



**ADDEV**MATERIALS

COMMUNICATION ON  
PROGRESS





COMMUNICATION ON  
PROGRESS

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.



## **Table of content**

Chairman/Group CEO Statement .....	1
Chapter 1: Human rights.....	6
Chapter 2: International labor standards.....	8
Chapter 3: Environment.....	11
Chapter 4: Fight against corruption.....	14

## Chairman/Group CEO STATEMENT

### Our commitment to sustainable development

« This initiative that our company has been building for many years, lies on a solid foundation. In this way our values and convictions allow for an integrated and sustainable commitment to this project. This vision, that each of us hold, is reflected in our CSR policy.

It is through entrepreneurship, creating values, that we take care of our women and men at ADDEV Materials. Our position in the value chain makes of us a strategic resource for our customers, assisting them in the face of technological and environmental challenges. Our go-between position in the value chain make us special for our clients, in order to innovate and tackle technological and environmental challenges. Preservation of the environment, for us, is about reducing our impact. Being both an international and local Group, we are players in the local ecosystem. We work and govern with integrity and strong morals. We respect the DNA of each of our companies all while facilitating exchanges and building collaboration within our group.

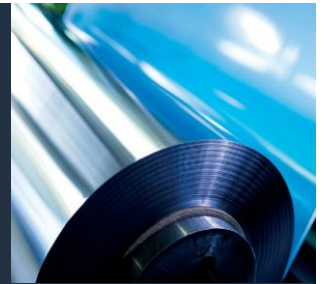
We undertake this journey with a pragmatic approach. ADDEV Materials is committed to the United Nations Global Compact initiative and will regularly communicate our progress.»

