



ARaymond
**CORPORATE
SOCIAL
RESPONSIBILITY**

COMMUNICATION ON PROGRESS 2020



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

We welcome feedback on its contents.

ARaymond TM
MORE THAN FASTENING

TABLE OF CONTENT

ABOUT ARAYMOND	p. 04
ARAYMOND, A WORLD LEADER IN FASTENING AND ASSEMBLY SOLUTIONS	p. 05
OUR KNOW-HOW	p. 06
A WIDE RANGE OF MARKETS	p. 07
INNOVATION IS IN OUR DNA	p. 10
CORPORATE SOCIAL RESPONSIBILITY	p. 12
OUR BEHAVIOR	p. 15
OUR PEOPLE	p. 23
OUR SOCIETIES	p. 37
OUR PLANET	p. 43
OUR VALUE CHAIN	p. 49

WORD FROM OUR CHIEF EXECUTIVE OFFICER



Antoine RAYMOND | CEO

THE ARAYMOND NETWORK LINKS 7,270 PEOPLE IN 25 COUNTRIES.

Our company's expertise in fastening and assembling goes back generations. Our purpose is to link people through a meaningful entrepreneurial adventure. Our aim is to generate useful and sustainable value for our employees, our customers, our partners and all stakeholders and communities affected by our activities.

We are responsible for the precious life present on our unique and fragile planet.

In our company, everyone is a person, each role matters, and we believe in the efficiency of individual engagement as part of a strong collaboration, reinforced by shared values.

In 2020, our first priority worldwide has been to protect and insure the health and safety of all our employees in the very unusual context of the COVID pandemic. We will maintain the same goal for as long as necessary, in 2021 and beyond if necessary. This very difficult situation has generated some examples of tension and distress, which we have addressed individually with care and respect. We were able to manage and overcome this exceptional situation without any major consequences in 2020.

We believe in the necessity of economic peace, ethics, respect and honesty, to improve the sustainability of our world and our company.

We are one of the founders of the Economic Peace, Mindfulness and wellbeing at Work Chair. For almost 10 years, we have been actively participating in the professorship and academic research program on Economic Peace and Mindfulness at the Grenoble Management School (GEM).

For years, we have been developing and extending our "Servant Leadership" and "Nonviolent Communication" training and practices around the world.

We have involved our entire network in the development of our Corporate Social Responsibility policy worldwide. In 2020, we collectively defined the priorities we want to set in motion in 2021.

All of our new buildings and constructions erected in 2020 will be LEED certified. We are pursuing this internal requirement with the next buildings planned for 2021 and the coming years.

We are rolling out our ARaymond Total Management System program worldwide in order to increase the direct contribution and participation of each employee, to make them actors in our continuous improvement and Lean Management policy.

We encourage and develop local charity initiatives linked to education and social and professional integration.

All these initiatives and actions are fully supported by our shareholders and the 45 members of our Executive Committee.

ARaymond has been a supportive member of the Global Compact since 2003 and is renewing its commitment for 2021.

A handwritten signature in blue ink, likely belonging to Antoine Raymond, the CEO. The signature is stylized and fluid, written on a white background.

About ARaymond

With more than **7,200 employees in 25 countries** around the world, the ARaymond Network designs, manufactures and markets assembly and fastening systems.

Created in 1865 and the inventor of the press-stud, this family business based in Grenoble, France, has always put human values at the heart of its success. Based on the conviction that the wellbeing and empowerment of its employees is essential to its continued success and development, ARaymond has chosen an inclusive management model founded on trust and respect: Servant Leadership. Guided by innovation and value creation, the ARaymond Network is today one of the global leaders in fastening and assembly solutions for the automotive market.

ARAYMOND WORLDWIDE



25
countries



7,270
employees



27
manufacturing
plants



€1.02 BN
2020 revenue

ARaymond, A WORLD LEADER IN FASTENING AND ASSEMBLY SOLUTIONS

From press-studs to fasteners for the automotive market and solar panel fastening systems, **the story of ARaymond is the story of a family and a team of entrepreneurs driven by the desire to innovate and work meaningfully together to serve a wide range of sectors.**

Identifying high-potential new markets in which we can apply our expertise and innovation skills to the full has been the guiding principle for our operational expansion to date. Guided by innovation since decades, we use our know-how in engineering and assembly of metal and plastic to find smart innovative solutions for a wide range of other industries.

FASTENING AND ASSEMBLY EXPERTISE

The ARaymond™ brand is recognized in the automotive industry for its tool-free clipping assembly solutions and Quick Connectors. Where traditional mechanical fastening and assembly prove too complex, ARaymond develops innovative bonding solutions to address the latest assembly trends in the automotive industry.

SMART CLIPPING



Providing clipping solutions using injection-molded plastic, metal or combined-material clips is the core business of ARaymond. Our easy-to-assemble screwless solutions are the smart alternative to conventional screw or bolt assembly and help to reduce production costs.

SECURED FLUID CONNECTION



ARaymond Quick Connectors provide a fast and secure connection for all types of fluid delivery system. The connectors are compact, short and easy to use. Our comprehensive range of Quick Connectors helps to reduce the number of components and assembly steps, while also lowering costs.

