



2019 Non-Financial Performance Statement

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I. Introduction

a. Letter from Guy Talbourdet

This second Delachaux Group non-financial performance report highlights our contribution to an economy based on social, financial and environmental balance.

Our two shareholders – the Delachaux family and the Caisse de Dépôt et de Placement du Québec – and the entire Delachaux Group management, share the conviction that the sustainability of our Group, in business for over a century, is linked to this responsibility we have for these important balances.

The actions taken by all Delachaux Group teams are part of our "WE, our Worldwide Engagement" programme and the five areas of that engagement: safety, environment, ethics, management practices and relations with the local communities where we work. WE echoes our commitment, which is reaffirmed in the United Nations Global Compact.

This report is structured around these five issues and is an opportunity to highlight the achievements of some of our teams and to measure the impact of our actions.

In 2019, we mainly made progress in two areas:

- Safety: we have reduced the lost time accident frequency rate by 39%. Beyond the indicator, the mobilisation of all employees should be emphasised, as this demonstrates a spirit of responsibility and discipline, which is vital in our industrial and engineering activities.
- Our new code of ethics: each site has held a launch event, which was an opportunity to discuss our practices relating to diversity, the prevention of bribery, etc. In total, 14 topics were then covered by an online training module completed by the vast majority of employees.

I would like to thank all the teams in the Group Delachaux companies – Pandrol, Frauscher, Conductix-Wampfler and DCX Chrome – for their action. Whatever our level, we are all stakeholders in our corporate responsibility. The passion we bring to our work, the expertise and feeling of unity that characterise us, are all assets for developing our own responses to the challenges of the modern world.

Whilst the world is experiencing an unprecedented health and economic crisis, we will remain invested in building long-term performance for the Delachaux Group.

I hope you enjoy this issue!

Guy Talbourdet

Chief Executive Officer, Delachaux Group

b. Global Compact

The Delachaux Group has been a signatory of the Global Compact since 2017.

The Global Compact is the most significant international voluntary commitment to sustainable development. Launched in 2000, it brings together today more than 10,000 companies in over 160 countries around 10 universally recognised principles in the areas of human rights, international labour standards, the environment and anti-corruption.

c. Methodological note

In the specific context of the COVID-19 pandemic, lockdown and safety rules have been imposed on the Group's administrative departments. Operational staff, regardless of their geographical location, have been mobilised to ensure, as far as possible, that activities are continued. It has not therefore been possible to consolidate quantitative environmental data within the required timeframe. Only those environmental policies introduced or implemented in 2019 and the associated action plans have been presented in this Non-Financial Performance Statement. The quantitative data presented are those relating to the 2018 financial year.

The corporate data relating to the 2019 and 2018 financial years are presented on a Group level.

II. Presentation of the Delachaux Group

The Delachaux Group is a global player in engineering and industrial solutions. The Delachaux Group companies design and manufacture products, systems and services that are essential to the safety, efficiency and reliability of its customers' facilities and infrastructures.

A. The Delachaux Group at a glance

2019 sales turnover €964 million euros	More than 3,800 employees	Present in over 40 countries
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Sales turnover by activity (%)	2019
Pandrol	49.3%
Frauscher	6.8%
Conductix-Wampfler	2.7%
DCX Chrome	10.0%
Raoul Lenoir	1.2%

Sales turnover by region of destination (%)	2019
Europe-MEA	40.3%
Americas	30.5%
APAC	29.2%

Workforce by region	2019
Europe-MEA	2,322
Americas	619
APAC	848

B. History of the Delachaux Group

The Group dates back to 1902, when its founder Clarence Delachaux created a company in Saint-Ouen which supplied overhead power line equipment for tramways. Alongside the boom in public transport, he developed the aluminothermic welding process. This process led to the creation of another business: the manufacture of pure metals and ferro-alloys.

In 1917, Clarence Delachaux built a production plant in Gennevilliers on a 20-hectare site, to support the company's expansion.

After Clarence Delachaux's death in 1941, his sons took over the Group's operational management. During this period, the Delachaux Group was resolutely looking to the new technologies and innovation associated with the increase in the mobility of goods and people.

In 1974, the eldest grandson, François Delachaux, was appointed as CEO of the Group, a position he was to hold for more than 30 years. Under his guidance, the Group accelerated its external growth policy in order to strengthen the various businesses and their international presence, by making a number of acquisitions, including the acquisition of Insul-8 USA (which became Conductix USA) in 1975 in the area of energy data management systems (EDMS).

In 1985, the Company was listed on the Paris Stock Exchange. The Group implemented a dynamic external growth policy, which included the acquisition of Cefilac in 1987 in the area of EDMS, Stedef in 1999 in the area of Rail Infrastructures, Pandrol in 2003, a major stakeholder in rail fastening systems and in 2007, Wampfler, with its head office in Germany, present in the sector of products for the electric power supply of industrial handling equipment.

In 2011, the Delachaux Group withdrew from Euronext Paris as part of a simplified public takeover bid, at the time of reorganisation of family control of the Group. Stéphane Delachaux took control of the Group along with the investment company CVC Capital Partners.

Over the next decade, the Group's acquisition policy continued, including, in the Rail Infrastructure Business, the acquisitions of Rosenquist, KLK, Plotz, Intercast, CDM Track and Harshad and the companies LJU and Jay Electronique in the area of EDMS.

In October 2017, all Group companies dedicated to Rail Infrastructure Businesses (including Railtech, Vortok, Pandrol and Rosenqvist) were brought together under the Pandrol name, now grouping together all rail infrastructure activities.

In 2018, CVC Capital Partners sold its shares to the Caisse de Dépôt et Placement du Québec (CDPQ) and to the Delachaux family, which increased its majority shareholding.

The acquisition of Frauscher Sensor Technology by the Delachaux Group was completed in February 2019. Frauscher is a global expert in railway signalling using inductive wheel detection systems and axle counters and, together with its subsidiary Sensonic, in train monitoring solutions and infrastructures based on acoustic detection technology distributed from optical fibres along railway tracks. Frauscher has 482 employees in 14 countries and in 2019, posted a sales turnover of around €80 million.

C. Governance

- Board of Directors

The Delachaux Group's Board of Directors has eight members.

Mr Stéphane Delachaux: Chairman (ANDE)
Mr Guy Talbourdet: Chief Executive Officer
Mr Pierre Durand de Bousingen (appointed by ANDE)
Mr Damien Faucher (appointed by ANDE)
Mr Jean-Marie Fulconis
Ms Olivia Larmaraud (Independent Director)
Mr Lorenzo Levi (CDPQ)
Mr Alain Cianchini (CDPQ)

The Board of Directors implements its action through three committees:

- the Audit Committee
- the Appointments and Remunerations Committee
- the Strategic Committee

- Executive Committee

The Delachaux Group Executive Committee (COMEX) has 7 members.

Mr Guy Talbourdet: Chief Executive Officer, Delachaux Group
Mr Bruno Dathis: Chief Financial Officer, Delachaux Group
Ms Bénédicte Peronnin: Human Resources Director, Delachaux Group
Mr Eran Gartner: Chief Executive Officer, Pandrol
Mr Fabrice Seewald: Deputy Chief Executive Officer, Pandrol
Mr François Bernes: Chief Executive Officer, Conductix-Wampfler
Mr Michael Thiel: Chief Executive Officer, Frauscher

The tasks of the COMEX cover:

- strategy: implementation of the Group strategy defined with the Board of Directors
- risk management: protecting the Group in a changing and uncertain world
- team development: creating the conditions required for employee performance and development and therefore, customer satisfaction.

D. Business model overview

As a global player in industrial engineering and solutions, the Delachaux Group designs and manufactures products, systems and services that are essential for the safety, efficiency and reliability of its customers' equipment and infrastructure in the rail infrastructure, port, aviation, logistics and mining sectors.

Our businesses, Pandrol (Rail Infrastructure), Frauscher (Rail Signalling), Conductix-Wampfler (Energy & Data Management Systems) and DCX Chrome (Chromium Metal), are world-renowned for their reliability, their expertise and their ability to innovate.

a. Our strategy

The Delachaux Group's growth is driven by structural trends: urbanisation, green mobility, industry 4.0, investment in infrastructure and an ever-increasing demand for quality and safety.

Our companies' strategy is to strengthen our position in mature markets while exploiting the growth opportunities offered by emerging countries. We support our development through constant investment in innovation, unwavering commitment to our customers and targeted acquisitions to consolidate our technological and geographic leadership.

Our four businesses (Pandrol, Frauscher, Conductix-Wampfler and DCX Chrome) are structured around common features:

- being a world leader in their field
- specializing in high value-added businesses
- having in-depth knowledge of the value chain and the commercial, technological and regulatory environment
- having a global presence and local expertise

In fact, with more than 100 sites in over 40 countries, the unique network of our model, which is both global and local, combines responsiveness, flexibility and customer proximity. This decentralised and collaborative management method means the Group's teams have accurate knowledge of the value chain and the commercial, technological and regulatory environment in each of the markets in which we operate. Using this model, our intention is "to offer the best of Delachaux all over the world".

The Delachaux Group's business model is also based on a tradition of innovation:

- innovation focused on customer requirements, with specialised products to tackle industrial issues
- a long product development and certification cycle, of between 5 and 7 years, for a use and maintenance phase of more than 5 years
- continuous improvement, with almost 4% of our sales turnover represented by research and development expenses
- at the heart of complex technological and industrial ecosystems, so as to contribute to defining the latest industry standards on the market

b. Our teams

The strength and sustainability of the Delachaux Group lies in the know-how and passion of the men and women within the group.

We have more than 3,800 employees in over 35 countries, united by a shared identity:

Empowered teams

Constantly progressing

And working together to put the customer first

While we are recognised for the expertise and reliability of our products, this is above all because of our day-to-day commitment and our entrepreneurial spirit.

On 31 December 2019, the Group had a total of 3,807 employees, up 16% compared to 2018. This workforce includes 3,789 active employees (*employees present or absent for less than 6 months*) representing on average over 2019, 3,574 FTE (Full-Time Equivalents).

The weight of the railway business workforce is 56%, of which 43% for the rail infrastructure business and 13% for the signalling business, whilst the EDMS sector (Energy Data Management Systems) represents 40% of the workforce. The remaining 4% corresponds to the Metal and Magnetism businesses and to the Group Corporate function.

- *Breakdown of active workforce (permanent contracts, fixed-term contracts, apprenticeships – excluding temporary staff) by category*

Blue-collar workers represent 45% of the total workforce. Managers and experts (engineers and sales managers in particular) make up 17% of the total and the rest of the population is made up of employees, technicians, management and administrative staff. The total workforce is up 16% compared to 2018. This increase can largely be explained by the integration of Austrian-based Frauscher with a presence in 14 countries, particularly India, for a total of 482 employees, and Jay Electronique in France and its 55 employees.

	2017	2018	2019
Managers and experts	552	558	640
Blue-collar workers	1,545	1,489	1,721
Other*	992	1,216	1,428
TOTAL	3,089	3,263	3,789

* *Administrative, employees, technicians*

- *Geographic distribution*

The Group is present in 35 countries. Of these, 10 countries employ more than 100 as a permanent workforce and represent 89% of the global active workforce.

Country	31/12/2016	31/12/2017	31/12/2018	31/12/2019
France (1)	658	681	664	747
Germany (2)	358	399	511*	523
USA	385	409	438	457
Austria (3)	14	10	14	293
United-Kingdom	299	275	263	288
India (4)	146	129	147	278
China	198	238	261	249
Australia	269	258	259	235
Spain	177	174	179	176
Brazil	104	107	115	110

(1) Significant change in France in 2019 linked to the integration of Jay Electronique (55 people)

(2) Significant change in Germany in 2018 linked to the integration of LJU (91 people)

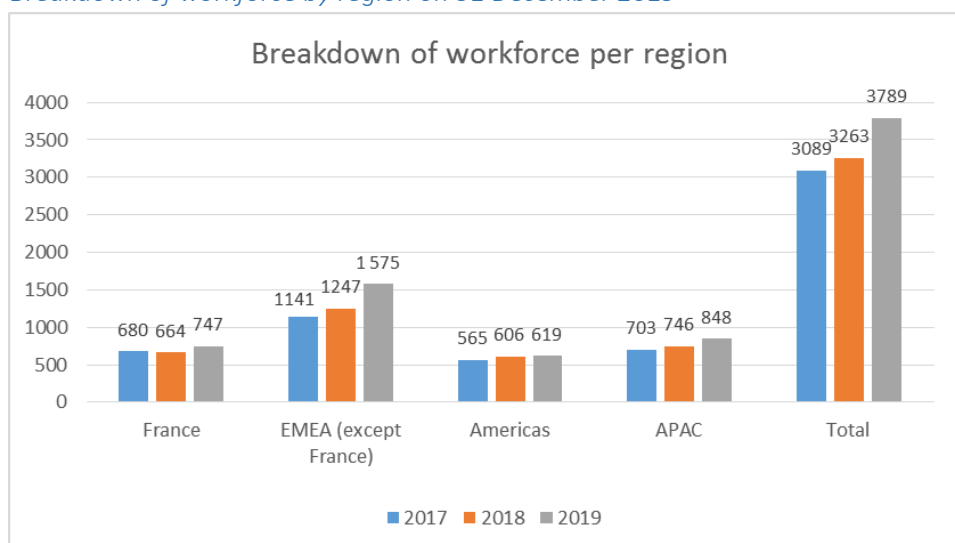
(3) Significant change in Austria in 2019 linked to the integration of Frauscher (277 people)

(4) Significant change in India in 2019 linked to the integration of Frauscher (113 people)

The workforce increased sharply in 2019 in Austria, India and France following the integration of the Frauscher group and Jay Electronique. Outside these countries, the number of employees remained stable overall, with a slight increase in the United Kingdom and the United States, offsetting a fall-off in Australia and China. France remains the Group's leading country in terms of workforce.