Pascal NADOBNY, **Chairman and Group CEO**





**TRANSPARENCE  
TRUST**



**550**

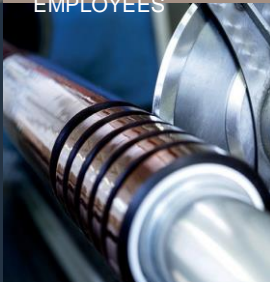
COLLABORATEURS

**ENTHOUSIASME  
ENTHUSIASM**

550  
EMPLOYEES



**AUTONOMIE  
AUTONOMY**



**135M €**

DE CA

135M € SALES



**+ 20  
SITES**

+ 20 SITES



- Bureau commercial
- Site industriel & logistique

- ▲ Sales office
- ▲ Industrial and logistics sites

**MOTIVATION  
MOTIVATION**



**04**

BUSINESS  
UNITS

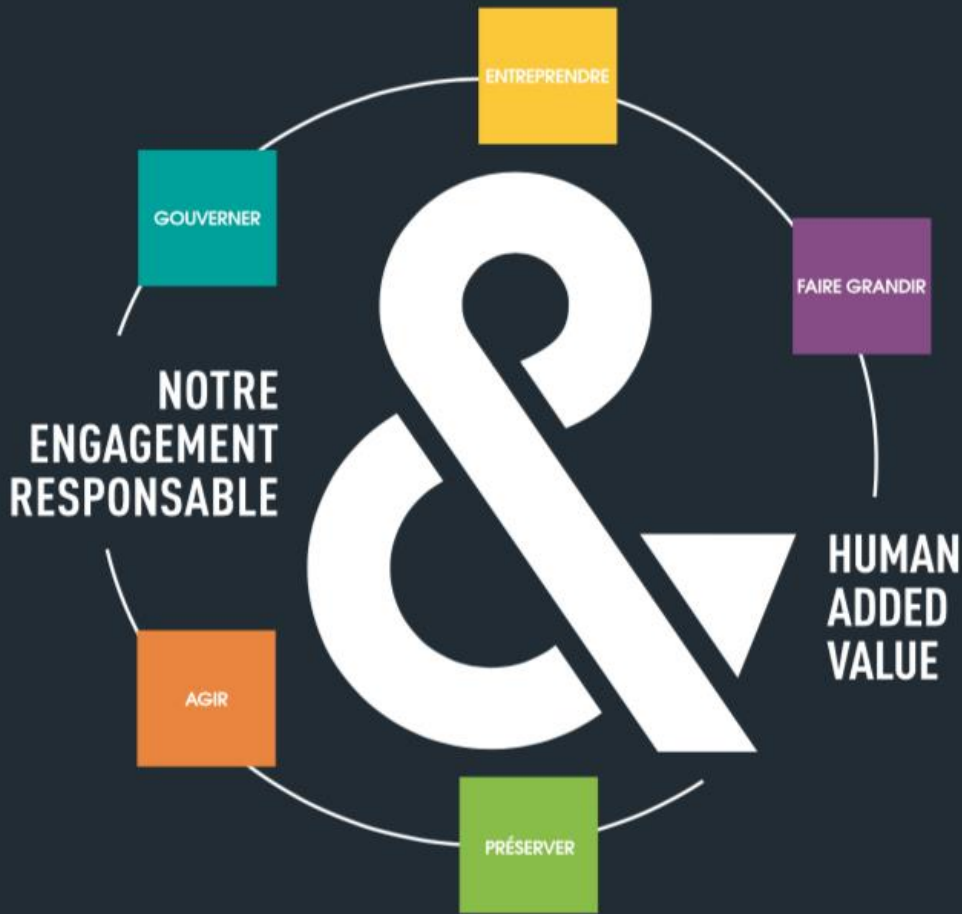


## **BUSINESS MODEL: PARTICULAR CHALLENGES**

ADDEV Materials, our business model combines technical expertise, innovating materials and converting know-how. Our corporate social responsibility challenges are, firstly, social: health and safety, appeal, employability and diversity. They are also environmental: energy and climate, waste and chemical products safety. Finally, amongst the economic challenges we face, embedding sustainable procurement practices with our suppliers' is essential.

**« Our ambition is to answer to our partners' industrial challenges with sustainable solutions. In a world where resources are finite, we must do better with less. »**

Pascal NADOBNY, **Chairman, ADDEV Materials**



<p><b>GOUVERNER</b>  <b>Faciliter</b>  la convergence  <b>Bâtir</b>  un groupe international,  agile et structuré  <b>Piloter</b>  la performance  <b>Agir</b>  avec transparence  et honnêteté</p>	<p><b>ENTREPRENDRE</b>  <b>Servir</b>  le client par  l'excellence  opérationnelle  <b>Innover</b>  dans nos offres  <b>Vendre</b>  notre expertise  <b>Acheter et sourcer</b>  responsable</p>	<p><b>FAIRE GRANDIR</b>  <b>Prendre soin</b>  de nos collaborateurs  <b>Développer</b>  l'employabilité  et l'autonomie  <b>Accompagner</b>  le changement  <b>Promouvoir</b>  nos diversités</p>	<p><b>PRÉSERVER</b>  <b>Trier et recycler</b>  <b>Réduire</b>  nos consommations  énergétiques  <b>Limiter</b>  nos émissions  <b>Sensibiliser</b>  et former</p>	<p><b>AGIR</b>  <b>Contribuer</b>  au développement  économique  <b>Entretenir</b>  nos relations  <b>Soutenir</b> l'éclosion  d'entrepreneurs  <b>Participer</b>  à la vie associative</p>
<p><b>MANAGE</b>  Ease the convergence  <b>Build</b> an agile and outline  International group  <b>Manage</b> the performance  <b>Act</b> with transparency  and honesty</p>	<p><b>CREATE VALUE</b>  Serve the client by the  operational excellence  <b>Innovate</b> in our offers  <b>Sell</b> our expertise  <b>Purchase and source</b>  with sustainability</p>	<p><b>TAKE CARE</b>  Take care of our  collaborators  <b>Develop</b> employability  and autonomy  <b>Support</b> changing  <b>Promote</b> our diversity</p>	<p><b>PRESERVE</b>  Sort and recycle  <b>Reduce</b> energy usage  <b>Restrict and train</b>  <b>Sensitize and train</b></p>	<p><b>ACT LOCAL</b>  Contribute to local and  economical development  <b>Foster</b> our relations  <b>Support</b> start-up  <b>Engage</b> in charity</p>

**OUR SUSTAINABLE COMMITMENT**

## Contributing to the SDG

As an international company and a Global compact signatory, ADDEV Materials wants to contribute positively to the world.