UNRIVALLED BONDING SOLUTIONS



Bonding is a mounting technique suitable for situations where traditional mechanical fastening is difficult. We offer a complete service that includes analyzing the existing production process to identify the most appropriate adhesive and equipment. Once the process is in place, we provide maintenance, logistics, training and support for as long as the solution is in use.

OUR KNOW-HOW

INDUSTRIAL EXCELLENCE

Over our long history, **we have mastered the technologies and tools** needed to address the fastening and assembly challenges of a very broad spectrum of industries.

METAL PROCESSING



ARaymond has industry-leading knowledge and experience of major metal transformation processes, including cutting, bending and stamping. Our plants worldwide handle design, production, surface treatment and quality control in-house.

PLASTIC INJECTION



From high-volume injection to continuous injection and bi-material injection on the same machine, we run molding processes compatible with more than 300 thermoplastic materials in-house.

ADHESIVE TECHNOLOGY



ARaymond has developed a proprietary adhesive technology and produces the adhesive in its own facilities. The adhesive and associated fasteners are ideal for materials that are difficult to drill or weld, such as glass, composites and painted metal.

ASSEMBLY PROCESSES



Our manufacturing plants are equipped to handle manual, semi-automated, cycle-time optimized automated assembly and motion assembly to meet customer needs.

Providing complete assembly solutions

With our in-depth knowledge of a wide range of fastening and assembly solutions backed by expertise in chemical, mechanical, and industrial engineering, we provide an end-to-end service that delivers optimal assembly solutions tailored to the unique needs of our customers.

Our Bonding Solutions Architects are a great example. They begin by analyzing the unique demands of your production line and your target results as the basis for recommending the best possible system. They also supply the necessary robots, machinery and adhesives, backed up with training and user support.

We partner with our customers every step of the way to ensure that their bonding solutions deliver maximum performance and satisfaction throughout their lifetime.

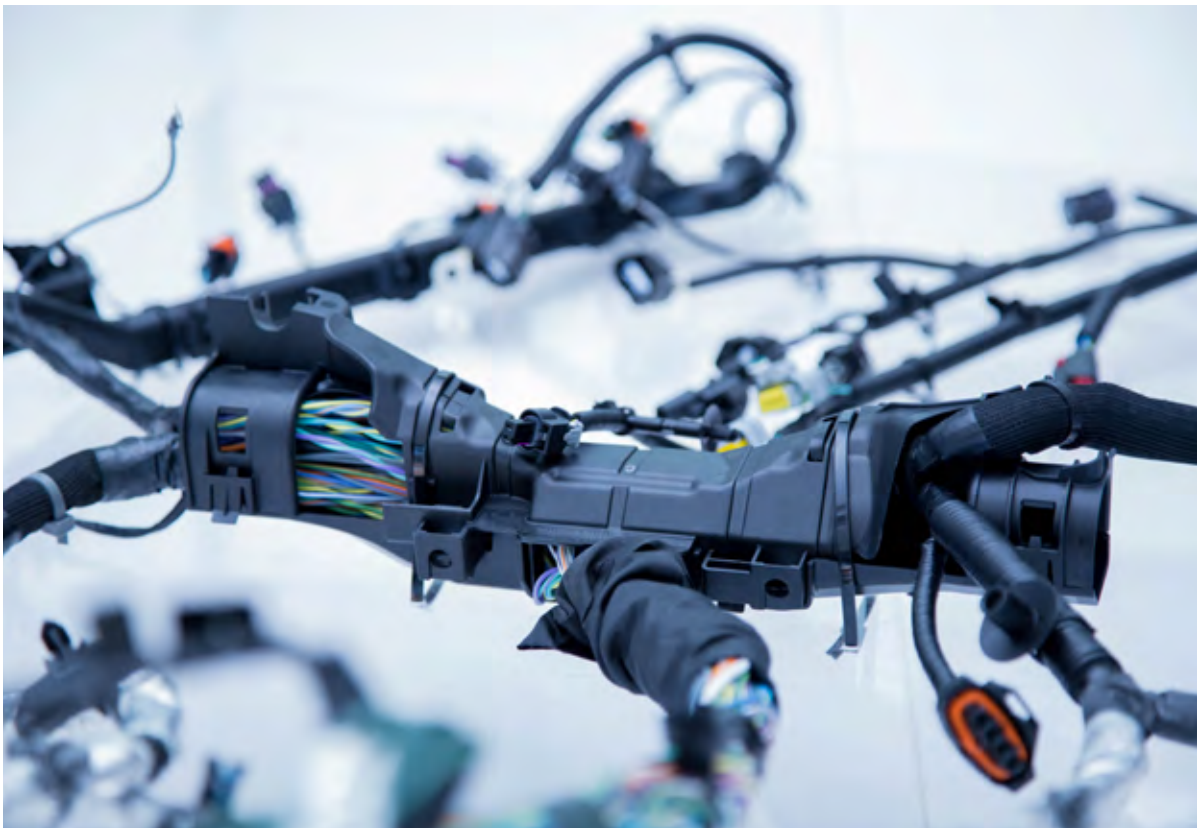
A WIDE RANGE OF MARKETS

Identifying new markets that recognize **expertise and the potential for innovation** has been the common thread of ARaymond's business development throughout its history.

