimination in respect of employment and occupation.



ANTI-CORRUPTION

PRINCIPLE 10

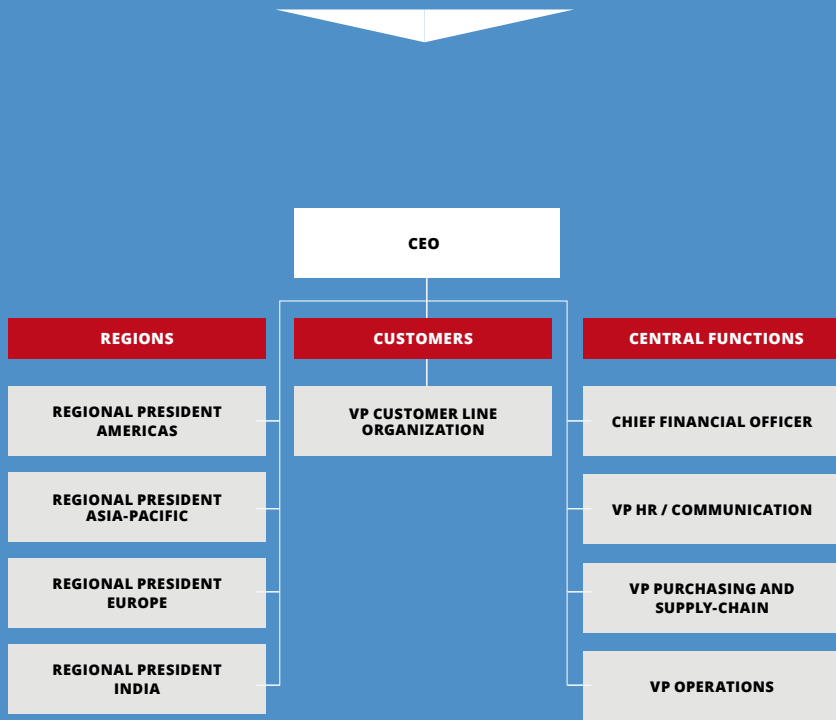
Businesses should work against corruption in all its forms, including extortion and bribery.

WE MAKE CHASSIS BRAKES INTERNATIONAL A BETTER COMPANY

Corporate Social Responsibility: at Chassis Brakes International, these words mean action – starting with everything that can be done to make our company a good employer and manufacturer.



OUR TOP MANAGEMENT IS FULLY MOBILIZED TO PROMOTE SUSTAINABILITY



4
REGIONS
Getting business done

1
CUSTOMER LINE ORGANIZATION
Putting our customers first

4
CENTRAL FUNCTIONS
Leading strategy and supporting business

SAFETY IS AT THE HEART OF OUR ACTIVITY

Safety has always been at the heart of Chassis Brakes International's activity – brakes keep people safe. We apply the same rigorous approach to our employees: it is our responsibility to provide safe working conditions for everyone, everywhere, every day.

We have implemented specific measures to achieve our goal – bearing in mind that to start with, our manufacturing processes and tools are optimized to enable our employees to make our products safely. At Group level, our Golden Safety Rules, updated in 2018, are widely circulated and publicized. They are summarized by our safety motto: "TAKE C.A.R.E. - Cautious, Authorized, Responsible, Equipped - HSE is Accountability". The rules supplement and support existing company management systems, programs and policies; they make our people fully aware of the potential risks related to their work – such as suspended loads, moving equipment, gas tests, etc. – and highlight the simple actions our employees can take to protect themselves and others. At local level, we have a permanent Safety Ambassador Program running at all sites: every employee, at every level, can take a

one day break from their regular work each year, to observe how things are going and contribute to safety improvements. Our target is to have one observer per site per week - depending on the size of the site. Since the beginning of the program, 266 employees have been Safety Ambassador for a day. Safety is also reinforced through dedicated training: in 2018, we have spent more than 23,000 hours on health, safety and environment (HSE) training. Reporting is carried out via a monthly Health, Safety & Environment management call, during which all local HSE teams report on incidents and corrective actions and share best practices. In addition, we are currently



- ■ ■ rolling out our new “I-Care” portal – a global Safety Information System which supports and standardizes key HSE processes.

More generally, a Global Safety Day is organized every year, on the same day as the World Day for Safety and Health at Work. On May 17th, 2018, the theme was individual safety; a large-scale awareness campaign was organized, including workshops and trainings. On April 29th, 2019, the “Safer Together” theme was more focused on safety among colleagues – an all-inclusive way of embedding safety into all employees’ daily activities.

Our safety results, when benchmarked, show that we are doing quite well; several sites have performed for the past years without any incident. In January 2019, our Rayong site in Thailand registered 1,815 days without incident resulting in medical leave (Lost Time Incident , LTI).



Wroclaw, Poland, 2018



“Best Safety Improvement Performance” award

On April 25th, 2018, Chassis Brakes International’s significant progress in safety performance was acknowledged by KPS Capital Partners. As a part of the KPS portfolio, the Group was handed the “Best Safety Improvement Performance” award for its year-over-year efforts regarding health and safety at work.

1815

DAYS
without incident
in our site of Rayong,
Thailand

In India, the sites of Manesar and Jalgaon had 1,700 and 1,450 days without LTI, respectively. We also received the KPS Best Safety Improvement Performance award in 2018. However, we will only be satisfied when we reach our Zero Incident goal; until then, we will keep communicating, training, observing, reporting and correcting whatever we can, so that safety becomes a second nature to all of Chassis Brakes International’s employees, everywhere in the world. ■

ACCIDENT PREVENTION AND CLEAN AIR: OUR SITES TAKE SMART INITIATIVES

Among numerous actions, the Accident Prevention Week organized at our Campinas site in Brazil in August 2018 was particularly successful. Several presentations and trainings took place with a fun approach which made it all very efficient! On a different subject, air quality was greatly improved in our Dalian foundry in China thanks to the installation of a Volatile Organic Component (VOC) absorption system. 90% of the airborne particles are now absorbed, thus providing healthier working conditions for our employees.