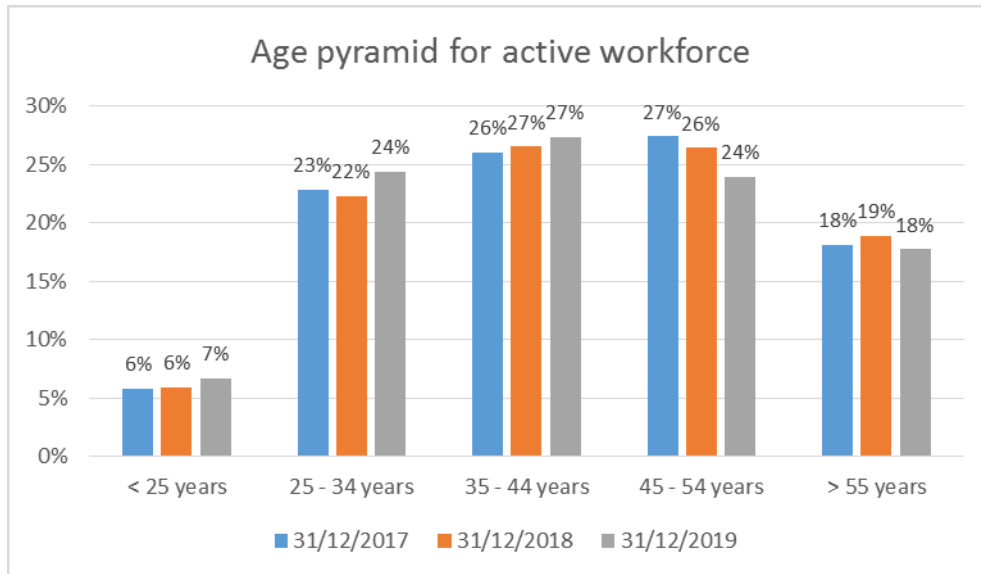
Regionally:

- Breakdown of workforce by region on 31 December 2019

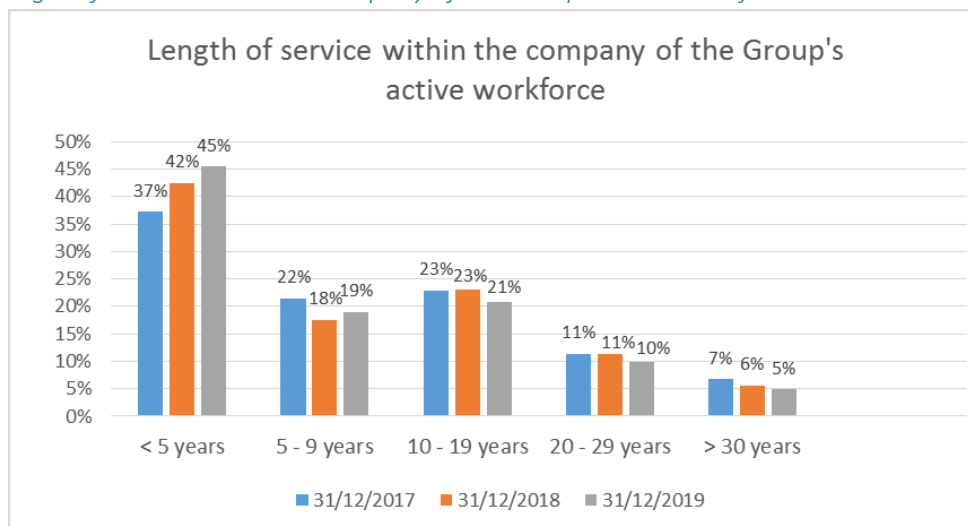


*EMEA = Europe, Middle East and Africa

- *Age pyramid for active workforce on 31 December 2019*



- *Length of service within the company of the Group's active workforce on 31 December 2019*



The age pyramid and the table showing length of service show the history of the Group's employees as well as changes and the impact of new contributions in recent years.

Against this backdrop, the Group is particularly sensitive to the support and management of different generations and to the transfer of skills from older staff to younger staff.

In addition to maintaining a high proportion of under-45s within the organisation in the last two years (58% on 31 December 2019 compared to 55% last year), the Group is growing the number of apprenticeships with a total of 96 apprentices/interns on 31 December 2019 compared to 66 last year. Around thirty apprentices are brought into the EDMS teams in Germany and a substantially equivalent number at Frauscher in Austria over 3-year cycles, thereby contributing to creating a pool of future qualified staff. France also increased its number of apprentices to 21 in 2019. And two young French VIEs (from the French Volunteers for International Experience scheme) joined Pandrol's teams in China.

c. Our companies

- *Pandrol*

Pandrol brings together all our rail infrastructure solutions and products. Its solutions and products are designed for railway infrastructure equipment: freight, urban transport (trams and metros), high-speed transport and national rail networks. Pandrol's ambition is to maximise rail infrastructure availability, safety and lifetime value.

Pandrol's expertise and innovation capacity are recognised by the world's leading transport networks, for which it provides daily service and support.

Pandrol's business comprises 4 product lines:

Fastening systems

Pandrol markets a wide range of fastening systems (screwed or clipped) designed for all types of track (ballasted or not, high-speed lines, metro or tramway tracks, freight corridors, mining tracks).

Aluminothermic welding

The aluminothermic rail welding techniques offered by Pandrol represent a cost-effective and safe solution for all types of network: urban, passenger, heavy or high-speed.

Equipment and Control

This business segment consists of designing, developing and manufacturing equipment capable of improving the efficiency of railway construction and maintenance.

Intelligent control systems increase productivity, monitor the condition of the track and improve overall service life.

Electrification

Pandrol supplies a comprehensive range of products for urban transport systems, such as aluminium conductor rail systems, rigid overhead line systems and other innovative solutions for special applications.

In 2019, Pandrol represented 49.3% of the sales turnover and 43% of the workforce of the Delachaux Group.

- *Frauscher*

Frauscher joined the Delachaux Group on 28 February 2019.

Frauscher is a leader in the engineering, production and implementation of inductive sensors for rail signalling systems. These wheel detection and axle counter systems are intended for railway signalling system equipment: freight, urban transport (trams and metros), high-speed transport and national rail networks. Frauscher's ambition is to simplify the task of signal system integrators and rail operators to obtain the information they need to run, track and protect their operational network – "Track more with less".

Frauscher has also developed distributed acoustic sensing technology (DAS: Distributed Acoustic Sensing), which uses optical fibres running along railway tracks as sensors. This technology includes the design of algorithms for acoustic signals captured through machine learning processes. A subsidiary dedicated to this business – Sensonic – was set up at the end of 2019 with 43 employees, the majority of whom are engineers mainly based in Austria and England.

In 2019, Frauscher represented 6.8% of the sales turnover and 13% of the workforce of the Delachaux Group.

- *Conductix-Wampfler*

Conductix-Wampfler markets Energy Data Management Systems for mobile industrial equipment. These products enable energy and/or data management, including transmission from a fixed point to mobile equipment or machinery.

The main products marketed by Conductix-Wampfler are:

- conductor rails for transmitting energy (up to 2,000 amps) and digital data. The conductor rails can be configured and their length can be adapted to suit the needs of customers and their industrial environment, including more complex environments.
- Cable festoon systems for supporting, protecting and transporting flat and round cables for power and data transfer. Flexible pipes can also be integrated for the transportation of fluids, air or gases. The festoon systems are tailored to the needs of each customer, and to difficult environments such as steel mills, port sites, composting centres or agricultural applications.
- Reels (motorised or spring-loaded), used for the automatic winding of cables or hoses of different types of mobile equipment such as hoisting and handling equipment. Motorised reels (including direct contactor-controlled drive packages, robust reels using magnetic couplers, or inverter-controlled drive packages) are tailored to any application including ports, steel mills, theatres, bulk handling machines, airport gateway cable management, wastewater treatment plants, and mines.
- Inductive Power Transfer (IPT®), especially in intra-logistic systems, is used to transfer power and data without mechanical or electrical contact, based on the principle of electromagnetic induction, and developed to meet modern industrial requirements, which require mobile electrification systems based on high speeds and absolute wear resistance.
- Control systems for overhead conveyors, used in various industrial applications, especially automotive.

Conductix-Wampfler works primarily for six types of customer user applications:

- Heavy lifting and handling equipment (overhead cranes, automated guided vehicles, gantry cranes on tyres, gantry cranes on railways, etc.);
- Industrial handling systems (storage, production lines, intra-logistics handling, conveyors, workstations, etc.);
- Small industrial lifting and handling equipment (hoists, jib lifting systems, forklifts, construction machinery);
- Urban transport (metros and trams with conductor rails or contactless rails);
- Control and production of fibre optics/power cables and data;
- The services and maintenance relating to this equipment.

In 2019, Conductix-Wampfler represented 32.7% of the sales turnover and 40% of the workforce of the Delachaux Group.

- *DCX Chrome*

The DCX Chrome brand illustrates the one-hundred-year know-how of the Delachaux Group in aluminothermic processes. DCX Chrome is the world's leading producer of chromium metal for the manufacture of super alloys and special steels, including in the aviation and energy production sectors.

DCX Chrome's factory in France markets different grades of chromium: metal chrome with purity grade of 99.4% to 99.9%, standard aluminothermic grade or vacuum low degassed grade chrome. Special types (low sulphur or low nitrogen, chrome nitride, chrome carbide and so on) are also produced. Chrome is also sold in the form of briquettes or powders, depending on customer qualities and requirements.

In 2019, DCX Chrome represented 10.0% of the sales turnover and 2% of the workforce of the Delachaux Group.

- *Raoul Lenoir (Magnetism Business)*

Raoul Lenoir develops and markets magnetic systems for industrial sorting and lifting operations. It is positioned on two market segments with strong growth potential:

- The environmental sector for which it designs and produces ferrous and non-ferrous metal separation equipment, combining magnetism, eddy currents and electronic detection technologies;
- The magnetic lifting sector for the production or distribution of steel products. This refers to lifting equipment using electromagnet technology, the production and design of which reflect many years of experience around the world.

In 2019, the Magnetism business represented 1.2% of the sales turnover and 1% of the workforce of the Delachaux Group.

d. 2019 financial results

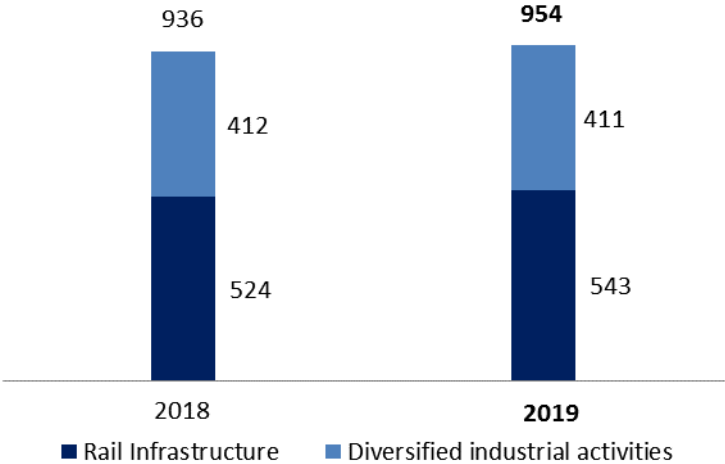


Figure 1. Orders taken (in millions of euros)

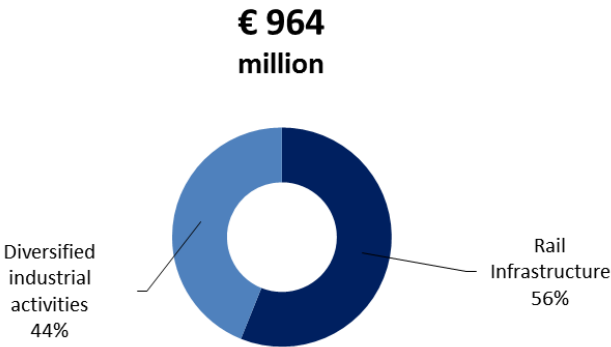


Figure 2. Sales turnover per activity (a % of sales turnover)

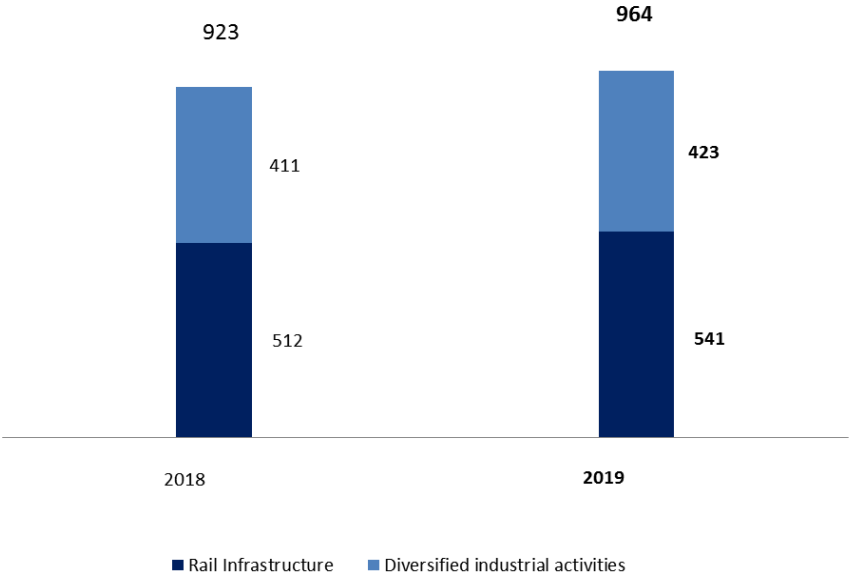


Figure 3. Sales turnover per activity (in millions of euros)