As one of the world's fastening and assembly solutions providers to the automotive industry, the ARaymond Network has gradually transposed its expertise and skills to the new markets of Trucks, Industrial, Energy, Agriculture and Life.

AUTOMOTIVE & COMMERCIAL VEHICLES: OUR CORE BUSINESS

ARaymond's fastening, bonding and connecting expertise spans a broad range of automotive applications, including car body trim, power distribution systems, powertrain, fluid-handling systems and glazing. We also offer specific solutions for commercial vehicles, off-road vehicles, heavy-duty machinery and industrial and equipment manufacturers.



For more information: www.araymond-automotive.com

INDUSTRIAL MARKETS

ARaymond Industrial offers fastening solutions that streamline the assembly of manufactured products like domestic appliances, HVAC equipment, industrial machinery, consumer goods and lighting to meet the needs unique to those markets.



For more information: www.araymond-industrial.com

CLIPPING SOLUTIONS FOR SOLAR ENERGY

ARaymond Energies provides the solar energy market with cost-effective clipped fastening solutions. We design screwless, tool-free solutions that make photovoltaic panel assembly and installation faster, easier and more reliable.



For more information: www.araymond-energies.com

FASTENING SOLUTIONS FOR CROPS

ARaymond Agriculture designs and manufactures innovative, value-added, environmentally-friendly fastening solutions for greenhouse crops, tree nurseries and vineyards. Our innovative smart fasteners help growers simplify their processes, maximize yields and reduce labor costs.



For more information: www.araymond-agriculture.com

PHARMACEUTICAL PACKAGING

ARaymond Life develops and manufactures innovative custom packaging solutions for pharmaceutical, medical and cosmetics companies.



For more information: www.araymond-life.com

INNOVATION IS IN OUR DNA

Ingenuity and creativity are part of our DNA.

We are proud to bring the most advanced value-added parts and solutions to the market and to deliver effective responses to the unique needs of our customers' assembly processes and applications. Our innovation specialists and engineers are constantly exploring new and emerging trends such as new and lightweight materials, digital technologies and mechatronics.

445

inventions
currently
patented

More than
1,000

new fastening
solutions
created in 2020

6%

of annual
revenue
invested in R&D



INNOVATING THROUGH COLLABORATION AND PARTNERSHIPS

ARaymond's Advanced Research and Development Center has sites in Europe, in Saint-Louis (France), and in the USA, in Rochester Hills (MI).

Our advanced engineering teams work closely with the R&D specialists of the ARaymond Network and our customers worldwide.

Our innovation specialists and engineers envision, design and assemble solutions that meet the needs of tomorrow, drawing on their experience in fields as diverse as connectivity and digital technology, advanced manufacturing and lightweight materials. They use their expertise in automation, mechatronics, manufacturing technologies, simulation and new materials with the support of specialist labs.

Recent developments include multi-material joining interfaces for composite materials. To support our customers in their transition to Industry 4.0 and the IoT (Internet of Things), our advanced development teams are also investigating how augmented reality tools can improve assembly processes.

The members of our multicultural teams include permanent engineers and R&D specialists from across the Network. Our Center of Expertise regularly welcomes customers, who bring their needs and problems to us and entrust co-development of solutions to ARaymond. The projects conducted here help to develop the company's offering and improve existing skills. Remember that we employ around 300 people in R&D and the ARaymond Network reinjects 6% of its revenue into this highly strategic aspect of its business.



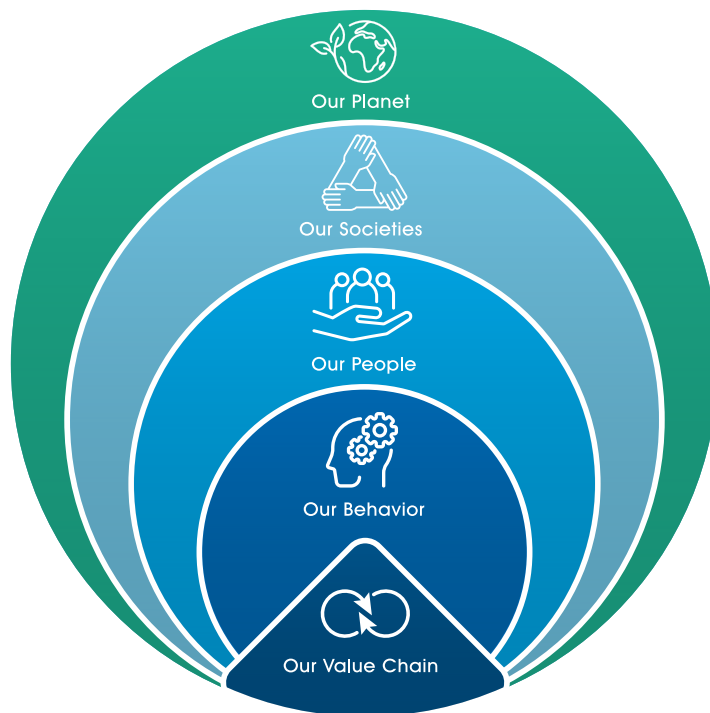
Our teams of engineers and R&D specialists focus on exploring future trends.

We co-create innovative assembly solutions by working collaboratively with other ARaymond Network entities and pilot customers.