Campinas, Brazil, 2018

8 DECENT WORK AND ECONOMIC GROWTH



Realistic First Aid training in Poland

In November 2018, 20 of our Wroclaw employees completed 3 days of theoretical and practical First Aid training. The simulations were particularly realistic thanks to make-up effects which made the artificial wounds look like real-life injuries: a pragmatic way of enabling our employees to “do the right thing” in case of emergency, whether at work or at home.



With the help of a make-up artist, we organized a vivid First Aid training within the facility of Wroclaw. It gave our employees the chance to learn how to react during an accident.”

Paulina Nandzik, HSE Technician, Wroclaw

SUSTAINABILITY IS EMBEDDED IN OUR BUSINESS, FROM OUR SUPPLY CHAIN TO OUR PRODUCTION LINES

Interfacing with customers, suppliers and internal teams, while taking CSR criteria into account, is an important aspect of their jobs: Xavier Gouzy, Global Customer Line manager and Christophe Chauveau, Value Realization director, tell us how CSR is integrated into their day-to-day activities.



Christophe Chauveau



Xavier Gouzy

A “clean philosophy” partnership

On September 13th, 2018, Chassis Brakes International signed a strategic partnership agreement with MANN+HUMMEL, a leading global expert for filtration solutions. Although brake emissions aren’t regulated, our companies are both seriously committed to addressing this topic. Together we are developing a new brake system solution with a recyclable add-on particle filter able to reduce particulate emissions from passenger-car brakes by up to 80% without consuming any energy. A good way of providing more environmentally friendly solutions to our customers!



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



What are your respective roles regarding Sales and Purchasing within Chassis Brakes International?

Xavier Gouzy: I am the “customer voice” when speaking to Chassis Brakes International and the “Chassis Brakes International voice” when speaking to the customer. I have a pivotal role between sales, project management, and engineering; I translate customer specifications into requirements for our engineering team, and go back to the customer with the corresponding offering.

Christophe Chauveau: As Value Realization director I work in close coordination with our engineering and sales teams. I am particularly involved in the deployment of our Supplier Risk Monitoring process, which maps our suppliers according to 61 criteria: financial risks, country risks, natural risks, etc.

How is CSR integrated into Purchasing?

C. C.: A sustainable approach is vital in Purchasing: 80% of our total sales are purchased, 80% of our purchases are made globally, and an increasing number of stakeholders include sustainability criteria in their decision-making processes, including our own Executive Team. CSR is integrated in our business in several ways. CSR criteria are included in our Code of Business Conduct - applicable to all suppliers – as well as in our regular audit checks. In addition, our Executive Team decided a few months ago to “go the extra mile” by implementing a new, large-scale CSR Monitoring process with the support of Ecovadis, an independent agency specialized in sustainability assessments. This process evaluates our suppliers on 21 CSR criteria (in addition to the 61 Supplier Risk Monitoring criteria) organized in 4 categories:



1 NM (NEWTON METERS)

The lowest residual drag of our brake achieved with the innovative ZOHe AST™

to develop brake systems with an add-on particle filter to reduce particulate emissions from passenger-car brakes. These innovations all contribute to delivering “Safer, Cleaner, Smarter” systems and products, and illustrate our company’s determination to be more and more respectful of the environment.

We also found a new supplier in Mexico for our Queretaro plant, which avoids transportation from the existing sources in Europe or Asia. In the future, proper supplier risk management will definitely create fantastic opportunities to work with best-in-class companies and achieve top-level sustainability standards. ■

How is CSR compliance monitored?

X. G.: Regarding Production, our Executive Team monitors CSR compliance very closely. Every month our results are assessed against the targets set for the year. We have several Key Performance Indicators for Safety and Quality. Our main Key Performance Indicator regarding quality is our “ppm” (number of defective parts per million): it is to be noted that between 2012 and 2017, our ppm was divided by more than 4, dropping from 4.0 ppm to 0.9 ppm.

C. C.: In terms of Purchasing, Chassis Brakes International has over 800 direct suppliers worldwide! In order to facilitate the launch of our new CSR Monitoring process, we have prioritized our 50 main suppliers according to their location and the amount of business we do with them. This covers 50% of our spending and all the regions where we have a purchasing activity (10 suppliers per region). This process has already proven its efficiency; for instance, we recently excluded a supplier whose technical and commercial proposal was competitive, but whose safety level was insufficient in our view.

- **environment:** energy, water, pollution, waste;
- **social:** employee health, working conditions;
- **ethics:** anti-corruption, anti-competitive practices;
- **supply chain:** environment issues and social practices.

Today the first phase of the assessment is under way; our aim is to integrate the CSR ratings in the assessment of our suppliers (Supplier Scorecards) by the end of this year.

How is CSR integrated in Sales?

X. G.: Regarding Sales, our customers’ requests for quotations include more and more sustainability criteria. Safety is the first “quality” required from a braking system, and used to be a stand-alone

objective; but today, the environment is also taken into account – and for that, innovation is our key word.