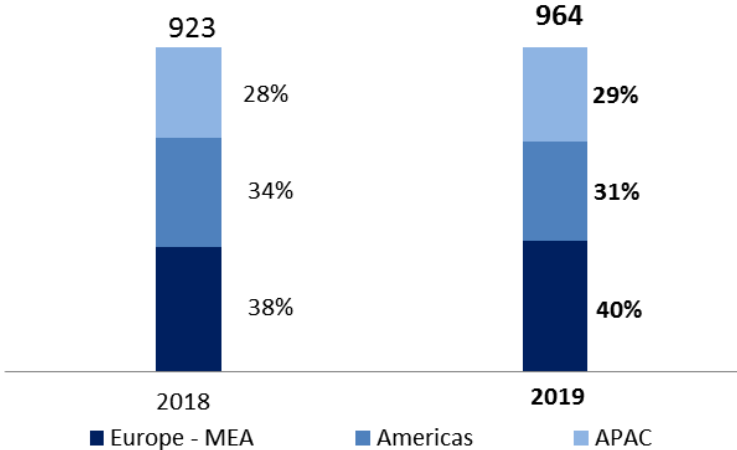


Figure 4. Sales turnover by region of destination (as % of total Sales Turnover and in millions of euros)

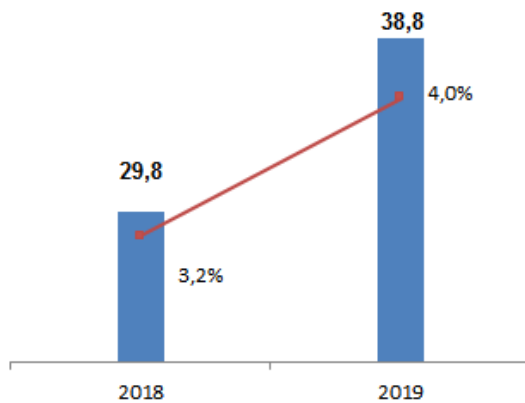


Figure 5. Research and Development Expenses (*) (in millions of euros and as % of sales turnover)
 (*) Total Research and Development Expenses, including engineering functions.

III. Presentation of the CSR Programme: WE, our Worldwide Engagement

A. What is WE, our Worldwide Engagement?

The ISO 26000 standard defines corporate social responsibility as "an organization's responsibility for the impacts of its decisions and activities on society and the environment".

For the Delachaux Group, this responsibility covers two main ambitions: operational excellence and people development. We want to be a key player in the activities of our customers while also managing the effects of our operations and promoting personal well-being, in our teams and the surrounding communities.

We call this contribution to sustainability "WE, our Worldwide Engagement". It is a global ambition and also a commitment by each of our employees, at their own level, to this cause that concerns all of us.

WE is embodied in five areas which are important for the Delachaux Group and its partners:

- Safety
- Environment
- Ethics
- Management Practices
- Communities

Our Worldwide Engagement

“ Leaders sur nos marchés, nous voulons être exemplaires dans nos pratiques et avoir un impact positif en matière de développement durable

Nous nous engageons à:

Agir en maillon fort et innovant de la chaîne de valeur de nos clients tout en maîtrisant les effets de nos opérations.

Favoriser le bien-être et le développement des personnes –dans nos équipes et dans les communautés environnantes.



B. Materiality analysis and identification of Corporate Responsibility priorities

The Delachaux Group acts on its positioning in terms of CSR (Corporate Social Responsibility) to respond to both external issues (customer expectations, regulatory obligations) and internal issues (values and good practices of the Delachaux Group).

According to the best practices of the ISO 26000 standard, the Delachaux Group has carried out an inventory of existing practices, compared them with stakeholders' expectations in order to prioritise the Delachaux Group's CSR issues and organised them into a coherent programme.

- a. Identification of the Delachaux Group's Corporate Responsibility practices

The Delachaux Group's CSR practices have been analysed according to the Global Compact categories.

The survey was conducted between July and September 2017 on 37 sites, covering more than 2,800 Group employees. In total, more than 65 interviews with Delachaux Group employees were conducted. These interviews targeted site managers, human resources managers, QSE managers and also sales functions.

This survey made it possible first, to assess the overall situation of the Delachaux Group with regard to its corporate responsibility and second, to identify the leading sites concerning certain aspects of their responsibility.

- Overall performance. Overall performance of the Delachaux Group

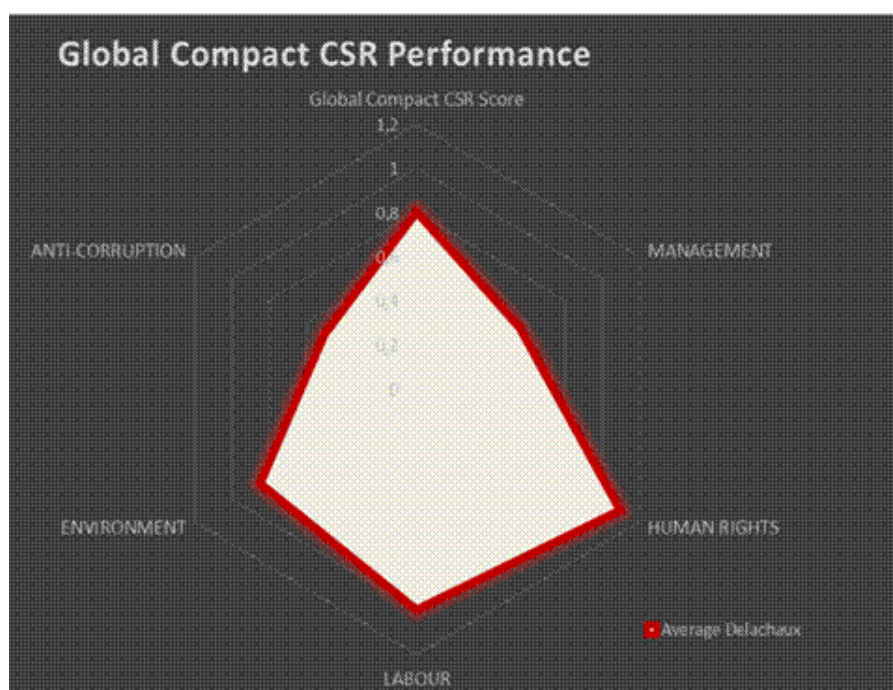


Figure 6. Overall performance of the Delachaux Group on the different Global Compact categories

In early 2018, the Delachaux Group was generally well-positioned, albeit with some discrepancies: whilst the Group was compliant in terms of Human Rights and Labour Law, there was also still room for improvement in terms of bribery risk management and also in the overall management of CSR as a programme.

Delachaux's activities have no impact on the prevention of food waste, food insecurity and the promotion of response, fair and sustainable food. Furthermore, Delachaux's activities have no direct impact on animal welfare.

In terms of homogeneity of results, we can see a wide variety in local environmental policies or CSR management policies. Conversely, the fundamental principles of Human Rights and Labour Law are respected throughout the Group.

From a geographical point of view, it is not surprising that countries in Western Europe, North America and Oceania are the most advanced in terms of CSR. By contrast, emerging countries need stronger structuring.

- Outstanding performance and best practices

This survey also helped identify best practices. Measures that can then be used as inspiration and be passed on to other Delachaux Group companies.

Over 30 best practices have been identified within the Group. These best practices primarily concern the local and corporate social dimension of CSR (philanthropy, social commitment, local sponsorship) and the environment (awareness-raising, eco-design, use of renewable energies).

To conclude, this inventory work has made it possible to identify the wealth of potential of the Delachaux Group in terms of CSR, whilst highlighting the need to add global and cross-disciplinary management of these issues.

b. Identification of practices and priorities of Delachaux Group customers, suppliers, competitors and partners in terms of CSR

An analysis of the practices and priorities of our main customers, suppliers, competitors and partners in CSR matters has also been carried out, in order to compare Delachaux Group practices with industry standards.

This comparative analysis concerned a sample of 12 competitors, 8 suppliers, 14 customers and 14 trade associations, based on publicly available information.

The study revealed a frequent low level of maturity in terms of CSR. The most advanced are, for the large part, Delachaux Group customers. So it seems that these parties tend to address and communicate about the CSR issue further downstream of the value chain.

Among our stakeholders, 7 chose to represent their CSR priorities in the form of a materiality matrix. This method clearly highlights our stakeholders' expectations, in prioritised form. At the forefront of these expectations are safety, ethical business conduct and, to a lesser extent, reduction of environmental impact.

c. Carrying out a materiality analysis and definition of the Delachaux Group priorities

Based on this information, the Executive Committee of the Delachaux Group conducted a materiality analysis in order to prioritise its CSR issues. According to ISO 26000, an issue is considered material when it is both relevant and significant for the company.

Carrying out a materiality analysis is considered best practice in order to firmly establish CSR in the reality of the company's issues.

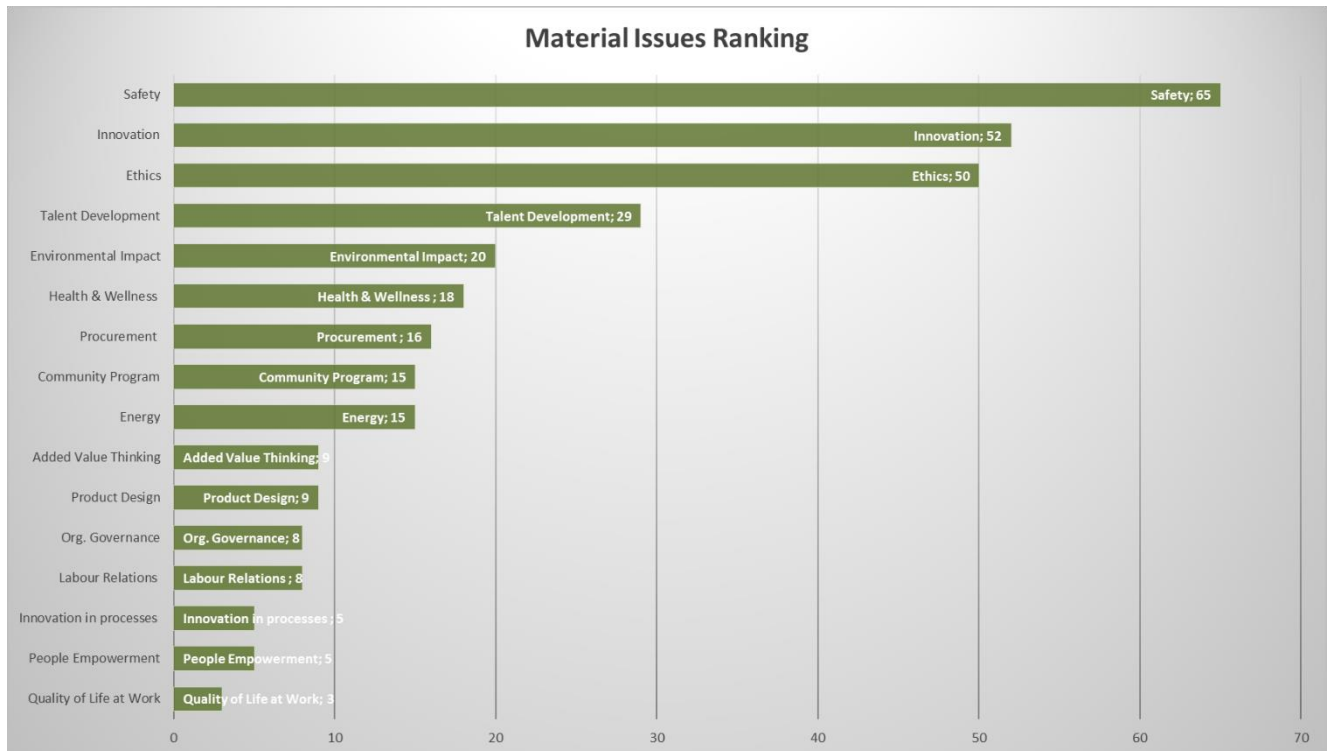


Figure 7. Materiality analysis of the Delachaux Group.

For the Delachaux Group, Safety, Innovation and Business Ethics are the three most critical issues. These are followed by talent development, health, procurement and social commitment.

C. Construction and organisation of the CSR programme

Based on its materiality analysis, the Delachaux Group then defined the organisation of a CSR programme.

a. Name of programme and definition of visual identity

Preliminary work on fine-tuning the materiality analysis made it possible to group material issues according to their proximity. From 10 priority issues, we therefore went down to five (Safety, Environment, Ethics, Managerial Practices and Community), these then being grouped together in two main areas (Operational Excellence and People Development).

A brainstorming session, bringing together two members of the Delachaux Group Executive Committee, produced the name "WE, our Worldwide Engagement". This name seeks to link the global and collective aspect of CSR to the local and individual aspect of engagement. The name and text of the presentation of WE were then approved at an Executive Committee meeting.