The group, through its activities and position in the value chain, creates concrete solutions to its customers' challenges, notably to environmental stakes. As an employer, ADDEV Materials is attentive to its collaborators' expectations and ensures to propose favorable environments for development and fulfillment.

ADDEV Materials sustainable commitment was structured in 2018. Following an assessment of the different actions in place at our various sites, a new CSR policy has been implemented. The 2019 roadmap, in design progress, will speed up the CSR commitment on the many challenges and improve the process stewardship (correspondents network creation, KPI definition, deployment...).

Already, ADDEV Materials 5 CSR policy commitments and their different axis of progress relate to twelve Sustainable Development Goals for the 2030 objectives.



Our CSR approach is assessed by EcoVadis. Their score system (from 0 to 100, on three levels: gold, silver, bronze) reflects the effective leadership of a company to manage its CSR commitments. ADDEV Materials is graded silver with a score of 54, a progression of 5 points since our last assessment. Our goal is to reach the gold category by 2019; thanks to our CSR policy formalization, its performance indicators and its inherent action plans.





## Chapter 1: Human rights



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

As a responsible employer, ADDEV Materials respects human rights wherever it operates. The Group management considers access to training an essential factor to its collaborator's employability. As a company involved in local territories, ADDEV Materials actively participates in providing access to education, particularly to youth, in order to facilitate their professional success.

### MAKE collaborators actors of change

ADDEV Materials affirms the added value from its teams as an integral constituent element of its value proposition and its DNA, so to be different. « Human Added Value » are more than words. In fact, ADDEV Materials invests 2,46% of its salary mass in human capital development, as much personally as professionally. This is also possible through bespoke training programs allowing to take care of teams' and individuals' skills. Considering careers, aspirations, experiences and knowledge everyone can develop their expertise. Aurore Colin, henceforth team leader at France DECOUPE site, is the perfect example. She received a management training and was accompanied throughout, before becoming a manager.

**« We recognized my skills; they gave me an opportunity and I was trained. I feel responsible, heard and assisted »**

Aurore COLIN, **Production Team Leader**

In addition, ADDEV Materials is using external growth as one of its major development axes. In the perpetual context of integration, mobility in-between companies, business units and countries is encouraged. Finally, our Human Resources department makes every effort to identify and attract new talent. For this reason, our relationship with schools is a major line of development.

## **STRENGTHEN our relations with schools**

Industrial BtoB, our products are technical and less visible. Most of the young are attracted by BtoC and big companies. Getting involved within schools provides us legitimacy for students, a way to detect high potential and promote our jobs. Through giving classes, during round tables, jury panel or during sharing of experiences. The in-school sharing moments are always followed by taking applications. Being partners of several schools (EM Lyon, ITECH, ESDDES, IMT Lille, Pittsburgh University...), close to our production sites, our collaborators are proud to share their experiences. We nominated ambassadors for all our partner schools. This action reflects our commitment to local territories and our conviction asserting that youth is our future. It allows us to recruit the many profiles needed for our sustainable growth.

**«Being in contact with schools and familiar with courses content give me steering into the future. »**

Kevin BAUD, **General Manager ADDEV Walco**

Alexis BORIES, 26 years old, is a business school master's student in apprenticeship at INSEEC Lyon. He shared his time between classes and work at ADDEV Materials, before accepting full-time work with us for 6 months.

« The company expresses a real interest in training young graduates. At first, I was appointed for an operational mission. But my profile interested ADDEV Materials which proposed me a strategic mission: to become the CEO's right-hand man. I really felt that we believe in me and my potential. Since a year, my work connects with two axes. First to formulate the merge between two of the company French sites and on the other side, to develop the mergers and acquisitions strategy for the group. My task is to collect data from collaborators and to report to the CEO, so that he can make the right decision. It is really a proof of trust to be given a company's strategical and structuring missions.