For example, we are innovating to reduce our products’ residual drag, which will in turn reduce CO² emissions. In the past the drag was 8-10 Newton meters (Nm); today our innovative disc brake ZOHe AST™ (Active Shape Technology) – based on a Chassis Brakes International patent renowned for high performance, excellent NVH (Noise, Vibration and Harshness) level and reliability - has a residual drag of around 1 Nm, our goal being to achieve a zero residual drag by 2025. Our Smart Brake™ system solution, under development, uses a new technology which will eliminate the need to recycle brake fluid. We have also signed a strategic partnership agreement with MANN+HUMMEL

21

CSR Criteria
to evaluate
the sustainability
of our suppliers

International recognition of our high-level standards

Chassis Brakes International’s high-level standards are acknowledged by international certifications:

- All Chassis Brakes International sites are IATF 16949:2016 certified;
- In terms of product safety and traceability, the Chassis Brakes International Group is certified ISO/TS16949

SUSTAINABILITY ALSO MEANS **PROPER PROCUREMENT RULES**

The first rule concerning procurement is to work with registered suppliers. We pre-qualify the companies we work with by “scanning” them, not only on their technical capabilities and financial reliability, but also on their maturity level regarding CSR.

Global efforts are made throughout the Group to improve our facilities and equipment and to promote a mindful consumption of energy and water among our employees. Numerous local infrastructure initiatives have resulted in significant improvements: for example, the amount of water per part dropped

by 37% throughout the Group between 2014 and 2018. At Chassis Brakes International, we use certain metals and minerals to produce our equipment. A new European Union Conflict Minerals Regulation concerning minerals and metals originating from conflict-affected and high-risk areas, anywhere in the world, will require

importers to carry out mandatory supply chain due diligence checks, prepare voluntary reports on their sourcing and due diligence practices, and share these via a registry/transparency database. We are already actively preparing to comply with these new obligations, due to take effect across Europe on January 1st, 2021. ■



Heilbronn, Germany

In Germany, our testing of Noise, Vibrations and Harshness is environmentally friendly

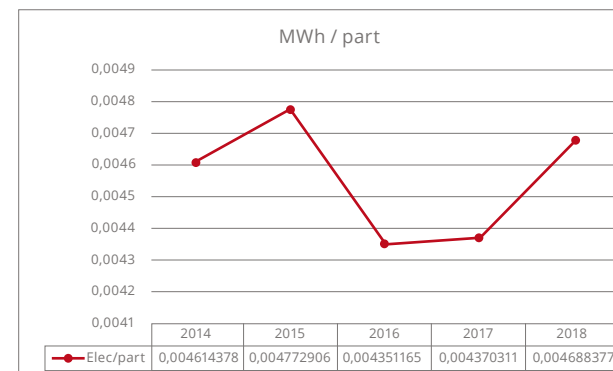
“During the relocation of the German Entity, the NVH Test Benches were refurbished. The most significant updates were the new climatic systems consuming roughly 30% less electrical energy.”
Thilo Eickhoff, Regional Engineering Service Manager, Heilbronn



SAVING ENERGY, PROTECTING THE ENVIRONMENT... OUR SITES ARE ON THE MOVE

Many energy-saving actions are implemented throughout the Group. For example, low energy-consuming LED lighting has replaced halogen lights in several sites. Solar-heated showers have been installed in our Campinas site in Brazil, used by 100 employees every day. In France, our Angers site – built in 1972 – is now equipped with a heat-recovery machine and centralized Building Control System with automatic shutdowns on weekends. In our Suzhou site in China, a 500kW energy storage project based on charging energy at night has reduced our consumption by 35%. We have also invested 18,000€ in Jalgaon, India, to make our packaging more environmentally friendly by replacing corrugated iron boxes with reusable polypropylene packages. And many sites, such as Rayong in Thailand and Lisbon in Portugal, have launched energy mindset campaigns in offices and plants, to give employees useful tips on how to save energy every day.

Global energy consumption 2014-2018



At global level between 2014 and 2018, we observed an increase both in energy consumption (kWh) and CO2 emissions (TCO2eq) per part. This is due to the changes in our volumes and their allocation, but also to the implementation of operational activities leading to efficiency and quality improvements.

WE BENEFIT SOCIETY AS A WHOLE, EVERYWHERE IN THE WORLD

For Chassis Brakes International, Corporate Social Responsibility is not an only intra-Group approach. As a responsible company, we are part of the Big Picture; our aim is to push our limits beyond our internal goals in order to benefit the communities around us and society as a whole.



HUMAN RIGHTS

AN UNFAILING RULE AT CHASSIS BRAKES INTERNATIONAL

Respecting Human Rights is an unflinching rule at Chassis Brakes International. The first of our Group Values, "Trust", summarizes our commitment to constantly promoting positive relationships and respect.

Our Code of Business Conduct, in line with the Universal Declaration of Human Rights published in 1948, clearly states our rules regarding working conditions, harassment and discrimination, equality, diversity and fairness, and respect of human rights and privacy – in addition to safety, which is also a major human right. Our Code also ensures that we are neither involved nor complicit in any human rights abuses, such as child and forced labor or any kind of violence against people.

Overall, we take all necessary measures to provide a high level of awareness of Human Rights and to fully comply with them throughout the Group. We respect people, we listen to them, and we do our best to have a positive impact outside of the company. More simply stated, we care. ■



Jalgaon, India, 2018

It's all about people and equality

A company thrives when its people thrive. At Chassis Brakes International, in addition to being totally compliant with local jurisdictions, our aim is to build long-term relationships with our employees. Our guidelines - which we consider as obligations - are all indicated in our Code of Business Conduct: a fair and objective recruitment process, no discrimination in respect of employment and occupation, fair treatment in terms of promotion, mobility, training, salary, compensation, termination, and the promotion of diversity and equality at all times.