Development of the WE logo and graphic universe followed the same logic of combining local and global. WE uses the Delachaux graphic codes whilst not explicitly mentioning Delachaux. In form, the WE logo presents a link and symmetry with the Delachaux "CD" company logo.



b. Structuring of the programme

The WE, our Worldwide Engagement programme was then structured with a view to launching the initiative and rolling it out. A CSR procedure describes the organisation of the Delachaux Group in order to manage its corporate social responsibility issues. It details the elements making up the management system: materiality analysis, code of ethics, whistle-blowing system, training, management of third parties, disciplinary sanctions, reporting and audit.

On issues relating to the prevention of bribery, a specific procedure has been developed to supplement the description of the programme put in place to prevent and detect bribery within the Delachaux Group.

The WE programme is managed by two entities:

- a management body, the Ethics Committee, made up of members of the Delachaux Group Executive Committee
- a management body, the WE Management Team, which is responsible for organising and rolling out the WE programme within the Delachaux Group.

The WE Management Team comprises 13 people representing the diversity of the Delachaux Group, recruited according to their business unit, geographical area, business and interest in the subject.

c. Communication and launch of the programme

The WE programme was launched in autumn 2018 with the first meeting of the WE Management Team. This was reported in the company's in-house newsletter, TRAME. A short film introducing the WE programme was produced and subtitled in 7 languages, to help Delachaux Group employees understand the initiative.

In April 2019, the certification body, Ecovadis awarded Pandrol's three French sites a rating of 68/100 on implementation of our programme, which puts this company in the 97th percentile for this rating, so in the top 3% of highest-rated companies. The area in which Pandrol France has the most room for improvement is responsible procurement (score of 50/100).

D. The Code of Ethics

The Delachaux Group Code of Ethics is the cornerstone of the Group's corporate social responsibility system. During 2018, work on redesigning the Code of Ethics was undertaken, which resulted in the publication of a new Code of Ethics for all Group employees in April 2019.

The Code of Ethics addresses two issues:

- first, a regulatory issue, relating to the obligations under the Sapin II Law
- second, an educational issue, with the intention to make this a document that all Delachaux Group employees can use.

As a genuine code of conduct for employees, the Delachaux Group Code of Ethics describes and illustrates the conduct expected from them, wherever they are and whatever their type of employment contract. It is written in plain and simple language to ensure that it is understood by all employees.

The Code of Ethics covers 14 topics and also describes the Delachaux Group whistle-blowing system for sharing ethical concerns confidentially or anonymously.

The revision of the Code of Ethics has been organised in several phases:

- identification of good practices and reference documents in terms of codes of ethics
- listing and validation of the issues to be included in the Delachaux Group Code of Ethics
- listing of case studies to illustrate the behaviours to be avoided or encouraged
- writing of the Delachaux Group Code of Ethics available in 18 languages, which means that 99% of Delachaux Group employees are covered

The Code of Ethics was published and circulated in April 2019 with each Delachaux Group establishment holding launch events bringing together all employees from each site.

At the end of 2019, a Code of Ethics awareness module was put online in the form of an e-learning module available on the We Progress platform for all Group employees. This module has been included in the various integration pathways for new recruits.

Since the end of March 2020, this module, which was launched in December 2019, has been completed by 1,730 people from the Delachaux Group who have access to the platform, representing 71% of those with direct access to the Group's online training platform (excluding Frauscher).

In 2020, this module will be extended to Frauscher employees. Face-to-face sessions will also be provided for people who do not have an e-mail address (mainly production operators). The aim is for all employees to have completed this e-learning module or attended training by the end of 2020.

IV. Operational Excellence

We uphold a broad vision of operational excellence where safety, environment and ethics are integral to the quality and performance of our products and services.

A. Safety

a. Our approach to safety

Our Code of Ethics states that "**we have a right to work in an environment that is healthy, safe and secure and we must play our part in this.**"

Safety is a priority for the Delachaux Group. Improving working conditions contributes to the Group's sustainability and development and is also one of the pillars of our employees' commitment.

Occupational risk prevention is based on an ethical, legal and economic imperative and also on an economic rationality: safety, quality and productivity performances are linked. Safety is therefore strategic to the appeal of the various trades, whilst making it possible to respond to the need for extending working life.

The various Delachaux Group businesses each have a safety department and publish monthly performance indicators on the lost time accident frequency rate.

Our commitment to safety does not stop at the factory door, but is also part of the service provided to our customers. Pandrol's customer promise therefore is "to maximize rail infrastructure availability, safety and lifetime value". For example, under the Vortok brand, Pandrol markets safety barriers designed to protect operators working on the track.

For Conductix-Wampfler, application safety is a major design feature. Control-command systems produced in Potsdam (Germany) by LJU comprise key safety elements for ensuring the safety of people work, for example, on car production lines. Similarly, the wireless remote controls and systems supplied by Jay Electronique in St Ismier (France), a company acquired in July 2019, are entirely dedicated to the safety of handling operations and use protocols which are designed in-house and patented.

b. Case studies

- Pandrol in Raismes and Douai, France

The French sites of Raismes and Douai were among Pandrol's 7 critical sites in 2018 with a number of accidents that was too high. Management at each plant has implemented an overall plan which has drastically reduced the number of lost time accidents: just one lost time accident for the last 9 months to date. The main actions were the increased involvement of all employees, including temporary staff, in identifying and reporting unsafe situations and seeking solutions and improvements. Standardised routines have been created: daily meetings, immediate reaction in QRQC format, workshop tours in Gemba Walk format. *Safety rooms* have been created and are used systematically for each accident / incident.

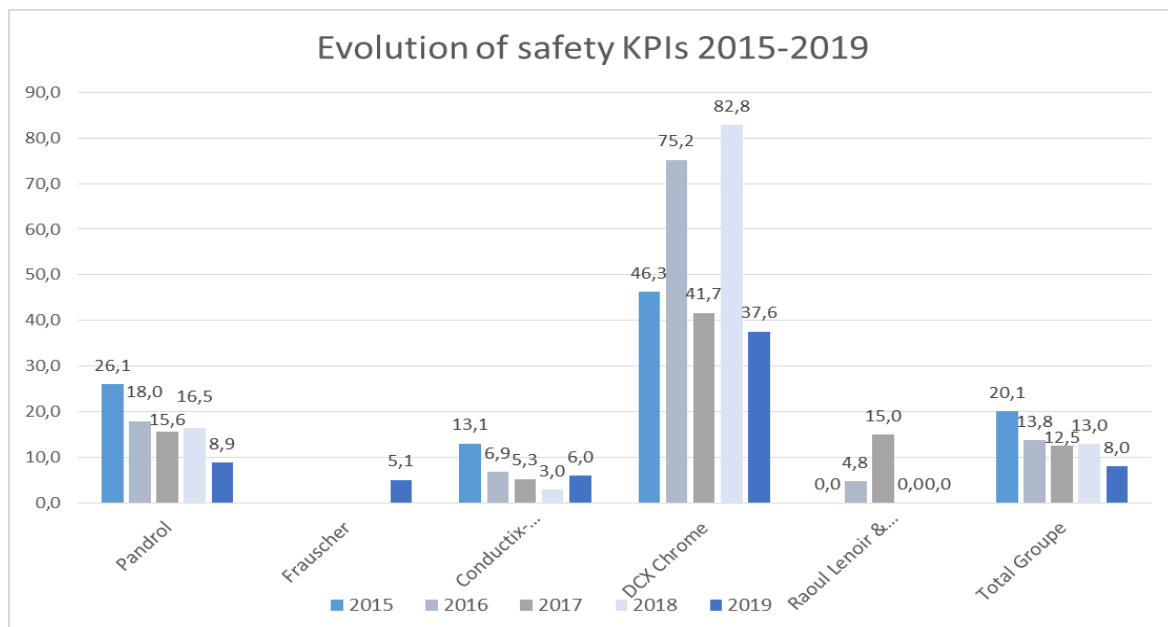
- Conductix-Wampfler Belley France

The site in Belley, France, taking its inspiration from Bird's Triangle, encourages its teams to identify situations of risk to safety and to propose measures to quickly resolve said situations. It now identifies an average of 100 risky situations per month for a site of fewer than 200 people. The day-to-day involvement of employees is firmly established and safety routines are stabilised. Use of the Safety Room, also known as the Safety Dojo, means safety risk training can be given to anyone coming into the company – from suppliers or providers through to customers, including of course, all site employees.

c. KPIs

- TF1'

For several years now, we have been monitoring a safety performance indicator. The selected indicator – **TF1'** – is the frequency rate of incidents involving lost working time; this is calculated as the number of accidents with lost working time per million hours worked (all workers, including temporary staff).



Since 2015, we have improved our overall safety performance by reducing our lost time accident frequency rate by 60%; this fell from 20.1 in 2015 to 8.0 at the end of 2019. The Group's 2019 target – to achieve on average a TF1' below 10 – has therefore been met and bettered. The aim for 2020 is to reduce this accident frequency rate again, to a frequency rate of 5.

The commitment of all employees to risk and accident prevention and the actions launched in 2018 have enabled this result to be achieved. In 2019, for example, this commitment was reflected in widespread implementation on the main production sites of "safety rooms", which are used to remind all teams of safety instructions, integrate new employees, in particular temporary staff, and work on the resolution of accidents and near misses.

However, performance in 2019 is mixed across brands and sites.

Pandrol significantly improved its performance in 2019 by almost halving its frequency rate of 8.9 on 31 December 2019 (29 lost time accidents in 2019, all staff categories). The overall work undertaken on safety in 2018 has borne fruit, for example, with the Raismes site identified as critical in 2018 reaching a record 457 days without accidents in 2019. There are only 4 sites left having experienced 3 or more lost time accidents in 2019 and a specific action plan is maintained for these sites, which had a rate of 7 in 2018. The severity rate is also reduced to 0.19.

Conductix-Wampfler experienced more lost time accidents in 2019 and saw its frequency rate rise to 6.0 (12 lost time accidents over the year). These were accidents that resulted in short periods of lost time. Actions taken since 2017 are continuing, with a further push on sites that have been downgraded.

DCX Chrome significantly improved in 2019, halving its accident rate; the Marly site (France) however, maintains a high frequency rate of 37.6 with 5 accidents in 2019. The severity rate has fallen again, settling at 0.62. For Antoine Vasseur, HSE manager, *"this improvement represents the first results of the teams' commitment to detect and resolve risky situations. Dialogue and collaboration on the part of all involved are essential for a successful safety policy."*

Frauscher has implemented this frequency indicator for all its sites throughout 2019. On 31 December 2019, the frequency rate is 5.1. All recorded injuries resulted in very short periods of lost time with a severity rate of 0.02.

2019 was another year without accidents for the two Raoul Lenoir sites and the Colombes head office.

At the end of 2019, the creation of a remote "Safety" training module which will be published in 2020 to further strengthen our Safety culture at all levels of the organisation.

To underline the importance the Group attaches to this subject, Safety objectives are now set in terms of performance targets and/or bonus targets for industrial functions in the Pandrol business.

B. Environment

a. Our approach to environment

Our Code of Ethics states that "We strive to reduce the environmental impact of our activity as much as possible throughout our value chain."

Reducing the environmental footprint is a necessity for all companies. For the Delachaux Group, the main environmental impacts are to be found in the production and processing of raw materials. Our challenges are therefore to reduce our energy consumption in our factories, and to design and transport products with the best possible environmental performance.

Most of the Delachaux Group's industrial sites have environmental policies or environmental management systems. Two thirds of our main production sites (21 out of 32) are certified in accordance with ISO 14001. These sites measure their polluting emissions and their consumption of resources (water, energy) and implement measures to control and reduce this consumption.

b. Case studies

- Reduced electricity consumption at Interblast & Forge in Australia

The Australian Interblast & Forge site has been implementing a plan to reduce its electricity consumption since 2016. The site's teams have developed an expert system which allows regulation of the consumption of the foundry, which is a high electricity energy user. This expert system was then used to contribute to the Australian government's effort (Australian Renewable Energy Agency), which closed the last coal generator in southern Australia, to reduce power consumption during peaks. Further development on this system means that it is now possible to shut down 10 MW / h of consumption in two minutes; this is the equivalent of 3,000 households. I&F, which is the only manufacturer in the programme (others being electricity producers or distributors), was awarded a national prize on this occasion and welcomes a number of visitors, on the initiative of the Australian government, who take inspiration from the system the company has developed.

- Product design at Pandrol

Pandrol has redesigned its Fastclip baseplate fastening systems with the aim of reducing the bulk of this system, thus reducing its carbon footprint, while maintaining its high level of safety. Initially, this system incorporated an element to guide the tool for fitting the fastening onto the sleeper; this element was therefore only used at the time of installation and during maintenance work, i.e. for a few seconds for a fastening life cycle of several years. The innovation came from using the rail as an installation instrument for the fastener and not the fastener itself. As a result, these specific installation components have been removed and the new installation method is safer.

Pandrol's design teams have continued their work and have worked on the casting process used to produce certain components; they have therefore reviewed their design and removed "core" elements from the tools necessary for the process. As a result of these two actions, the total weight of the fastening system was reduced by 25% to 7.1 kg, i.e. less material and less volume to transport

- Sensonic or infrastructure condition tracking without having to travel

Frauscher has developed distributed acoustic detection technology (DAS: Distributed Acoustic Sensing), which uses optical fibres running along railway tracks as sensors. This technology includes the design of algorithms for acoustic signals captured through machine learning processes. For example, Sensonic has shown in more than 30 example cases that a control centre was able to obtain information on the condition of the railways and also on certain aspects of the rolling stock without requiring the intervention of workers on the track or inspecting the rolling stock. This reduces the number of journeys made by maintenance teams and, more importantly, helps to maximise use of existing railways and rolling stock.