Oliver Laux,
General Manager Europe, Rayce

CORPORATE SOCIAL RESPONSIBILITY

Through its Corporate Social Responsibility (CSR), ARaymond aims to create shared sustainable value in response to the expectations of stakeholders (employees, shareholders, communities, customers and strategic partners). We aspire to support systemic change and leverage our business models to address the social and environmental transitions in which ARaymond can make a difference.



Our CSR approach sets out five key pillars underpinning the network's CSR policy:

- ▶ We strive to act with respect, integrity and care, in a climate of economic peace (OUR BEHAVIOR)
- ▶ We are an open collaborative network in which employees can thrive (OUR PEOPLE)
- ▶ We have a positive impact on human communities and surrounding territories (OUR SOCIETIES)
- ▶ We contribute to the preservation of our planet through meaningful creations and actions (OUR PLANET)
- ▶ We deliver innovative and sustainable solutions through value-driven supplier-customer collaboration (OUR VALUE CHAIN)

CSR ROADMAP

Building a network-wide CSR approach, deeply embedding CSR into our business model and making CSR part of our day-to-day activities is a progressive journey.

Our roadmap will deliver incremental value and allow the establishment of a vision, global goals and supporting programs, involving the entire network.



COMMITTED TO THE UNITED NATIONS GLOBAL COMPACT



Human rights



Labor



Anti-corruption



Environment

Contribution to the sustainable development goals

Our Behavior

→ Priorities: Culture & Mindfulness / Ways of Working / Ethics & Compliance/ Governance



Our People

→ Priorities: Health & Safety / Diversity & Inclusion / Working Life & Work-Life / Jobs & Skills Development / Social Dialogue



Our Societies

→ Priorities: Human Rights / Local Development / Community Involvement



Our Planet

→ Priorities: Carbon / Energy / Water / Waste / Materials

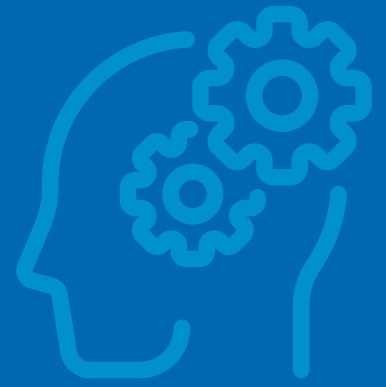


Our Value Chain

→ Priorities: Sustainable Purchasing / Sustainable Solutions / Customer Relationship



OUR BEHAVIOR



The most sustainable behavior is inspired by culture or by conscience. We strive to act with genuine respect, integrity and care. This is the basis of the trust we have within our company and with our business partners, guaranteeing the long-term sustainability of our company.

Our aspiration is to align our actions to our core values in a climate of economic peace, in which value creates benefits for employees, shareholders, communities, customers, partners and civil society.

Our approach is to conduct all our activities in “the right way”, adopting virtuous business practices and ways of working, to succeed respectfully and with pride.

Our priorities are to bring the company culture and people mindfulness to life, to develop effective ways of working in line with our values, to adopt high ethical standards and be compliant with applicable laws and regulations, and to ensure that our governance results in a company that has meaning for future generations.



CULTURE & MINDFULNESS

COMPANY CULTURE

At ARaymond, we aim to act as entrepreneurs and perpetuate the company over generations. As we have been inspired by previous generations, so we want to inspire the future generations who will continue to build this corporate adventure.

The future we want to create, contained in our vision, our core values and our convictions, reflects the spirit of our business philosophy and guides our actions:

- ▶ We aim to develop an enterprise of the future with a deep sense of purpose and with people at its heart.
- ▶ We build links between ourselves and our employees, suppliers, partners and communities, with care, pleasure and solidarity.
- ▶ We build links between ourselves, our planet and the nature from which we obtain our resources – in order to preserve it.
- ▶ We contribute to creating a meaningful life for ourselves and for others.
- ▶ We believe attitude beats skills: respect, active listening and care are catalysts for collaboration.



Our core values

Respect, Collaboration, Innovation,
Entrepreneurial Spirit,
Value Creation, and Pleasure

ECONOMIC PEACE AND MINDFULNESS

More than 10 years ago, in collaboration with Grenoble Management School and several companies, the ARaymond Network helped to establish the Economic Peace Chair. Our company emphasizes the need for a fresh approach to the economy, to doing business, to management and to our role in society and in nature.

We believe, within ARaymond, in virtue, in the sustainability of a meaningful company in which human beings can flourish, are proud, enjoy coming to work, and fulfill themselves.

Economic peace is meaningful. It is about taking a respectful and non-destructive approach to others, to society and to nature. Our success is not only based on innovation and value production, but also on a virtuous and ethical business approach, contributing to a society in which men and women feel respected and in peace with others and with nature. To achieve this, the concept of Economic Peace offers guidance based on three principles:

- ▶ Respect for life in all its forms
- ▶ Respect for human dignity, reduction in poverty and inequality, and the development of all
- ▶ The conviction that the goal of a business is to contribute to strengthening the social fabric and the common good.