Gender equality, in particular, is a major topic at Chassis Brakes International – for which our challenge is to fight stereotypes and help change mentalities. The automotive industry is traditionally more attractive to men: they represent 80 to 85% of the applicants when we recruit for technical positions! Things are more balanced in support functions such as finance or HR, although there is still room for improvement, especially in management positions.

In any case, our approach is to place particular emphasis on bringing women into the Group and providing them with suitable career paths.

In terms of internal communication, every month we publish an interview with one of our employees who has a great professional or personal story. At this point in time there is a slight advantage for women: so far, 5 awesome ladies (and 4 equally awesome men) have been interviewed for our #OurPeopleAreGreat articles.

At Group level, our staffing distribution is carefully monitored.

Today, 7 corporate functions are headed by women: three in Finance, one in Business Analysis, one in Legal and two in Human Resources and Communications. Furthermore, 20 of the Group's top 110 managers are women.

In terms of indirect employees in our sites, the percentage is imbalanced – in total, 78% men vs 22% women – with major differences between countries:

12.9%

**WOMEN
in R&D and Product
Engineering**

in December 2018
(6.19% in December 2015)



Toshiko Elbina, HR manager,
Yokohama, Japan



in Jalgaon, 1% of the indirect employees are women, in Paris 21%, in Wuhan 38%, in Lisbon 56%. The differences per activity are interesting to note: the HR department is overwhelmingly female (25% men vs 75% women); Finance is balanced (49% men, 51% women); Supply Chain and Project Management attract significantly more men (64% vs 36%); the widest gap is in Manufacturing, where 94% of the workers are men and only 6% are women. In other words, there is still a lot to do to reach the right balance in all activities - but we are determined to improve things over time. ■

ATTRACTING GIRLS TO TECHNICAL CAREERS: OUR WOMEN EMPLOYEES ARE OUR BEST ADVOCATES

On November 30th, 2017 our Paris site in France organized an event in partnership with the "Act Against Exclusion" Foundation FACE – an organization which aims to prevent all forms of exclusion, discrimination, inequalities and poverty, and currently supports over 368,000 beneficiaries. Several of our women employees were given dedicated to make three presentations during which they met with students and unemployed people, in order to familiarize them with Chassis Brakes International and give them professional advice for their job search. An efficient way of helping people find new professional opportunities!





Gender Equality, Women Empowerment: our Bursa site in Turkey paves the way

For Cisol Güler, Bursa Human Resources Manager, gender equality and women empowerment are key to the future - at her site, in the Group, and in the world. An efficient way of helping people find new professional opportunities!

What is the current situation regarding women employees in the Bursa site?

Cisol Güler: There are about 300 employees in Bursa, of which only 25 are women and only 4 - including myself - are managers. Unfortunately, culture and stereotypes often lead to an early "orientation" of girls; either they receive less background education, or they favor social sciences rather than technical studies. The Organisation for Economic Co-operation and Development (OECD) average for female employment is 63%; in Turkey it is only 29.3%...

What initiatives are being taken to promote gender equality?

CG: At Group level, Chassis Brakes International fully complies with the Global Compact principles and our Code of Business Conduct rules regarding gender equality. There are no obstacles whatsoever in terms of recruitment, compensation or career plans.

It is important to note that in terms of salary, our Group is quite exemplary: there is absolutely no gender-related difference in salary, whereas in Turkey, for the same job, a woman earns on average 41% less than a man, according to a reliable

The 7 Women's Empowerment Principles

1 ESTABLISH
high-level corporate leadership for gender equality

2 TREAT
all women and men fairly at work - respect and support human rights and non-discrimination

3 ENSURE
the health, safety and well-being of all women and men workers

4 PROMOTE
education, training and professional development for women

5 IMPLEMENT
enterprise development, supply chain and marketing practices that empower women

6 MEASURE
and publicly report on progress to achieve gender equality

7 PROMOTE
equality through community initiatives and advocacy

On March 1st, 2018, Chassis Brakes International signed a Statement of Support to the Women's Empowerment Principles supported by the UN Global Compact - thereby joining over 2,000 business leaders around the world who have done so.

global inquiry! At local level, we have taken several measures to favor women in Bursa. In terms of recruitment, between two equally competent candidates, we will choose the woman - whatever the position - and we target women when we recruit for specific shopfloor positions (forklift operator, machining operator...) even though female candidates are harder to find because of the limited number of technical graduates. Regarding this particular aspect we are quite hopeful, as several of our CSR projects aim to increase the number of girl students in vocational schools.

We have also organized special support for women in their everyday lives: among other actions, a "legal rights, work conditions and company implementations" guideline is given to pregnant women and their managers; when necessary, shuttle transport routes are adapted for women working night shifts; specific healthcare is provided, and special atten-

tion is given to working conditions (lockers in lavatories, breast-feeding options...). Finally, our biggest achievement in Bursa has been to become an active member of the Women Empowerment Platform.

What is the Women Empowerment Platform?

CG: The Bursa Women Empowerment Platform (BWEP) is a local "extension" of the United Nations Global Compact specifically dedicated to empowering women. In each established location, the platform enables companies to promote equal opportunities for women worldwide and share good practices. By adhering to the 7 "WEPs" (Women's Empowerment Principles), companies like Chassis Brakes International show their determination to make gender equality and women empowerment a reality.