- Conductix-Wampfler is contributing to reducing diesel generators in ports:

For 15 years, Conductix-Wampfler has been electrifying port handling gantries to reduce diesel emissions. This electrification has been partial and one generator remained in service, to be used off-line with the electrification system. The new battery solutions implemented now allow full electrification of cranes and port gantries without any loss of flexibility of movement. In addition, new batteries now make it possible to recover the energy released on lowering containers. This energy was previously "burnt" in braking resistance: it can now be recovered. The first fully battery-operated equipment will be operational in 2020.

- Sensors on Conductix-Wampfler products to optimise equipment maintenance

The reliability of the equipment and infrastructures using Conductix-Wampfler systems is key to our customers' operations. In order to limit losses due to breakdown, customers' maintenance technicians are required to preventively change certain components on their equipment, even if they are still operational. We have therefore equipped some of our sensor systems in order to measure their performance. This helps signal a component's upcoming end-of-life and more generally, track the performance of our systems in operation in maintenance dashboards. Some customers are using these data to model and optimise the functioning of their equipment, such as, for example, cranes fitted with festoons. Our R&D centres also use these data to improve the design of our systems and achieve the desired performance by using minimum energy.

- Use of reusable pallets by the Conductix-Wampfler site in Baltinglass, Ireland:

These reusable pallets have been introduced for inter-site shipments and now account for more than one third of all pallets used.

The site has also worked on examining the chemicals used to treat its water and has eliminated the use of sulphuric acid.

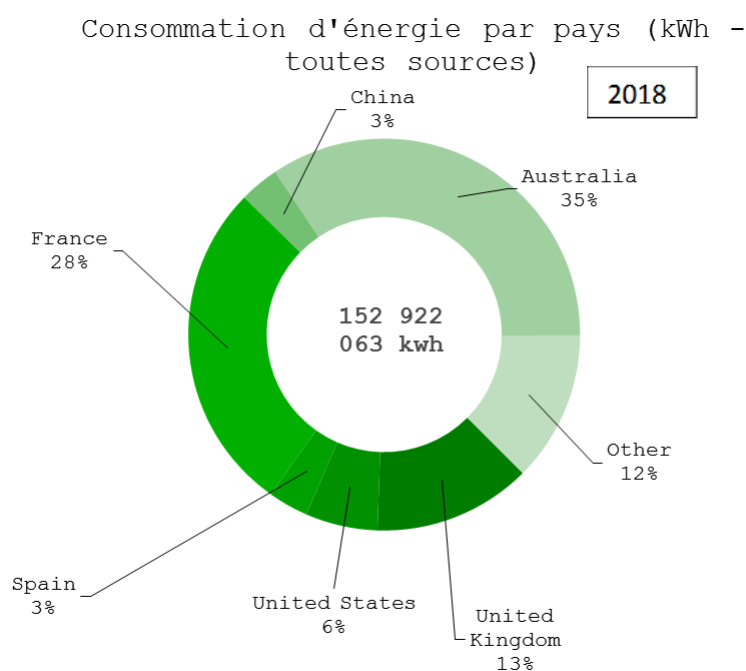
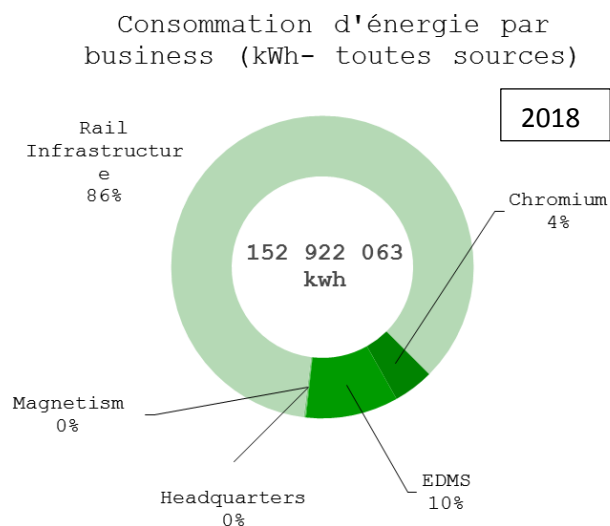
c. Circular economy

All our plastic injection sites – Pandrol in UK, Spain, USA, Australia, South Africa, Algeria and Morocco; Conductix-Wampfler in Ireland – now recycle waste and scrap plastic in their own production.

In 2019, DCX Chrome continued to invest in its corundum processing facility; corundum is a co-product of the aluminothermic reaction; this co-product is therefore valuable to industrial customers and treated as a product in its own right.

d. KPIs

- Energy consumption – 2018 figures (per businesses and per countries)



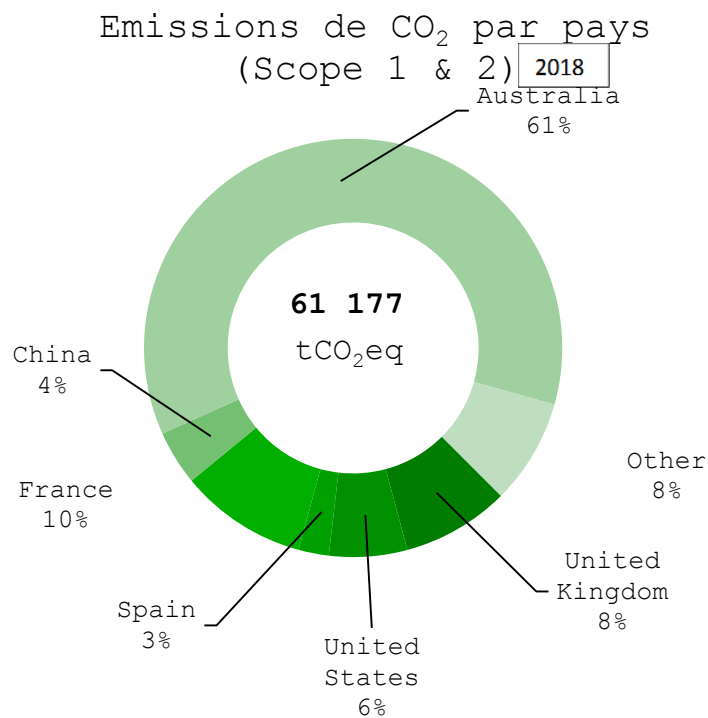
In 2018, the energy consumption of the Delachaux Group production sites and offices showed a marked contrast between the Group's various businesses. **86%** of energy consumption is concentrated at Pandrol.

This was linked to the nature of the industrial process: predominantly metallurgical sites (fastening systems) consume more than assembly sites. Pandrol's foundry facility, situated in Australia, accounted for a large proportion of energy consumption.

This is why the cases above highlighted the work done on Pandrol's fastening systems business.

We did not update this consumption table in 2019; we will update it in 2020.

- Carbon Review (Scopes 1-2) – 2018 figures (per countries)



CO₂ emission figures confirm the elements observed on energy consumption. This means that a large part of the Delachaux Group's emissions is concentrated in the rail infrastructure segment, particularly in Australia. The country's energy mix, relying for the most part on coal, widens the gap with the Group's other countries.

C. Ethics

a. Our approach to Ethics

The Delachaux Group Code of Ethics defines and illustrates the behaviour expected of each Delachaux Group employee. It covers 14 topics in the area of operational excellence and people development.

Business ethics in particular is a key element of the operational excellence sought by the Delachaux Group. Ethical behaviour is the cornerstone of the company's reputation and long-term performance. This is reflected in various situations described in our Code of Ethics:

- Fairness of commercial practices: We engage in fair competition and contribute to upholding ethical standards in our industry.
- - Bribery: We fight all forms of bribery, including facilitation payments.
- Representation and lobbying: Anyone who works on our behalf and represents us is obliged to adhere to the same ethical standards as us.
- Conflicts of interest: We always report potential conflicts of interest.
- Gifts and hospitality: We refuse to give or accept gifts where this could lead to suspicions of bribery or a conflict of interest.

b. Training programme

- The Delachaux Group remote training-e-learning programme

The Group has been rolling out a Code of Ethics training module incorporating practical cases and providing employees with case scenarios since December 2019. This training module is available in 7 languages (French, English, German, Spanish, Chinese, Italian and Portuguese) for all Group employees.

At the end of March 2020, the module had been completed online by 1,730 people, corresponding to 71% of employees with an e-mail address.

In 2020, this module will be extended to Frauscher employees and face-to-face sessions will be provided for people who do not have an e-mail address (mainly production operators). The aim is for all employees to complete this e-learning module or its equivalent in the form of face-to-face training by the end of 2020.

- The Delachaux Group anti-bribery programme

In 2018, the Delachaux Group adopted a specific programme to prevent and detect bribery. This programme, described in an anti-bribery policy and in the sales representative management procedure, focuses on several areas:

- mapping, updated annually, of the bribery risk within the Delachaux Group, depending on the country, the sector of activity, the nature of business relationships and the record of bribery.
- a graduated assessment of our business partners (Due Diligence), depending on the bribery risk.
- a graduated integration of specific clauses in our contract with our sales representatives, depending on the bribery risk.
- face-to-face training and e-learning for our employees who are most exposed to the bribery risk and for certain stakeholders.

The anti-bribery programme, presented to Delachaux Group managers in November 2018, formed the subject of continuous communication during 2019. Two practical guides on managing sales representatives and managing bribery risk per country have been published and made available on our Inside intranet to facilitate appropriation and understanding of the programme by employees and managers.

- TRACE International

The Delachaux Group has been a member of TRACE International since February 2018. TRACE is a globally recognised anti-bribery association and a provider of risk management solutions for third parties. TRACE members and customers include hundreds of multinational companies with headquarters all over the world.

The benefits of the Delachaux Group TRACE membership are numerous:

- Access to e-learning courses on the WeProgress platform of the Delachaux Group: in 2019, 385 Delachaux Group employees were able to complete the TRACE Global Anti-Bribery Compliance Training for Employees module. Other TRACE training modules are also available – for example "How to Say No" – and 82 people have completed one of these other modules provided by TRACE.
- Training courses to obtain TRACE Anti-Bribery Specialist Accreditation (TASA)
- Business partner assessment services (Due Diligence)
- Participation at free conferences and seminars for all Delachaux Group employees

- Anti-bribery training courses

Anti-bribery training is an essential link in creating an ethics culture in companies. The Delachaux Group has chosen to provide its exposed employees with extensive training in the prevention and detection of the bribery risk. All employees belonging to the Senior Management, Finance, Human Resources, Commercial, Procurement, Legal, Internal Audit and Control, Risk Management and Communication functions are considered to be exposed to the bribery risk.

These training courses are organised in two stages:

- every year, exposed employees must complete the TRACE International Global Anti-Bribery Compliance Training for Employees e-learning course.

- every three years, exposed employees must complete face-to-face training

The face-to-face training was developed in partnership with the leading anti-bribery training firm Campbell-Barr.

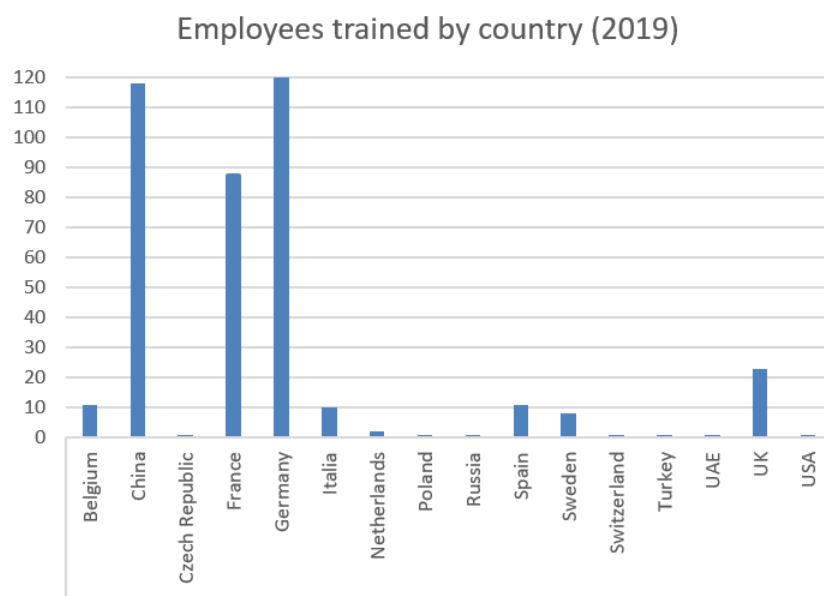
c. KPIs

Type of training / Number of employees trained	2018	2019
Face-to-face training	78	405
E-learning training	80	385

The biggest investment has been made in face-to-face training, with 405 people trained. In addition, 385 people completed the e-learning training module. Out of these 790, 172 were given both types of training.

- Key figures for face-to-face training:

By country:



V. People development

The Delachaux Group is committed to people development, both within its business and with its stakeholders. This is reflected in the actions taken at global and local levels, supported by group policies.

Overall, managerial practices and commitment to the community constitute two significant areas of focus for the Delachaux Group.