Mindfulness aims to develop everyone's ability to live better in the present moment, by being more aware of their own state of mind, of their responsibilities and of the important issues at stake. The goal is to better handle situations that arise and to **empower people to create more conscious, responsible and authentic relationships with others**. If you apply this to the business, it enables us to create better business principles and processes, while fostering more successful and respectful collaboration. The aim is to encourage efficient and non-aggressive cooperation between individuals and teams. These are the objectives of our Servant Leadership, Non-Violent Communication and Mindfulness programs.

AWARENESS OF SOCIAL AND ENVIRONMENTAL SUSTAINABILITY

In many companies, the CSR approach is driven by a CSR team and some internal correspondents, but is not adopted by all employees. To become truly operational, CSR must be incorporated into the culture and practices of employees as a whole.

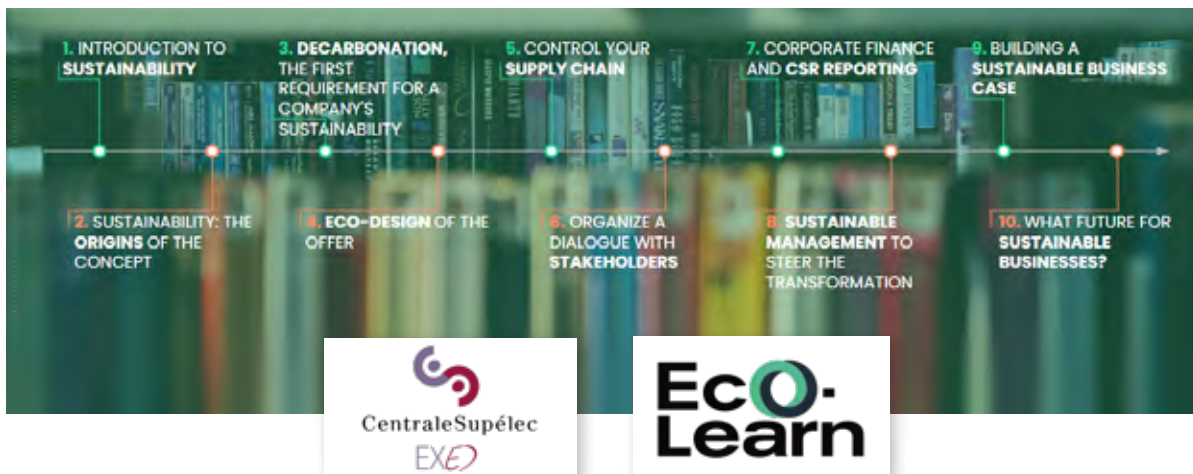
It is for that reason that in 2020 we initiated actions to increase sustainability awareness and skills within the organization. We are convinced that educating and training employees in our CSR and sustainability challenges will increase our capacity to build more sustainable business models over time, enabling growth in line with the Sustainable Development Goals.

We naturally began with members of the CSR Committees (see CSR Governance paragraph), to provide them with the knowledge, know-how and interpersonal skills required to fulfill their CSR role and responsibilities.

Members of the CSR Committees (50 people) therefore took part in exercises to understand the causes and consequences of climate change and biodiversity erosion and brainstormed possible actions to implement at ARaymond. These exercises involved collectively creating 24 collages based on information from the IPCC and IPBES reports.



In early 2021, the twelve CSR Operational Committee members completed “Fundamentals of Sustainable Business” training, provided by Eco-Learn, and were awarded the corresponding certification issued by Centrale-Supelec, the French graduate engineering school at Paris-Saclay University.



WAYS OF WORKING

As technology evolves very fast, working methods must adapt accordingly. The lifespan of skills is becoming shorter and lifelong training is beginning to overtake traditional ways of learning to create a workplace fostering the development of new skills. ARaymond develops effective ways of working in line with our values, especially Servant Leadership, Servant Facilitator and Non-Violent Communication.

ARAYMOND & SERVANT LEADERSHIP / SERVANT FACILITATOR TRAINING

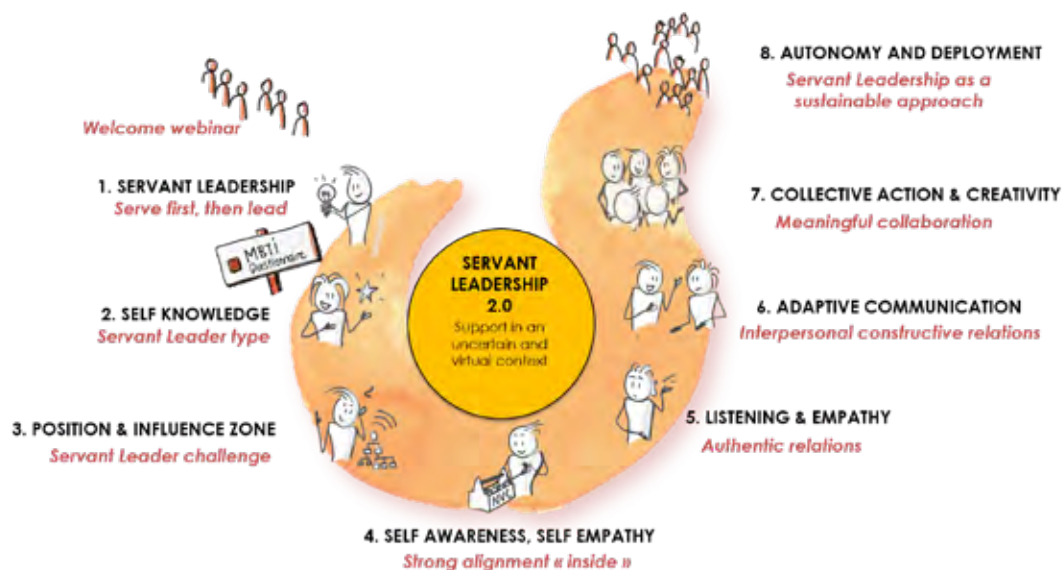
Servant Leadership is the management style we adopted within ARaymond in 2012.