Throughout the year the BWEP organizes specific events, conferences and seminars, and company representatives regularly meet

to make sure the WEPs are implemented. We are gradually "spreading the word" throughout the Group; for example, Women Empowerment was discussed at the European HR workshop held last February. We are increasing awareness by organizing trainings and seminars on women empowerment. We are also encouraging outside companies - suppliers, sub-contractors, customers - to sign a Statement of Support to the WEPs, as our CEO did last year.

How do you see the future?

CG: There is still room for improvement, but I am confident. We are going in the right direction. My 3-year-old daughter will have all the opportunities she wants when she grows up: she is raised to believe that she can do anything! ■



Bursa, Turkey, 2018

When it comes to labor rights, the rule is simple: we talk and listen to one another



Wuhan, China, 2019

At Chassis Brakes International, we fully respect all legal requirements and social regulations regarding our employees' working conditions, in all of the countries where we operate. In addition to the clear labor rights indicated in our Code of Business Conduct, we are particularly attentive to freedom of speech, freedom of association, right of representation and collective bargaining. Our approach is both local and regional. Management, trade unions and employee representatives regularly meet, in line with country regulations; for example, our European Works Council meets approximately 4 times a year - and more frequently if required by exceptional situations. In all cases, Chassis Brakes International management is willing to talk to and listen to the

employees and their representatives; as an example, last year a wage settlement discussion in our Jalgaon site in India was concluded 8 days in advance of the planned date with a win-win situation! This shows that goodwill on all sides enables our company to move forward constructively on labor matters. ■

6000 proposed by European employees in 2018, with more than 1/3 of them implemented to improve our various processes.

Got an idea? Let us know!



You never know where a good idea may come from! Our employees' suggestions are welcome on all kinds of topics: How to promote a positive and comfortable work environment? How to improve efficiency, quality of service and customer satisfaction? How to adapt certain processes? How to boost innovation? Numerous subjects regularly benefit from this bottom-up approach. For example, our European sites participate every year in the regional "Suggestion Scheme" project - which includes rewards for the best suggestions regarding Safety, Working Conditions, Innovation, Savings and Quality.

The Trophy of Labor Harmony: awarded to us for the 4th consecutive year



Chassis Brakes International did it for the 4th consecutive year! On March 15th, 2019, our company was once again awarded the trophy of Labor Harmony by the Chinese Labour Union of the Jun Shan District, Wuhan Economic & Technology Developing Area. Since the Wuhan Plant opened 6 years ago, we have had zero employee disputes or arbitrations - clear evidence of the positive relationships, open communication and equality in the working area established by management, employees and trade unions, working together.

"We are devoted to building good relationships, open communication, and equality in the working area."
Katheleen Wang, HR Manager, Wuhan

Better lives start with **better education:** and we give the extra push

Training, development, and education as a whole are an integral part of our Group HR priorities. Our aim is to provide lifelong learning opportunities to help our employees “grow” with us and create a brighter future for them as well as for the communities around our sites. Internally, Chassis Brakes International offers a full range of training courses designed to provide our employees with the skills they need. Some courses are mandatory, such as those regarding safety or our Code of Business Conduct. Others focus on specific technical competencies,

for both blue-collar and white-collar employees. We also provide soft skills training, in order to open additional development opportunities whenever possible. In terms of V.I.E. (the French “Volontariat International en Entreprise”, i.e. Volunteers for International Experience), internships and apprenticeships, we are also very dynamic; at the end of December 2018, they were over 130 working with us in several countries, including China, India, Portugal, France and Spain. Externally, our approach is to show future generations what we do and contribute to

their schooling. We provide a large number of scholarships for our employees’ children; we also set up partnerships with local schools and associations to organize conferences and visits to our sites in various countries, including Brazil, India, China, Turkey... Our temporary employees are also generally students. All of these actions put together constitute a true win-win approach: they help the communities by motivating future generations, and help our company by attracting future talent to join our workforce as they start their professional lives! ■



Suzhou, China, 2018

Promoting education can take many forms – even rallies!



“**School education delivers knowledge. We try to convert this knowledge into experience through educational and environmental tours, specialist lectures and rewards for students with remarkable academic achievements.**”

*Khushal Rane,
Manufacturing Manager, Jalgaon*



“**By sponsoring student rallies, we support children’s education in a fun and engaging way. Our employees meet the team racers and can encourage them before the race!**”

*Jennifer Bonin,
HR Business Partner, Angers*

Teaching, showing, motivating, supporting... our sites roll up their sleeves

All kinds of educational operations are organized at our sites in all countries. Many locations encourage and inspire our employees’ children by rewarding those who obtain the best grades – for instance at our Abrantes site in Portugal, this operation represents a 3,000€ budget. Donation operations also take place, as at our Rayong site in Thailand, which provides snacks, musical instruments and stationery sets to a local school on the national Children Day. Our Campinas site in Brazil has opened its doors to SENAC, a local university specialized in environmental courses; 30 students have attended an HSE lecture on our Environmental Management System (SGA) and visited the plant. In India, many of our employees spend time in orphanages and donate useful items: books, toys, clothes, groceries, etc.

In addition, last year we donated our older computers and laptops to several underprivileged schools around our sites - computer literacy is key to a better life! In total, 6 schools received 68 computers donated by 4 sites (Jalgaon, Manesar, Pune, Sitarganj). Our Bursa site in Turkey is also particularly active. It has a volunteer “Coin Box” system, with which 3,000€ worth of basic items are purchased every year for disadvantaged students. The site has also established partnerships with vocational schools and universities to introduce our business to students (300 so far), give them a better understanding of future career opportunities, and motivate them about technical positions and career paths with us regardless of gender or background.