A. People Development and Respect, Social Relationships and Remuneration

Our Code of Ethics sets out the behaviours expected of all Delachaux Group employees in terms of people development and respect:

- Human rights: We always respect human rights and investigate any suspected violations of these rights.
- Diversity and inclusion: We promote diversity and inclusion. We recruit our employees according to their skills, their professionalism and their performance.
- Fighting harassment: We uphold the right to respect and human dignity. We fight all forms of harassment and violence.
- Privacy: We all have the right to privacy and we must be alert when using our personal data.

Our employment policy also reaffirms this commitment in favour of the diversity and development of our employees.

It should be noted that the whistle-blowing line implemented as part of the Code of Ethics roll-out was mainly used in 2019 to escalate potential cases relating to respect for individuals rather than to report cases of potential bribery. All the cases reported were handled within the confidentiality rules guaranteed by this whistle-blowing line.

a. Employee development

- Annual performance reviews

The Group has gradually introduced and made widespread a system of annual performance and development reviews, to encourage dialogue between each employee and their direct manager: so the assessment of performance is shared, mutual expectations discussed, objectives are clear, and a development plan for the coming year is defined jointly.

Today, these reviews concern all Group employees, including blue-collar workers. This is a commitment by the Group's management, relayed by a growing number of companies, including the smallest companies.

Furthermore, the People Review practice (collective staff review concerning N-1 staff in a group of managers on a certain scope), is being developed and professionalised, both in substance and in form.

Concerning form firstly because, since 2017, emphasis has been placed on continuous improvement of the process as a whole. This is illustrated in particular by implementation of a more concrete, tool-based approach, in support of managerial discussions, so as to strengthen the thought process around development actions. Secondly, in 2019, emphasis was also placed on mentoring/transferring expertise to 4 local HR managers in order to continue to extend the scope of People Review within the organisation (Conductix-Wampfler China, Pandrol China, Pandrol India and Conductix-Wampfler France).

Concerning substance too, since the practice is being extended even further each year to more Group companies, increasing the number of beneficiaries of these collective reviews. This means that 726 people were involved in 2019 and a certain number of priority actions were defined at management team level.

- Training and skills

In 2019, the Delachaux Group also focused on developing access to training by as many people as possible. This was done firstly through awareness-raising among management teams during the budgeting process. It is therefore now expected that a specific budget for people development and training will be allocated, identified and monitored within each company.

Secondly, a large-scale Group project has been launched with a view to setting up the first global e-learning platform. Launched in January 2019, this platform provides access to an extensive range of training modules. It will also enable training indicators to be monitored more effectively and for training pathways to be created for employees.

At the end of 2019, 2,578 employees worldwide had access to this platform – i.e. 69% of the Group's population. Without including access to the "Code of Ethics" module, 961 of these employees completed at least one course on this platform.

This platform offers more than 600 standard modules on managerial, IT and personal development topics. At the same time, the Group has focused on identifying topics specific to its activities and starting the production of certain content. Therefore, 40 personalised modules on the presentation of our activities, products and procedures are now available on the platform. The Code of Ethics module is a perfect example of content tailored to the needs of the Group.

- In-house mobility

The Group has made efforts to increase the in-house mobility of engineers and executives, whether professionally or geographically. Mobility can in fact help employees to achieve their ambitions, whilst ensuring transfers of technology, culture and managerial know-how; and support the Group's globalisation, whilst promoting the development of standard skills and a shared culture.

- Employee commitment

2019 was also devoted to preparing a survey on commitment for all Group employees. This project strengthens and complements the many actions existing on the Group sites in terms of listening, communication and employee involvement.

Its main objective is to find out what our employees are thinking and feeling, to understand their daily lives and what is important to them.

The survey will be sent to everyone, all over the world, at the beginning of 2020.

b. Respect for people

- Preventing discrimination and commitment to diversity

The Delachaux Group aims to prevent any kind of discrimination. Our Code of Ethics states that "we promote diversity and inclusion and recruit our employees according to their skills, their professionalism and their performance."

Furthermore, in compliance with local regulations, Delachaux operates in accordance with the fundamental conventions of the International Labour Organization (ILO) wherever the Group operates. The fundamental conventions of the ILO cover a number of topics, including in particular, respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and profession, the elimination of forced labour and the effective abolition of child labour.

The Group is committed to the development of diversity at all levels of its business and its workforce thus includes a wide range of ages, lengths of service and backgrounds, all over the world. The Group's equality and diversity policy enriches exchanges and skills, compares different views and is a source of innovation.

Examples of local initiatives include partnerships in France with institutions to offer occupational immersions to people in retraining or "returning" to the labour market (Mission locale, Valoriste Bugey Sud, Pôle Emploi, Ecole de la Deuxième Chance). At Pandrol, an initiative reaching out to local jobseekers from areas with job insecurity, has resulted in 2 "emplois francs" (jobs for those from specific categories/areas) and internships have been offered on the ViensVoirMonTaf association platform.

- Gender equality at work

The Delachaux Group is committed to promoting gender equality when it comes to career development, access to training, salaries and positioning in the company. Women are present in all business units and at almost all levels of the company. The proportion of women in the Group's workforce on 31 December 2019 was **19.8%**, i.e. a level substantially equivalent to the previous year (20.3%). This percentage is slightly lower than that seen in the metallurgical industry generally. However, there is still significant room for improvement.

- Situation in France

Proportion of Women by company on 31/12/2019	Number of Women	Total workforce	%
Delachaux global	146	747	19.54%
Pandrol SAS	57	316	18.04%
Pandrol Railweld SAS	2	28	7.14%
DCX Chrome SAS	10	70	14.29%
RBSI SAS	1	33	3.03%
Raoul Lenoir SAS	4	30	13.33%
Conductix-Wampfler SAS	37	181	20.44%
Jay Electronique SAS	20	55	36.36%
Frauscher SAS	1	4	25.00%
Delachaux SA	13	27	48.15%
Delachaux Group SA	1	3	33.33%

A gender equality at work agreement exists at Conductix-Wampfler France and will be reviewed to adapt to the new reporting obligations. An agreement of this kind is being negotiated at Pandrol SAS.

- Employment and inclusion of disabled workers

All Group companies, for which local legislation stipulates employment of a certain percentage of disabled workers, are working to fulfil their obligations.

Please see below the percentage of disabled workers for our sites in France in 2019.

Companies	Direct employment	Indirect employment	Total
Pandrol Raismes	5.36%	2.51%	7.87%
Pandrol Douai	5.92%	0.00%	5.92%
Conductix-Wampfler	4.30%	2.75%	7.05%
Raoul Lenoir	0.00%	0.00%	0.00%
DCX Chrome	2.35%	0.00%	2.35%
Pandrol RBSI	3.03%	0.00%	3.03%
Pandrol Colombes	2.70%	0.00%	2.70%
Pandrol Railweld	0.00%	0.00%	0.00%
Delachaux SA	4.00%	0.00%	4.00%
Jay Electronique	3.51%	2.14%	5.65%
Frauscher	0.00%	0.00%	0.00%

A number of actions are being introduced to attract and promote the integration of people with disabilities. Conductix-Wampfler takes part in Duo Day scheme, which allows people with disabilities to explore a particular trade. The establishment in Belley has integrated a system for people with disabilities at a production work station. It has also partnered with specialised places of business specialising in outsourcing tasks to people with disabilities. Vacancies at Conductix-Wampfler and Pandrol sites are systematically distributed to CAP EMPLOI, whose mission is to support people with disabilities in their job search and remaining in employment. Similarly, vacancies submitted to temporary employment agencies are systematically accompanied by a request for the submission of "Beneficiaries of the employment obligation in Article L.5212-13 of the French Employment Code".

c. Organisation of work and industrial relations

- Organisation of working time

In France, the reduction and organisation of working time are effective in Group companies in accordance with the laws and the applicable collective bargaining agreement. In the rest of the world, the organisation of working time and the management of overtime are carried out in accordance with the laws of each country concerned.

The Group does not offer much part-time work, and existing cases correspond to selected part-time work arrangements.

- Collective bargaining agreements

The French companies of the Delachaux Group are mainly subject to the national collective bargaining agreement for the metallurgy sector, but also the national collective bargaining agreement for Construction

and Public Works and Rubber. Today, the French companies have discussions in order to direct their decisions, whenever possible and desirable, towards greater harmonisation of approaches and contents.

Various agreements were signed in France in 2019. In addition to three NAO agreements (statutory annual salary negotiation) and two profit-sharing agreements covering four entities have been negotiated, along with two PEPA bonus agreements (exceptional household buying power bonus), one on-call agreement, two pre-election memoranda of understanding and CSE [works committee] regulations.

In Germany, the major entity located in Weil-Am-Rhein is not part of the employer's union and is therefore not required to systematically apply the agreements concluded the main union IG Metall. However, it often uses them as a reference in preparing local agreements.

In the United Kingdom, the Group's main structure has an agreement ("Procedural and substantive agreement") drawn up in 1999 with the *Unite the Union* trade union (known at the time as the *Transport and General Workers Union*). Part of this agreement covers broad areas such as problem solving, change management, and disciplinary and dismissal procedures. Another part covers topics in detail, such as pay, shift work, holidays, absences and other work rules. In 2018, representatives approved the new attendance management policy introduced this year.

- Employee representatives

In all countries and entities concerned, Group employees are represented at different levels (Group/company/place of business) by representatives of the representative trade unions, staff representatives, the joint works council, health, safety and working conditions committees or local equivalent. The Group ensures compliance with the schedule of mandatory monthly, quarterly and annual meetings.

In the UK, members of the Representative Committees (6 Workplace Union members and 7 Health and Safety Committee members) meet with management on a quarterly basis and are involved in all changes affecting their site and are also encouraged to complete the training courses offered by their union.

Beyond the formal relationships and exchanges provided for by law, an approach is being developed based on communication, involvement in thought processes and projects and greater transparency. Compliance by the parties is noticeable. Dialogue has been constructive and industrial relations are benefiting.

d. Compensation

- Compensation Policy

The Group has developed and introduced a Compensation & Benefits Policy which sets out the main practices in this area in all its entities. This policy sets out basic control rules – for example, level N+2 approval for any decision regarding compensation. It also aims to strengthen the link between performance and compensation at all levels and to control the wage bill.

- Market data

For several years, and with a view to controlling changes in the wage bill, annual data on changes on the wage market by country (involving all countries in which the Group operates) have been collected from at least 2 specialist sources. They are used to define the annual salary increase budget for each entity, taking into account the specific characteristics of the entity in the country. These data on market changes are also used as a reference for the annual negotiation with staff representatives of the financial budget for salary increases.

The amount of gross compensation paid by the Group (excluding social security contributions) for the financial years ended since 31 December 2016 is established as follows, up **16.4%** between 2018 and 2019. Most of the increase comes from Frauscher and Jay Electronique, both acquired in 2019. On a like-for-like basis, the increase in staff costs amounts to 3.2%.

<i>(In millions of euros)</i>	31/12/2016	31/12/2017	31/12/2018	31/12/2019
Gross salaries	132.8	133.2	136.9	159.4

B. Management Practices

a. Our approach to management practices

As primary stakeholders in the creation of an environment favourable to performance, and the development and commitment of individuals, managers benefit from various types of actions.

To underline the importance of the managerial role of line managers, people management objectives are now assigned for the performance objectives and/or bonus objectives of the managers concerned.

In order to continue to support line managers in their managerial role and to underline the importance of this role, the Delachaux Group wanted to consolidate and structure within a common reference framework, the actions and behaviours expected from the Group's managers. Five managerial aspects have therefore been defined by the COMEX under the name "WeManage": We are Responsible – We Connect – We Manage Performance – We Develop – We Lead by Example.

b. Case studies

- "Managing to succeed together" training

"Managing to succeed together" training has been in place since 2016. It has been completed by 263 employees in all regions, in 26 training groups.

- "Management – For going further" training

To meet the collective needs expressed by managers during the 2017 survey, various training modules have been on offer since 2018 in addition to the "Managing to succeed together" training.

The aim of these modules is to further explore certain managerial practices by focusing on key managerial tools through role play. So 5 modules have been developed.

- Managing different personality types
- Giving feedback
- Announcing a decision
- Adopting a coaching approach
- Empowering

Since 2018, 51 managers have taken part in pilot sessions. The aim is to further roll out these training modules in 2020 to all interested managers – in particular by exploiting the potential of our e-learning platform to provide access to as many people as possible

- Development of lean management

The implementation of Lean Management, aimed at developing the autonomy of teams, both in factories and also within the research and development teams for example, is another illustration of the desire for performance, progress and responsible autonomy of teams characterising the Group.

In 2019, the Delachaux Group sites shifted to a more systematic approach to the roll-out of lean management. When we launched these lean practices in 2014, we organised various practices on volunteer sites. We then introduced routines on all sites, such as daily meetings, safety inspections and the QRQC methods to resolve problems. Pandrol and Conductix-Wampfler have now created road maps and maturity matrices across all of their industrial sites to structure improvements consistently. These road maps also make it possible to compare and transfer best practices.

It should be noted that these lean management measures do not only concern production workshops. The development teams are also involved, especially the teams at Pandrol Fastening Systems in England (Addlestone and Worksop), where all the R&D teams have been trained and have carried out a specific lean action as part of a project. Some people have also been trained to be project leaders.

Frauscher teams use the agile method rolled out across the company. This method was presented to the Delachaux Group Executive Committee in St Marienkirchen at Frauscher's headquarters in Austria in June 2019.