A Servant Leadership Corporate Program has been created for managers and takes place in Grenoble. With the COVID-19 crisis, it is currently not possible to adhere to the conventional format and **in 2020, only one group followed the program.**

We have therefore adapted and redesigned the face-to-face corporate program into an e-learning format with eight modules, one per month, delivered via three-hour virtual classes.

Our objective is to restart the corporate program and roll-out Servant Leadership at a local level.

The remote version will allow more employees to be trained, with six groups planned in 2021, totaling 84 participants.



SERVANT LEADERSHIP BAROMETER

As a new step in the Servant Leadership journey, we are proposing a barometer (survey) to entities which have already implemented Servant Leadership locally. Beginning in 2020, we launched a pilot with two entities, provided by Bloom at Work.

A survey was sent to all employees, each month for four months, to measure Servant Leadership. Each survey contained only six questions, one for each of the ARaymond Servant Leadership pillars.

Our objective is to reinforce the Servant Leadership attitude, maintain the dynamic within local teams on a regular basis, encourage authentic discussions about the Servant Leadership pillars and define concrete action plans.

Feedback has been positive, with high participation rate, and entities have already put action plans in place.

ARAYMOND BRAZIL REINFORCES MANAGERS' COMMITMENT TO THE SERVANT LEADERSHIP CULTURE



This initiative aims to present managers' personal opinions on Servant Leadership to our teams, in relation to both professional and personal life.

All formally trained leaders were invited to submit their personal opinion on Servant Leadership and how it has changed their view of leadership.

The commitment of our local team and strengthening of the ARaymond culture were the main points raised concerning Servant Leadership.

SERVANT FACILITATOR TRAINING FOR THE ARAYMOND NETWORK

HOW TO INCREASE COLLABORATION AT A GLOBAL AND LOCAL LEVEL

- ▶ Launch the meeting and start by setting out the framework.
- ▶ Adopt the appropriate posture for a facilitator and a high level of emotional and relational maturity.
- ▶ Mention the fundamentals, the principles of collective intelligence tools and ARaymond's role as a facilitator.
- ▶ Present an overview of the various tools relating to the facilitation objectives.
- ▶ Present the various tools in detail.
- ▶ Design a workshop.

The ARaymond Servant Facilitator face-to-face training has been completed by 57 people, with 12 also trained in the Remote Facilitation add-on module in 2020. More remote facilitators to be trained in 2021!



LEADING THROUGH UNCERTAINTY

During the summer of 2020, we launched a global survey of all ARaymond Managers to gauge their feelings after the first COVID-19 wave.

In the survey, managers asked us for opportunities to learn best practices from their peers, to better support their teams through the period of uncertainty and to harness the crisis to strengthen ARaymond's organization. In response to these needs, we decided to develop a highly interactive series of workshops called "Leading through Uncertainty".

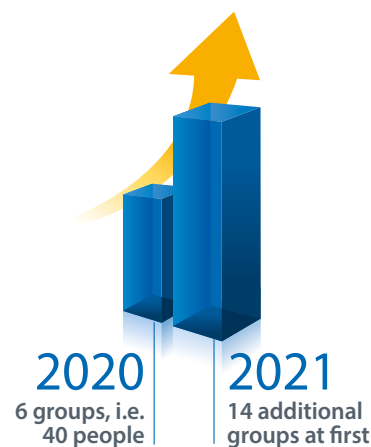
This program helps our managers to obtain the following benefits:

- ▶ Turn the threat of not knowing the future into an opportunity by actions to leverage the strength of their team.

Impacts:

- ▶ Managers should feel more confident about leading through uncertainty.
- ▶ Learn from each other: best practice sharing with peers.
- ▶ Improve employee and team motivation (for example listening skills).

Future: This program already has a large scope but we intend to develop another type of support/program for this specific population.



ETHICS & COMPLIANCE

An ethical employer and partner

Whether in terms of how we engage with people or the environment, ARaymond has always maintained the highest standards of responsible and ethical behavior in its operations. We also seek similar commitments from our suppliers and partners. We strive to work with integrity and respect in all our operating countries. These commitments reflect our fundamental values, while also time as providing us with a long-term vision and a sustainable future for our company, its employees and the environment.

ANTI-CORRUPTION, CODE OF CONDUCT & ETHICS

ARaymond has further enhanced the worldwide compliance program to develop the common ethics culture.

The COVID-19 pandemic brought unique challenges in all areas of our operations in 2020. We invested time, energy and resources to turn this adversity into an opportunity to innovate and accelerate digitalization of our various processes and compliance initiatives.

Communication of our ethical engagement with all of our business partners, the Code of Conduct & Ethics, as well as other documents are now available on our website as well via online social and business networks.