We are all different – we don't leave anybody behind

Our Group takes special care to integrate employees who have a physical impairment; if necessary, we make accommodations to enable them to work comfortably. Offering a fair workplace to everyone - employees and applicants - is a constant challenge that we rise to meet every day. In addition, we support local projects and associations involved in inclusive initiatives. ■



Paris, France, 2018

Running for those who can't



“
In 2018, more than 20 employees and their families ran the “Sport Ensemble” charity run under the Chassis Brakes International banner. We had a great time while raising funds for Handicap International!”
Florence Guerin, Office Manager, Paris



Abrantes, Portugal, 2018

Simple ways of helping one another

We support several initiatives for people who need extra help. For example, every year in January our Abrantes site in Portugal welcomes children and young adults from the “Centro de Recuperação e Integração”, a recovery and integration school for mentally incapacitated people, to keep up the Portuguese tradition “Cantar as Janeiras” (Sing The Januarys) during which the students play and sing traditional songs. On a different register, our Angers site in France outsources certain business activities to an “ESAT” (Etablissement et Service d’Aide par le Travail), an employment center for handicapped people. Each year between 2016 and 2018, 6 disabled workers were involved in the project, helping to maintain the 55,000m² of green areas but also providing support for production and administrative work. A plastic collection was also organized for recycling associations – this contributes to the production of wheelchairs for disabled people.

Three ways to be an inclusive company

1
PROTECT
 the dignity of all human beings

2
GUARANTEE
 freedom of association & collective bargaining

3
RESPECT
 diversity, equality and fairness

Sharing is “enriching” – for those who receive and for those who give

Our company makes it a rule to support the communities around our sites. Over the past years a large number of local initiatives have focused on wealth sharing: we view this as a tangible way to enhance local development, fight poverty and reduce inequalities. ■



Dalian, China, 2017

Education assistance program



“This is our first charity program in Dalian and all the employees are very proud of this contribution to society. We were able to reach out to a lot of needy families and to give back to our communities”,
Robert Zhao, HR Manager, Dalian



Rayong, Thailand, 2018



Charity: a great way to combine useful support and “feel-good” actions!

Clothes are a basic need for many populations. Since 2016, our Wroclaw employees in Poland have participated actively in two clothes donations programs: “Ciuch w ruch” (Move the Dress) and the “Mimo wszystko” (“After All”) Foundation and 3R Recycling Solutions. Our Abrantes plant in Portugal also organizes winter clothes donations during its yearly solidarity campaign in partnership with Santa Casa da Misericordia, a national charity organization.

Children are not forgotten: our employees in Angers, France, put a smile on children’s faces through the December “Toys from the Heart” operation organized by Rejoué to help disadvantaged families (Le Jouet Solidaire association). In Querataro, Mexico, the first CSR

action to be set up also focuses on helping families: in 2018 our employees donated toys and groceries to 45 families via the local government Social Aid institution “DIF” (Citizen’s Consultative Council of the National System for Comprehensive Family Development). And a donation campaign regularly takes place at our Lisbon site to support a local care center for babies and infants in need of health care - Ajuda de Berço (“Crib Help”).

In 2017, an unusual yet useful donation took place at our Manesar site in India: 30 used High Bay lights were donated to the village to provide proper street lighting for the inhabitants – an eco-friendly way of increasing their safety; in parallel, 3 desktop computers and a printer were given to the nearby school of Kasan.

HEALTH AND WELL-BEING:

WHEN PEOPLE FEEL WELL, THINGS GO WELL

Health and well-being are important topics for Chassis Brakes International. Whatever the local challenges may be, our objective is always the same: to promote good health and well-being for all people, of all ages, in and around our sites.



Our approach to **Healthcare:** let's be pragmatic!

Our company is particularly pragmatic in providing healthcare support to our employees. Most of our plants have on-site doctors and nurses to deal with occupational health issues – in particular, from an ergonomic perspective – as well as personal issues if necessary. Prevention actions are frequently carried out – health check-ups, vaccination campaigns, awareness operations, blood donation days... – and include special check-ups for such issues as breast or prostate cancer.

15

ON-SITE DOCTORS, NURSES AND PARAMEDICS throughout the group

Further, we specifically address the issue of breast cancer for our female employees; for instance, at our Bursa site in Turkey, awareness and examination operations are regularly organized on site. In 2018, all 40 female employees working in the site took part in these operations. ■



Healthcare is for all – employees and local communities alike

For example, our Rayong site in Thailand organized an Elder Donation Day in 2018: 20 medicine kits were donated to elderly people in need, with instructions on how to use them to maintain their health. Actions also take place in China: last year our Wuhan employees visited more than 20 residents without family in a care center for elderly people – a nice way to keep them company.

3 GOOD HEALTH AND WELL-BEING



Prevention is a smart approach to medical issues; in some cases, it is vital



During the visit of a health advisor, learning breathing techniques was very interesting. We got the opportunity to have our nervous system and blood vessel checked, and for some of us, the results came as a surprise! It encouraged us to be focused with our health and stress control."

Toshiko Ebina, HR Manager, Yokohama



In Brazil in addition to "Pink October", the breast cancer prevention month, we have "Blue November", the prostate cancer prevention month. We decided to take on both themes together."

Sueli Rodrigues, HR Manager, Campinas

Sports, Health, Group Values: winning on all fronts

Practicing a sport is an excellent way to stay healthy - and happy! Medical evidence shows that some form of regular physical activity is key to staying in shape. At Chassis Brakes International, we encourage our employees to give it their best - which can be expressed through several of our Values words: "be agile, cooperate with your sports partners, trust them, and aim for excellence!" ■



Suzhou, China, 2019

3 GOOD HEALTH AND WELL-BEING



Sponsoring the Jinji Lake Marathon - we're in this for the long run!