From my point of view, this experience is a genuine springboard into the labor market under good conditions. At the end of my full-time session, I would like to position myself on an international volunteer experience in a company (VIE), expending my experience to an international environment. So, to become stronger and hardened. Obviously, my wish is to take up this international experience at ADDEV Materials, which offers opportunities and careers development of my interests. A feeling of confidence has been established with the company. What I like the most: when you give, we give back to you at ADDEV Materials. »



**Principle 2:** Companies should make sure that they are not complicit in human rights abuses.

As a responsible ordering entity, ADDEV Materials attaches importance to the respect of human rights in its supply chain and with its economic partners. Thereby, the senior management of the company wants to act in its sphere of influence, so that considering human rights and the environment becomes a reality. This work axis is part of an important progress for the 2019 CSR roadmap.

## BUY and source in a sustainable way

ADDEV Materials is aware of environmental impacts stemming from its operations and the room for improvement in this area. 2019 was a milestone to accelerate actions towards sustainable procurement. Besides the development of sourcing activities, combined with the sales teams, so to find alternatives and expand our offer, the procurement department will have the goal to gradually reduce dangerous or polluting products. For varnishes/lacquers, we have already driven a transition to the usage of water-based products. Finally, we carefully and regularly follow the application of the REACH legislation with our suppliers. Additionally, for our 80000 product references, we require sustainable development commitments from our suppliers.

**80 %\* Percent of product suppliers which are in the European Union.**

**\* Not including USA perimeter**

## Chapter 2: International labor standards



**Principle 4:** Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

As a responsible company, ADDEV Materials respects the International Labor Norms and is attached to favor to strong human relation in a well-being and convivial working environment. As a locally involved company, ADDEV Materials actively participates in several local initiatives, involving its collaborators in social actions, linked to sports, health and youth.

### Well-being at work, enjoyment to progress together

Working conditions are a focus and special attention is paid to offer everyday well-being to our collaborators. Our safety and absenteeism measures are progressing in the right direction. Numerous recent achievements demonstrate our willingness to go beyond our legal obligations: ergonomics at workstations, dust reduction, safety procedures for chemical products, headquarter extension in collaboration with employees, ensuring adequate illumination, reducing noise and the renovation of rest areas. Not only, but because working together is also about living together, we regularly organize festive gatherings: summer lunches, after work activities, sports competitions providing opportunities to socialize with colleagues.

### Sport, health and solidarity : Let's go !

Last October, for the second time, forty-eight employees from all our French sites participated in the Run in Lyon. Under the ADDEV Materials banner, this sport but also social initiative, allowed us to collect funds, proportionally for every kilometer ran, for the Hospices (Hospital) Civils de Lyon foundation. Each member of this group shared training and preparations for this event. They car-lift to the event location and shared convivial moments. Above all, they could meet and exchange outside the professional environment. A great opportunity that turned out to create ties around a project supporting important values for ADDEV Materials. An initiative launching the first step of a sponsorship policy on: health, sport and youth.

« This running race allowed us to build up a team spirit. »

Anthony SORG, Estimation Technician



**Principle 6:** Businesses should uphold the abolition of discrimination with respect to employment and occupation

## **DIVERSIFY profiles and attract young**

In 2019, we focused our diversity policy to disabled and young people. After many years of successful experiences, we made an official and more ambitious disability policy. Beyond green spaces maintenance and office waste collection, one of our pleasant successes is our action with ESAT\*. Our recruitment and integration policy is also strongly emphasized on youth. An internship, an apprenticeship, a VIE\*\*, regardless of the contract, we look for talented individuals and give them missions to fully express their potential. Alexis Bories, 26 years old, alternates between school and strategic missions as our CEO's right-hand man.

It is really a proof of trust to be given a company's strategical and structuring missions.

**«It is really a proof of trust to be given a company's strategical and structuring missions. It is really appreciable! »**

Alexis BORIES, **Corporate development project leader**

\* ESAT: Accompanying institutions through employment

\*\* VIE: International Volunteer in a Company

## Chapter 3: Environment



**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility

ADDEV Materials go-between position in the value chain and its high added value industrial business model led to two environmental responsibilities. The first one specifically concerns our industrial processes and aims at reducing our impacts through changing our behaviors. The second one, hopes to offer new solutions to our customers, so as to answer their own environmental challenges. To this end, we must innovate and experiment new solutions in partnership with our suppliers.