We have developed and deployed an e-learning solution for anti-corruption and ethical issues, with modules for personnel at all levels of the organization.

An online Risk & Compliance platform allows our entities to pilot risk mapping, internal control and audit, as well as the associated action plans to continually improve and monitor our performance.

CODE OF CONDUCT AND ETHICS

The tone and commitment of ARaymond Presidency is clear and demonstrated by Antoine Raymond's support for the compliance initiatives, video interview and articles posted on various media.

Within ARaymond, the Risk & Compliance Committee is responsible for overall governance and control of processes and initiatives. A network of Risk & Compliance managers ensures coordinated roll-out of the various Compliance/GDPR action.

Regular monthly meetings throughout the year allow ARaymond's management to monitor, support and control achievement of our objectives.

Procedures for assessing business partners, with the help of specialized tools and databases, are deployed throughout the network to ensure that we are able to identify and address any compliance-related issues.

The anti-corruption training that has so far reached over one third of ARaymond personnel will now be made available to all staff and some business partners via e-learning modules.

ARaymond's ambition is to conduct business in an ethical way, but also create a compliance culture, not only within the organization but also within all of our business partners.

More and more of our business partners share their code of conduct and ask for their ethical values and principles to be respected.

Similarly, ARaymond continues to demonstrate its commitment and compliance.

Furthermore, our whistleblower system gives anyone from within the ARaymond Network or business partner the means to report any practices that violate any aspect of our Code of Conduct & Ethics.

ARaymond uses a recognized specialist third party, SAFECALL, to guarantee the independence and confidentiality of information reported by whistleblowers.

It is of vital importance for ARaymond to demonstrate that we are a solid, reliable, trustworthy business partner, engaged in working for a better future for its business partners and society generally.

The COVID pandemic and associated challenges that we have faced together as a company, as a business partner and as an actor committed to an ethical and sustainable future will continue into 2021 and 2022.

This year has brought profound changes in the way perceive the world, how we work and support each other through difficult times.

While the acceleration in the digitalization of our business operations has provided many positive benefits, we must endeavor to ensure that we do not lose sight of the importance of human relations and the need to place the future of all members of our society at the heart of our future strategy.

LOCAL TRAINING SESSIONS IN THE NETWORK



ARaymond India adopted the global Code of Conduct, Ethics Policy and Whistleblower Policy in 2019, although these policies were already in place. Regular training and awareness sessions have always been conducted by ARaymond India.

In 2020, multiple training sessions were also arranged for new recruits as well as for existing employees. An average of one training per month was conducted in ARaymond India.

- ▮ **Description of initiative:** awareness about the code of conduct, ethical practices and the stricter requirements of the no-gifting policy.
- ▮ **Objective of initiative:** informing new recruits and existing employees about the company's ethical standards.
- ▮ **Stakeholders involved:** existing employees and new recruits.
- ▮ **Expected deliverables:** knowledge of policies and expected behavior.

There are plans to extend this initiative to each component of the value chain. Currently, we only communicate to suppliers about the existence of the Code of Conduct and Whistleblower Policy. In the coming days, we will launch the next actions to ensure suppliers are fully compliant with the company's ethical model.



ARaymond GmbH and ARaymond Fluid Connection Germany train employees in ARaymond's compliance and ethical standards.

- ▮ Employees were trained and learned by discussing examples of their working experience and the company rules.
- ▮ Employees feel safe when dealing with partners and suppliers and operate within the rules.
- ▮ 259 people are already trained. Every employee received a brochure.
- ▮ Regulations provide clear guidance.
- ▮ Compliance regulations already apply for the whole ARaymond network.

Before making a decision, ask yourself the right questions!



CSR GOVERNANCE

To fulfill its CSR approach, in 2019 the network created a CSR department at Group level, reporting directly to the CEO and interacting with all network entities across the world, particularly via CSR governance.

ARaymond CSR governance is part of the network's corporate governance. The CSR ambitions, long-term goals, related programs, performance indicators and targets are:

- Proposed by the CSR Operational Committee in collaboration with experts and the CSR correspondent network.
- Validated by the CSR Strategic Committee then approved by the Executive Committee throughout the year.

CSR is discussed at each of the Executive Committee meetings (at least three times a year).

In addition, CSR is one of the functions represented in the Enterprise Responsibility Committee, one of whose missions is to help the network be consistent with the commitments and duties everyone needs to fulfill.

	Membership	Role & Responsibilities
EXECUTIVE COMMITTEE CSR Strategic Committee	5 corporate officers, 6 managing directors (representing all regions), CSR Manager	Validate CSR framework, roadmap and goals before final approval by Executive Committee
CSR Operational Committee	12 managers representing various functions (CSR, Purchasing, Communications, Human Resources, IT, Finance, EHS, Legal, EWC, Business Excellence, Engineering & We cARe, BD)	Design CSR framework, roadmap, goals Coordinate CSR deployment, monitor CSR performance Empower CSR correspondents, drive CSR knowledge Develop and roll-out the CSR communication plan
CSR Correspondent Network	23 correspondents representing ARaymond entities and expertise in 18 countries	Implement the CSR policy within their organization Roll out and coordinate local CSR action plans Share good practices