We are so proud of all Chassis Brakes International participants and looking forward to seeing more employees joining energetic games for a healthier life".

Osking Ni, HR Manager, Suzhou

IT ISN'T WINNING THAT COUNTS - IT'S THE WAY YOU PLAY THE GAME

Sports are highly valued at many of our sites. In 2018, 15 of our Campinas employees teamed up to become the Chassis Brakes Runners: a nice name to promote sports at their site in Brazil, alongside their colleagues!

Last year in Poland, 30 Wroclaw employees joined the European Cycling Challenge KręćDlaWro, the biggest charity competition in the country; the cities represented were scored according to the number of kilometers covered by their participants - a total of 2,000,000 km during the last race - and Wroclaw won the second place! Meanwhile in India, a Cricket Championship pitted the Jalgaon "Super Kings" against the Pune/Chakan "Super Risers"; both teams put up a good fight and although Jalgaon won, it was a good illustration of "Performance with alignment and collaboration".



Wroclaw, Poland, 2018

Well-being: at Chassis Brakes International, we take it seriously

In our view, well-being isn't just about our own employees, but also about our employees' families and the communities around our sites. Among

other events, we promote a healthy and lively workplace each year during the annual Family Days organized at our sites. ■



3 GOOD HEALTH AND WELL-BEING



A Family Day, the Abrantes way

Family Day is our annual event dedicated to happiness with the employees and their families."

Ana Oliveira, HR Manager, Abrantes



AT CHASSIS BRAKES INTERNATIONAL, **WE CARE ABOUT OUR PLANET**

Protecting the environment and promoting a sustainable use of resources is one of our CSR priorities at Chassis Brakes International.

Our approach is both global and local: all of our sites are ISO 14001 certified with regards to environmental criteria, and actions are implemented locally to meet specific needs. Tree planting is widespread, as well as awareness campaigns to teach environmentally friendly behaviors such as waste sorting, mindful consumption, clean transportation and commuting. We also apply our continuous improvement approach to these issues: we assess our impact, assign objectives, implement improvement actions, measure progress, and check where we stand at the end of each year with a management review. ■



Life on land: we aim to make a positive impact



Jalgaon, India, 2018

Over the past years, Chassis Brakes International sites all over the world have become increasingly focused on the environment: there is a lot of momentum among our people to contribute to the beautiful nature around us. Action days are organized, during which our employees - often accompanied by their spouses and children - “green” our sites, for example by planting trees and flowers or participating in environment clean-up tasks; as an example, our employees in Thailand have removed garbage from a beach in Pattaya. These operations have a long-term impact and promote a sustainable mindset: with the effects of climate change becoming more and more visible, increasing awareness and leading by example are of utmost importance! ■

Plants and water: Nature’s best assets

In Wuhan, China, and Jalgaon, India, large-scale tree planting actions regularly take place at our sites; 1,500 trees have already been planted by our employees in Jalgaon. We also built a dam there to collect rain water: a pragmatic approach to preserving natural resources for the future.

Environmental action and awareness: from trees to trainings!



“We are continuously planting trees and we are committed to doing it. Let us save the earth, let us choose a noble cause, let us plant more trees. Be part of it, be proud of it.”

Ram Kishore, Maintenance Team Leader, Manesar



“The mangrove forest is a place with abundant ecological diversity, sheltering threatened and endangered species. It is important for us to raise awareness on its protection and conservation.”

Kritsakorn Suksap, HR Development, Rayong



“The Energy Efficiency Project in Bursa tackles the challenge of energy management with the support of all 300 employees by implementing campaigns, trainings and concrete actions.”

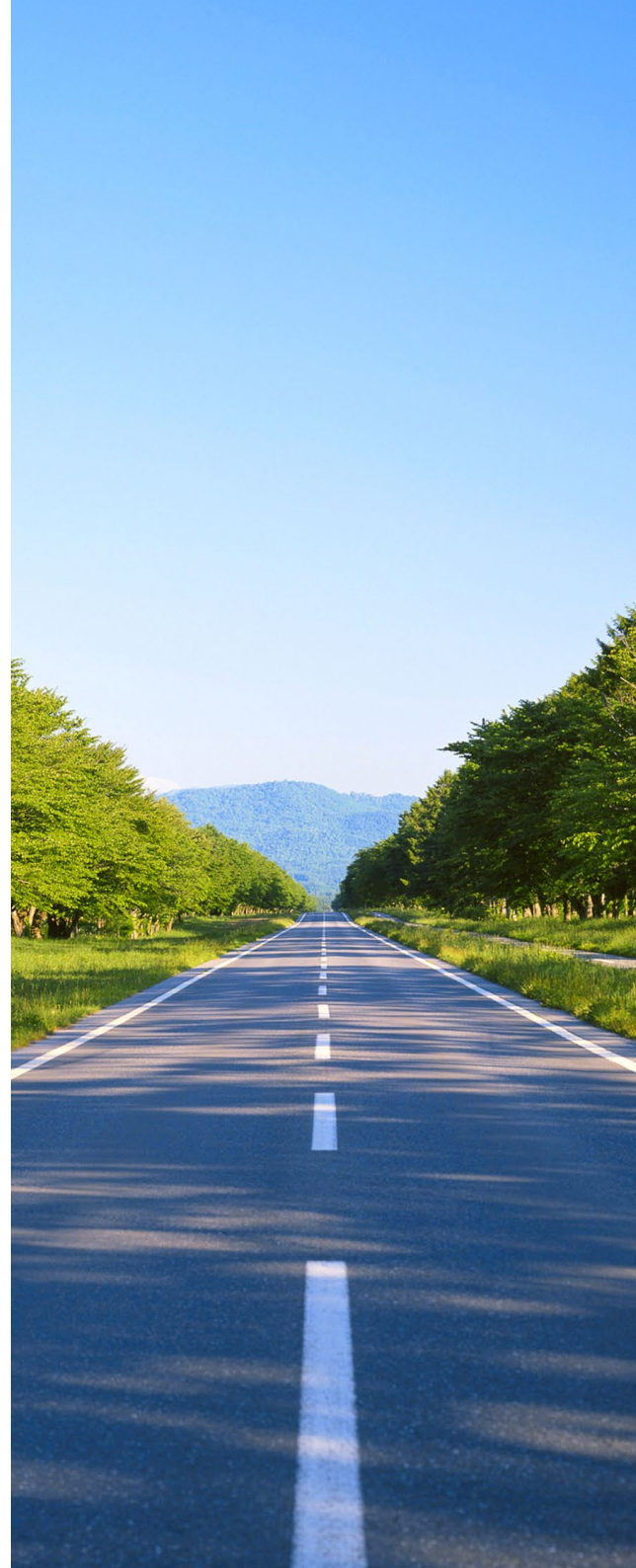
Murat Bayram, Manufacturing Manager, Bursa