### TOWARDS INDUSTRY 4.0

As an industrial company, we have an environmental responsibility and we lead several actions to reduce our impact. Amongst the most illustrative: sort and recycle our products packaging and waste, identify specific packaging needs and waste traceability. Not only, also reducing the manipulation of, and the safeguarding of chemical products towards respecting the certification ISO 14001. This approach applies as much to the headquarters as to the subsidiaries. Thus, in 2018 teams from headquarters started a sort and recycle project for office waste, contracting the company Elise. Concretely, single bins were removed and replaced by collection and sort points. The office cleaning subcontractor was involved in the process and the collection is done by partially deaf employees from Elise. All in all, this is more than 695 kg of paper, carton and 27 kg of plastics which were collected. The environmental benefits are estimated to be 270 kgeCO<sub>2</sub> avoided, and about 16 039 liters of water. This symbolic action will be deployed across all French operations in 2019. Knowing that we can go further in the integration of environmental protection, our 2019 action plan follows the industry 4.0. For ADDEV Materials, to develop the future factories, energy and resources efficiently is a pivotal challenge.

## **JOIN the fight against climate change**

Climate change is a shared concern. Eager to bring its contribution, ADDEV Materials gradually put actions in place aimed at reducing its energy consumption and its CO<sub>2</sub> emissions. Renegotiations of electricity contracts allowed us to switch all our French sites to renewable energy. We invest in LED light fixtures to illuminate our equipment. A Vehicle policy has been formalized, to favor hybrid and more fuel efficient options. An environmental reporting of our activities – determining our carbon footprint and our energy and water consumptions – will be made official in 2019.

**« ADDEV Materials environmental commitment finished convincing me to choose this company. I am really satisfied to see that I can act in this sense, I am heard and that climate change challenges are taken in consideration. »**

Justine PIGNET, **Overheads Buyer**



**Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

## **Innovate in our offers and process**

ADDEV Materials commitment to sustainable growth is also materialized through its solutions offer. Thereby, we must rework our product offering to enhance their intrinsic technical qualities which contribute to preserving resources. The challenge is to optimize the alignment between material and industrial process: the right product, matching quality and quantity requirements, reduced packaging, fewer manipulations by operators, low technological risk and a high circularity. Furthermore, to create this « responsible added value », we must integrate CSR at the heart of the innovation process. Comparative life cycle analysis, systemic investigation – in some capacity – of alternative solutions or even co-development with our suppliers. These are equally new methods we have to set up. Finally, partnering with our engineers, sales teams, customers, suppliers, and engineering schools, with this our internal research and development department becomes a collaborative innovation catalyst through co-building. Since ADDEV Materials wants to be a source of proposals, its customer relation must include intermediation blending economic efficiency, improved working conditions and environmental respect.

**« CSR is critical to change our approach to tomorrows business »**

Marie BLANCHARD BRUNEL, **Marketing Director**



## Chapter 4: Fight against corruption



**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

ADDEV Materials business model, its clients and its markets do not innately expose its teams to risks of corruption. Nevertheless, ADDEV Materials sustainable commitment goes without using a set of operating rules aligned with ethics, board of the company convictions and values shared within the Group. For this, ADDEV Materials developed a code of ethics and support the advancement of righteous actions through strong sensibilization.

### MANAGE performance with ethics

Create value is one thing, to share values is another. For purposes of responding to this double challenge, ADDEV Materials set human capital at the heart of its DNA: Human Added Value. The Group governance is driven by values carried by teams: transparency, enthusiasm, autonomy and motivation. ADDEV Materials has managed to establish a balanced exchange between collaborators, as much on the company's project as on the corporate social project. Collaborative efforts and teamwork are valued, building links between people. Self-fulfillment of each one is favored, through career development but also through benefit plans.

« **CSR is not a concept, but a convergence of our business with our values.** »

Julien DUVANEL, **General Manager**