And lastly, administrative departments are also involved in these lean projects. The accounting teams at the I&F site in Adelaide, Australia, have completed a Value Stream Mapping project, which made it possible to reduce the time spent on inventory processing by more than a tenth.

c. KPIs – Managing to Succeed Together

Number of managers trained	2016	2017	2018	2019
	64	121	65	13

C. Community

a. Our approach to community

For the Delachaux Group, playing an active and beneficial role in the surrounding community constitutes one of the major focuses of our corporate social responsibility.

Social commitment covers philanthropy, patronage and sponsorship measures implemented by the Delachaux Group, its companies or its employees. From this point of view, the Delachaux Group can boast a culture of commitment which has resulted in many actions. They are the corollary of the passion and commitment our employees bring to their jobs.

b. Case studies

The employees of Pandrol Porto Alegre in Brazil work year-round to support students at the local school close to the factory. These measures range from providing school supplies to distributing meals in the canteen, or participating in various school events.

The teams at Pandrol Bridgeport (NJ) in the USA have organised various donations to support the local school and provide material support to people in the community suffering from a serious illness.

Conductix-Wampfler Omaha (NE) and Harlan (IO) employees in the USA have also mobilised to support the community where they operate with a focus on education and support for vulnerable people (support for the elderly, toy donation, organisation of the Harlan High School Leadership Conference).

The employees in Raismes organised an Open Door Day on 18 May 2019, when employees' families, friends and community representatives were able to visit the site and gain a better understanding of the manufacturing process for aluminothermic welding kits. The site welcomed 120 visitors that Saturday morning, who all enjoyed their visit.

The employees in Baltinglass, Ireland have implemented a programme to raise their employees' awareness of their diet and encourage them to do exercise. The impact of this programme has been extended to employees' family and relatives in the community.

Various sites around the world organise blood donation days and are introducing partnerships with charities (collection of clothes for example).

VI. Appendices

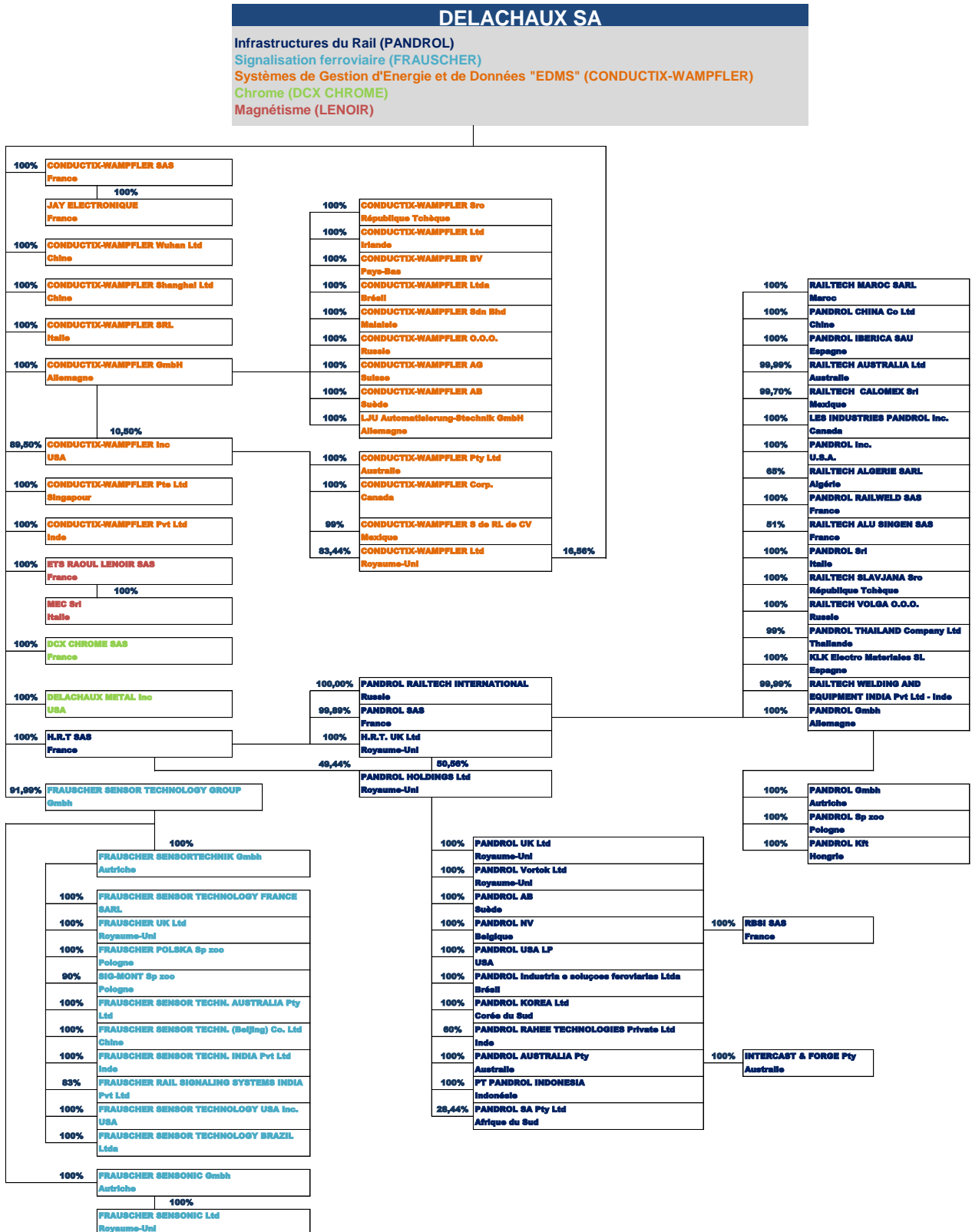
A. The figures in this report

Chapter	Page	Name	Year	Unit	Scope	Comments
2. to	4	Sales turnover	2018 2019	€	Delachaux Group	According to IFRS standards
2. to	4	Sales turnover by activity	2018 2019	%	Delachaux Group	By brand, as % of total sales turnover
2. to	4	Sales turnover by region of destination	2018 2019	%	Delachaux Group	By geographical area, as a % of total sales turnover. MEA = Middle East and Africa.
2. to	4	Workforce by region	2018 2019	Active employees	Delachaux Group	Active=payroll employee. Does not include temporary staff.
2. D. a	7	R&D expenses as % of sales turnover	2018 2019	%	Delachaux Group	
2. D. b	8	Total workforce	2018 2019	Active & inactive employees	Delachaux Group	Inactive=employee not currently on payroll but possibly returning (sabbatical leave, parental leave)
2. D. b	8	Total workforce	2018 2019	FTE	Delachaux Group	Full-Time Equivalent Employees
2. D. b	8	Workforce by activity	2018 2019	%	Delachaux Group	Active employees
2. D. b	8	Active employees by category	2018 2019	Active employees	Delachaux Group	Managers: in charge of at least one permanent employee Expert: specialist member of a management team or an international network Blue-collar workers: in charge of direct or indirect production
2. D. b	8-9	Active employees by country	2016 to 2019	Active employees	Delachaux Group	9 main countries
2. D. b	9	Active employees by region	2018 2019	Active employees	Delachaux Group	Apac = Asia-Pacific
2. D. b	10	Active employees by age	2018 2019	Active employees	Delachaux Group	
2. D. b	10	Active employees by length of service	2018 2019	Active employees	Delachaux Group	Including non-permanent jobs (fixed-term contracts or apprentices). Length of service retained in case of acquisition.

2. D. d	14	Orders taken by activity	2018 2019	€	Delachaux Group	Diversified Industrial Activities = Conductix-Wampfler, DCX Chrome and Magnetism.
2. D. d	14	Sales turnover by activity	2018 2019	€ / %	Delachaux Group	
2. D. d	15	Sales turnover by activity	2018 2019	€	Delachaux Group	
2. D. d	15	Sales turnover by region of destination	2018 2019	€ / %	Delachaux Group	
2. D. d	16	Investment in Research and Development	2018 2019	€ / %	Delachaux Group	
4. to	24	Developments in safety performance by brand	2015 2016 2017 2018	TF1'	Delachaux Group	Lost Time Accident Frequency Rate per million hours worked
4. B	28	Energy consumption by business	2018	kWh	Delachaux Group	Scopes 1-2. Fixed sources and purchased electricity. Production sites and office sites. Excluding company vehicles and air conditioning.
4. B	28	Energy consumption by country	2018	kWh	Delachaux Group	Idem.
4. B	29	CO ₂ emissions by country	2018	kWh	Delachaux Group	Idem.
4. C	30-32	Number of employees trained	2018 2019	employees	Delachaux Group	E-learning: TRACE International certificates Face-to-face: attendance records
4. C	30-32	Number of Due Diligences carried out	2018 2019	Due Diligence Report	Delachaux Group	Due Diligence Reports on Delachaux Group commercial partners.
5. to	34	Number of annual reviews conducted	2018 2019	Annual review	Delachaux Group	Review conducted between a manager and their N-1.
5. A. b	36	Proportion of women in the total workforce	2018 2019	%	Delachaux Group	
5. A. b	37	Employment of people with disabilities	2019	%	France	Disabled workers employed directly and indirectly
5. A. d	39	Total compensation	2016 2017 2018 2019	€	Delachaux Group	Gross remuneration excluding social security contributions

5. B	39-41	Number of managers trained	2016 2017 2018 2019	Managers	Delachaux Group	Number of managers having completed the "Managing to succeed together" training
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B. Simplified organisational chart of the Delachaux Group



C. Correlation table, Art. 225

GRENELLE 2 – ARTICLE 225 and decrees of 19/08/2016 and 09/08/2017		Delachaux Group Non-Financial Performance Statement		
GP	GENERAL REPORTING PRINCIPLES	Chapter	Name	Comments
GP1 (Royal Decree 225-105. I-)	The non-financial performance statement mentioned in Part I of Article L. 225-102-1 and the consolidated non-financial performance statement mentioned in Part II of the same article present the business model of the company or, where applicable, of all companies for which the company prepares consolidated accounts.	II	Presentation of the Delachaux Group	
GP2 (Royal Decree 225-105. I-)	For each category of information mentioned, they also present: 1 A description of the main risks associated with the activity of the company or of all companies including, when this proves relevant and proportionate, the risks created by its business relationships, products or services; 2 A description of the policies applied by the company or all companies including, where applicable, the due diligence procedures implemented in order to prevent, identify and mitigate the occurrence of the risks mentioned in 1); 3 The results of these policies, including key performance indicators. (Decree of 09/08/2017)	III. B IV-V	Materiality analysis and identification of Corporate Responsibility priorities Operational Excellence -People development	
GP3 (Royal Decree	When the company does not apply any policy relating to one or more of these			The exclusion rules are explained in the

225-105.1 I-)	risks, the statement includes a clear and reasoned explanation justifying this. (Decree of 09/08/2017).			"Comments" column of this table.
GP4 (Royal Decree Art. 225-105.1 I-)	Published information is presented "in such a way as to allow a comparison of data" (Law of 12/07/2010). The report of the Board of Directors or Management Board "presents the data observed during the financial year ended and, where applicable, during the previous financial year, so allow a comparison between these data" (Decree of 24/04/2012).			Where possible, data are seen in the context of data from previous years. Changes in scope are specified.
GP5 (Royal Decree 225-105.1 II-)	When a company voluntarily complies with a national or international reference system to fulfil its obligations under this article, it mentions this by indicating the recommendations in this reference system which have been applied and the procedures for consulting this system (Decree of 24/04/2012)	VI. D.	Global Compact Correlation Table	We are signatories of the Global Compact.
GP6 (Royal Decree Art. 225-105.1 III-)	Without prejudice to the disclosure obligations applicable to the report provided for in Article L. 225-100, these statements shall be made available to the public and shall be made easily accessible on the company's website within eight months of the end of the financial year and for a period of five years (Decree of 09/08/2017).			This report can be found on our website www.delachaux.com
GP7 (Royal Decree	The independent third party body mentioned in part V of	VI. E.	Auditor's opinion	The firm selected for the audit of this Non-

Art. 225-105.2 I-)	<p>Article L. 225-102-1 is designated, depending on circumstances, by the CEO or the Chairman of the Management Board, for a term not exceeding six financial years, from among the bodies accredited for this purpose by the French Accreditation Committee (COFRAC) or by any other accreditation body that is signatory of the multilateral agreement on the recognition of accreditation systems drawn up by the European co-operation for Accreditation. The independent third party body is subject to the incompatibilities provided for in Article L. 822-11-3.</p>			<p>Financial Performance Statement is FINEXFI.</p>
GP7 (Royal Decree Art. 225-105.2 II-)	<p>When information is published by companies with a balance sheet total of less than EUR 100 million or net sales turnover of less than EUR 100 million and with an average number of permanent employees employed during the financial year of 500, the report of the independent third party body shall include:</p> <p>a) A reasoned opinion on the statement's compliance with the provisions of Part I and Part II of Article R. 225-105 and also on the accuracy of the information provided pursuant to paragraph 3 of Part I and Part II of Article R. 225-105;</p> <p>b) The procedures that it has implemented to carry out its audit assignment.</p>	<p>VI. E.</p>	<p>Auditor's opinion</p>	