Air quality: our approach is both technological and behavioral

As an automotive producer, we feel a particular responsibility to reduce air pollution. From a technological standpoint, several of our innovations contribute to delivering “Safer, Cleaner, Smarter” systems and products; in particular, our innovative disc brake ZOHe AST™ (Active Shape Technology) reduces CO₂ emissions thanks to its 1 Nm residual drag - our goal being a zero residual drag by 2025. The company also demonstrates its determination to protect the environment by encouraging eco-friendly behaviors such as carpooling in Wroclaw, Poland. ■

Giving you a good reason to ride your bike

Our Paris office has launched the IKV scheme - “Indemnité Kilométrique Vélo” - a bonus scheme which encourages employees to ride their bike to work; the bonus is proportional to the distance they cover. So far 17 employees have benefitted from the program - a smart way to reduce pollution while working out their legs.



Improving our company's environmental footprint

Increasing awareness on environmental issues and sustainability, creating an energy-saving mindset at all our sites: day after day, we are improving our company's environmental footprint. For example, the Water Day Campaigns we carry out each year across our sites to promote a water-saving mindset, combined with technological innovations and equipment modernizations focused on water consumption, have enabled us to reduce the amount of water per part by 37% throughout the group between 2014 and 2018. ■

-37%

**WATER
CONSUMPTION
per part between
2014 and 2018**



Managing waste, recycling, re-using... From our products to our processes, all options are explored

Chassis Brakes International locations, whether offices or plants, all promote mindful, eco-friendly consumption – starting with a systematic rule of proper waste disposal and recycling. Our Lisbon site in Portugal has launched a poster campaign for Fundação do Gil, an association which recycles toners and ink cartridges - which are harmful for the environment if improperly disposed of. Regarding production, we will equip a future brake system with a recyclable particle filter, and our Smart Brake System Solution will eliminate the need to recycle brake fluid. Our approach to packaging has also improved: our Jalgaon site in India has

replaced its corrugated iron boxes with reusable polypropylene boxes. We are acting in many ways to become more environmentally friendly! ■

100%
OF OUR SITES
are implementing
recycling initiatives



Wroclaw, Poland, 2018

Shaping our children's future - with them

At our Wroclaw site in Poland, the employees' children were invited to a Children's Day contest during which they built their own "Ecological vehicle of the future" and received gifts for their creativity. The children also participated in a tree-planting action, during which 1,000 trees were planted - at Chassis Brakes International, awareness starts early, as we are convinced that responsible children become responsible adults!



Rayong, Thailand, 2017

FULL SPEED AHEAD IN MEETING THE CSR CHALLENGE

As a responsible company, we, at Chassis Brakes International, are part of the Big Picture. Our full commitment to the 10 United Nations Global Compact Principles guides us to “do the right thing right” with respect to human rights, labour rights, environmental preservation and anti-corruption rules and behaviors.

The Corporate Social Responsibility approach that we have defined and implemented throughout our Group, as well as the pragmatic actions described in this report, enable us to meet our internal goals and push beyond them, to benefit society as a whole.

For the coming year, we have set 4 main objectives for Chassis Brakes International:

- **We will increase the visibility of our CSR actions** within the company, by involving each and every employee. Our objective is to have 85% of our employees describe Chassis Brakes International as a socially responsible company in our next Engagement Survey, versus 75% in our 2017 survey.
- **We will maintain, encourage and coordinate local initiatives.** Our objective is to act on 100 to 200 actions in the Group, from one-shot initiatives to annual events and global policies.
- **We will pursue our efforts to align our products with our “Safer, Cleaner, Smarter” philosophy** through constant innovation, and we

will carefully analyse our footprint to accurately assess our impact on the environment and on society.

- **We will give special attention to 4 focus areas selected for the year:** gender equality will be increased through our global policy and local initiatives, diversity will be encouraged in all locations, environmental awareness operations will be multiplied and safety at work will be further boosted through the improvement of our working facilities and training.

Today, as we publish our first Corporate Social Responsibility report, we are more determined than ever to pursue our efforts and mobilize all energies and levers to build a sustainable future. In this conclusion statement, we are telling you what we will do in the coming year. In our next report, we will tell you what we have done. That's a promise – and you can trust us to keep our word. ■



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