	(Decree of 09/08/2017).			
GP8 (Royal Decree Art. 225-102-1. IV)	Defined companies under the control of a company that includes them in its consolidated accounts in accordance with Article L. 233-16 are not required to publish any statement on non-financial performance if the company that controls them is based in France and publishes such a consolidated statement on non-financial performance or if the company that controls them is based in another Member State of the European Union and publishes such a declaration in accordance with the legislation that applies to it. (Order of 19/07/2017)			
GP9 (Royal Decree Art. 225-102.1. V)	For companies whose balance sheet total or sales turnover and number of employees exceeds the thresholds set by Council of State decree, where applicable on a consolidated basis, the information featuring in the statements is audited by an independent third party body, according to the procedures set by Council of State decree. This audit gives rise to an opinion which is sent to shareholders at the same time as the report mentioned in paragraph two of Article L. 225-100. (Order of 19/07/2017)	VI. E.	Auditor's opinion	
CORPORATE INFORMATION				
I.a)	EMPLOYMENT	Page	Name	Comments
I.a) 1.1	Total workforce	8	Total workforce	

I.a) 1.2	Distribution of employees by gender	36	Proportion of women in the total workforce	
I.a) 1.3	Distribution of employees by age	10	Active employees by age	
I.a) 1.4	Distribution of employees by geographical area	9	Active employees by region	
I.a) 2.1	Recruitment	N/A	N/A	These data are not available on a consolidated scale.
I.a) 2.2	Dismissals	N/A	N/A	These data are not available on a consolidated scale.
I.a) 3.1	Compensation	39	Total compensation	
I.b)	ORGANISATION OF WORK	Page	Name	Comments
I.b) 1	Organisation of working time	37-38	Organisation of work and industrial relations	
I.b) 2	Absenteeism	N/A	N/A	These data are not available on a consolidated scale.
I.c)	HEALTH AND SAFETY	Page	Name	Comments
I.c) 1	Occupational health and safety conditions	23-25	Safety	
I.c) 2.1	Frequency and severity of industrial accidents	24	Developments in safety performance 2015-2018	The level of severity is not available on a consolidated scale.
I.c) 2.2	Occupational illnesses	N/A	N/A	These data are not available on a consolidated scale.
I.d)	INDUSTRIAL RELATIONS	Page	Name	Comments
I.d) 1	organisation of dialogue between management and employees, procedures for provision of information to, negotiation with and consultation of staff and negotiating with staff	37-38	Organisation of work and industrial relations	
I.d) 2	a review of collective bargaining agreements, especially in terms of occupational health and safety	27	Collective bargaining agreements	France, United Kingdom, Germany.

I.e)	TRAINING	Page	Name	Comments
I.e) 1	Training policies implemented.	34	Training	
I.e) 2	Total training hours	N/A	N/A	These data are not available on a consolidated scale.
I.f)	EQUAL TREATMENT	Page	Name	Comments
I.f) 1	Measures taken to promote gender equality	36	Gender equality at work	
I.f) 2.1	Measures taken to promote employment	33-35 8	Employee development Changes in workforce	
I.f) 2.2	Measures taken to promote integration of disabled persons	37	Employment and inclusion of disabled workers	
I.f) 3	Anti-discrimination policy	35	Preventing discrimination and commitment to diversity	
ENVIRONMENTAL INFORMATION				
II.a)	GENERAL ENVIRONMENTAL POLICY	Page	Name	Comments
		16-22 25-27		
II.a) 1.1	Organisation of the company to take into account environmental issues	25-27	Our approach to environment	Environmental policy is essentially managed locally, closest to the impacts.
II.a) 1.2	Environmental assessment or certification procedures	26	ISO 14001 certifications	
II.a) 2	Resources dedicated to the prevention of environmental risks and pollution	N/A	N/A	These data are not available on a consolidated scale.
II.a) 3	Amount of provisions and guarantees for environmental risks	N/A	N/A	These data are not available on a consolidated scale.
II.b)	POLLUTION	Page	Name	Comments
II.b) 1.1	Measures of prevention, reduction, repair: AIR	27	Case study: Conductix-Wampfler	
II.b) 1.2	Measures of prevention, reduction, repair: WATER	N/A	N/A	Not material. These data are not available on a consolidated scale.
II.b) 1.3	Measures of prevention, reduction, repair: SOIL	N/A	N/A	Not material. These data are not available on a consolidated scale.

II.b) 2	Consideration of any form of pollution specific to an activity, in particular noise and light pollution	N/A	N/A	Not material. These data are not available on a consolidated scale.
II.c)	CIRCULAR ECONOMY	Page	Name	Comments
II.c)i)	Waste prevention and management	N/A	N/A	These data are not available on a consolidated scale.
II.c.i) 1	Measures of prevention, recycling, reuse and other forms of recovery and elimination of waste	N/A	N/A	These data are not available on a consolidated scale.
II.c.i) 2	Measures to prevent food waste	N/A	N/A	Not material.
II.c.ii)	Sustainable use of resources	23	Use of recycled steel.	
II.c.ii) 1.1	Water consumption	N/A	N/A	Not material.
II.c.ii) 1.2	Water supply depending on local constraints	N/A	N/A	Not material.
II.c.ii) 2.1	Consumption of raw materials	26	Case study: Pandrol	25% reduction in raw materials
II.c.ii) 2.2	Measures taken to improve efficiency of use	29	Preparation of Product Carbon Reviews	2018 data only
II.c.ii) 3.1	Energy consumption	28	Energy consumption by business	2018 data only
II.c.ii) 3.2	Measures taken to improve energy efficiency	26-27	Case study	
II.c.ii) 3.3	Measures taken to improve the use of renewable energies	23	Case studies	
II.c.ii) 4	Use of land	N/A	N/A	Not material
II.d)	CLIMATE CHANGE	Page	Name	Comments
II.d) 1	Significant sources of greenhouse gas emissions generated as a result of the company's activity, in particular through the use of the goods and services that it produces	2ç	CO ₂ emissions by country (Scopes 1 & 2)	
II.d) 2	Adaptation to the consequences of climate change	N/A	N/A	
II.d) 3	The reduction targets set voluntarily in the medium and long term to reduce greenhouse gas emissions	N/A	N/A	

	and the resources implemented to this end			
II.e)	BIODIVERSITY PROTECTION	Page	Name	Comments
II.e) 1	Measures taken to protect or restore biodiversity	N/A	N/A	Not material.
CORPORATE INFORMATION				
III.a)	CORPORATE COMMITMENTS TO SUSTAINABLE DEVELOPMENT	Page	Name	Comments
III.a) 1	the impact of the company's activity in terms of employment and local development	N/A	N/A	These data are not available on a consolidated scale.
III.a) 2	the impact of the company's activity on local residents and local populations	N/A	N/A	These data are not available on a consolidated scale.
III.a) 3	relationships maintained with the company's stakeholders and the terms of the dialogue with them	N/A	N/A	These data are not available on a consolidated scale.
III.a) 4	partnership or sponsorship actions	N/A	N/A	
III.b)	SUBCONTRACTING AND SUPPLIERS	Page	Name	Comments
III.b) 1	Consideration of social and environmental issues in the procurement policy	19-22	The Code of Ethics	
III.b) 2	Consideration in relationships with suppliers and their subcontractors of their corporate social and environmental responsibility	19-22	The Code of Ethics	
III.c)	FAIRNESS OF PRACTICES	Page	Name	Comments
III.c)	Measures taken in favour of consumer health and safety	N/A	N/A	These data are not available on a consolidated scale.
ANTI-BRIBERY INFORMATION				
	Actions taken to prevent bribery	30-31	Ethics	
INFORMATION RELATING TO MEASURES IN FAVOUR OF HUMAN RIGHTS				
V.a)	PROMOTION OF AND COMPLIANCE WITH THE STIPULATIONS OF THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION (ILO)	22 33	The Code of Ethics People Development and Respect, Social Relationships and Remuneration	

V.a) 1	Respect of freedom of association and the right to collective bargaining			
V.a) 2	Elimination of discrimination in employment and occupation	31	Preventing discrimination and commitment to diversity	
V.a) 3	Elimination of forced or compulsory labour	35	The Code of Ethics	
V.a) 4	Effective abolition of child labour	35	The Code of Ethics	
V.b)	OTHER MEASURES TAKEN IN FAVOUR OF HUMAN RIGHTS	41	Community	

D. Global Compact Correlation Table

Global Compact	Delachaux Group Non-Financial Performance Statement		
Topic	Page	Name	Comments
Human Rights	19-22 30 41	The Code of Ethics Respect for people Community	
Work	19-22 33	The Code of Ethics Organisation of work and industrial relations	
Environment	16-22	The Code of Ethics Environment	
Anti-bribery	30-31	The Code of Ethics Ethics	

E. Auditor's opinion



Accréditation n°3-1081
Portée disponible sur www.cofrac.fr

DELACHAUX SA

Rapport de l'organisme de vérification
Exercice clos le 31 décembre 2019

FINEXFI
Siège social : 96 Boulevard Marius Vivier Merle – 69003 LYON Tel : +33 (0)4 78 89 00 11.
Société à Responsabilité Limitée
S.A.R.L. au capital de 40.000 €. 537 551 434 RCS Lyon

1/4 – Audit report
Q.FINEXFI.05.V03

To the shareholders,

Following the request submitted to us by Delachaux (hereinafter the "company") and in our capacity as a third party independent body with COFRAC accreditation under no. 3-1081 (remit can be found at www.cofrac.fr), we would like to present you with our report on the consolidated non-financial performance statement relating to the financial year ended on 31 December 2019 (hereinafter the "Statement"), presented in the group's management report in accordance with the statutory and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

The company's responsibility

It is the responsibility of the Board of Directors to draw up a Statement in accordance with the statutory and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in the light of these risks, along with the results of these policies, including key performance indicators.

The Statement was drawn up in accordance with the reference system used by the company (hereinafter the "Reference System"), the significant elements of which are available on request at the company's registered office.

Independence and quality control

Our independence is defined by the provisions provided for in Article L. 822-11-3 of the Commercial Code and the Code of Ethics for our profession. Moreover, we have introduced a quality control system that includes documented policies and procedures aimed at ensuring compliance with ethical rules, professional standards and applicable legislation and regulation.

Responsibility of the independent third party body

Based on our work, it is our responsibility to formulate a reasoned opinion expressing a conclusion with a moderate level of assurance on:

- compliance by the Statement with the provisions provided for in Article R. 225-105 of the Commercial Code;
- the accuracy of the information provided in accordance with paragraph 3 of Part I and Part II of Article R. 225-105 of the Commercial Code, namely the results of policies, including key performance indicators, and the actions, relating to the main risks, hereinafter the "Information".

However, it is not our responsibility to express an opinion on:

- compliance by the entity with other applicable legal and regulatory provisions, in particular with regard to due diligence and the prevention of bribery and tax evasion;
- compliance by products and services with the applicable regulations.

Nature and extent of the work

We have carried out the work in accordance with the applicable standards in France determining the procedures for the independent third party body to carry out its assignment, and with international standard ISAE 3000.

Our work was carried out between 2 April 2020 and 30 April 2020, entailing around 8 man days.

We conducted three interviews with the people responsible for the Statement.

We carried out work enabling us to assess the compliance by the Statement with the regulatory provisions and the accuracy of the Information:

- we took cognisance of the activity of all companies included in the scope of consolidation, the statement of the main social and environmental risks associated with this activity;

- we assessed the appropriate nature of the Reference System with regard to its relevance, completeness, reliability, neutrality and comprehensibility, taking the sector's best practices into consideration, where applicable;
- we checked that the Statement covers each category of information provided for in Part III of Article L. 225-102-1 in social and environmental matters.
- we checked that the Statement presents the business model of and the main risks associated with the activity of all companies included in the scope of consolidation including, when this proved relevant and proportionate, the risks created by its business relationships, products and services along with policies, actions and results, including key performance indicators;
- where relevant in the light of the main risks or policies presented, we checked that the Statement presents the information provided for in Part II of Article R. 225-105;
- we assessed the process for selection and validation of the main risks;
- we investigated the existence of internal control and risk management procedures put in place by the company;
- we assessed the consistency of the results and key performance indicators applied in the light of the main risks and policies presented;
- we checked that the Statement covers the consolidated scope, namely, all companies included in the scope of consolidation in accordance with Article L. 233-16;
- we assessed the collection process put in place by the company to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results we considered to be most significant, we implemented:
 - analytical procedures consisting of verifying the correct consolidation of data collected and the consistency of changes to said data;
 - detailed tests based on sampling, consisting of verifying the correct application of detailed and procedures and of reconciling the data in documentary evidence. This work was carried out with a selection of contributing companies¹ and covers between 14% and 100% of the consolidated data of the key performance indicators selected for these tests²;
- we consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and results) which we considered to be the most significant;
- we assessed the overall consistency of the Statement in relation to our knowledge of all the companies included in the scope of consolidation.

¹ The audited companies: the following French companies: Delachaux SA, Raoul Lenoir, DCX Chrome, CXW France, Frauscher, Pandrol and Jay Electronique.

² Indicators audited: Our teams, Safety, Ethics (training programme, KPIs), Respect for individuals.

We believe that the work we have done by exercising our professional judgement means that we can express a conclusion of moderate assurance; a higher level of assurance would have required more extensive audit work. On account of the use of sampling techniques and other restrictions inherent in the operation of any information and internal control system, the risk of non-detection of a significant anomaly in the Statement cannot be completely ruled out.

Comments

We would like to draw your attention to the methodological note stating that the environmental data, in the specific context of Covid-19, were not updated in 2019.

Conclusion

Based on our work and within the limit of the comments above, we have not identified any significant anomaly likely to call into question the fact that the non-financial performance statement complies with the applicable regulatory provisions and that the Information, considered overall, is presented accurately, in accordance with the Reference System.

Lyon, 30/04/2020
FINEXFI Isabelle Lhoste
Partner

4/4 – Audit report
Q.FINEXFI.05.V03