OUR PEOPLE

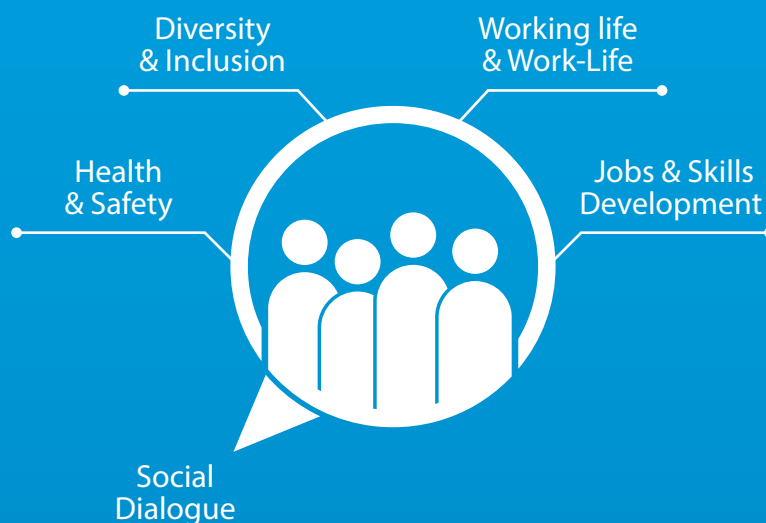


Motivating and engaging employees is crucial to our success.

Our aspiration is to develop an open collaborative network in which people and talents will work with efficiency, care, agility and pleasure.

Our approach to management puts people first, encouraging dialogue, collaboration and empowerment, based on a culture of Servant Leadership.

Our priorities are to provide a working environment in which all employees feel included, healthy and safe, and to provide the conditions in which employees can learn, develop and grow.



HEALTH & SAFETY

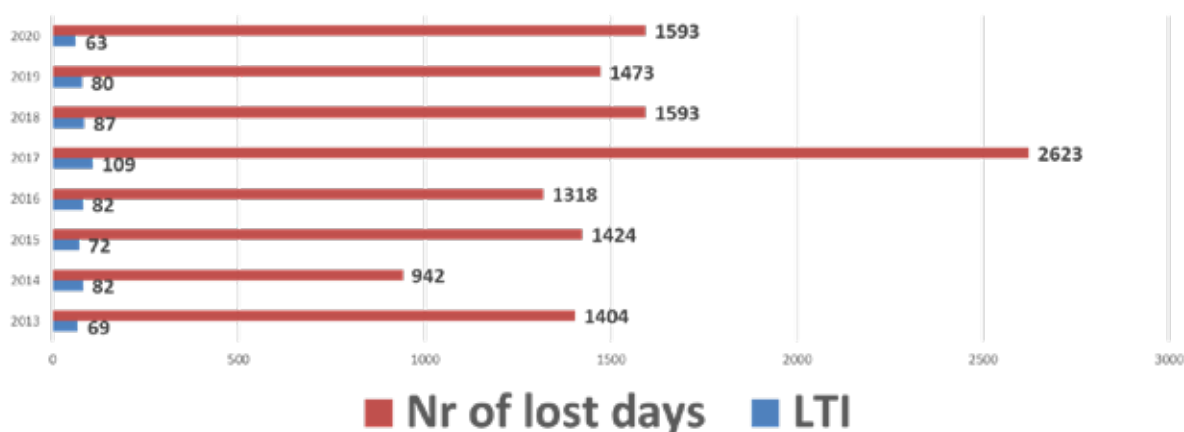
OUR SAFETY FIGURES ACROSS THE NETWORK IN 2020

After peaking in 2017, the situation improved slightly in 2018 and the fall was confirmed in 2019, with the number of incidents and associated lost days returning to 2016 levels.

Investigations conducted after incidents (root cause analysis) still indicate that a large number of incidents occur because Personal Protection Equipment is not strictly worn as prescribed and are therefore due to inappropriate human behavior.

The efforts of the HSE community across the network are mainly focused on a general cultural change.

Global Review 2013/ 2020



PSYCHOLOGICAL LISTENING UNIT



Human Resources departments, with help from the medical department and welfare insurance providers, have established specific listening units for employees affected by the health and economic crisis. Free psychological support is therefore available to employees in Europe.

Since the health crisis is still ongoing, the crisis cell remained in place in the second half of 2020, ensuring that relevant and up-to-date measures are implemented throughout the network, in line with decisions made by the governments in each country.



COVID-19 MANAGEMENT

In order to manage the health and economic crisis affecting the entire world, a crisis cell was set up as early as February 2020, composed of executives from Human Resources, Legal, Risk, Finance and Marketing and liaising directly with our Presidency, this cell met on a daily basis at the very start of the crisis to organize the company's response.

It managed and coordinated the measures necessary to protect the health and safety of our employees and to roll out the best measures to safeguard their working environment.

Protection protocols were adopted in all our entities and have been strictly applied.

As early as February 2020, initial actions were taken – at a time when very little was known about how the virus spread – to stop travel around the network and end face-to-face meetings, with only remote meetings permitted.

Around the network, **working from home was introduced on a very large scale wherever possible**, although some of our plants had to restart operations in early April 2020, after being closed for a while, in order to meet customer demand and one of the challenges ARaymond then faced was the supply of masks. A specific coordination team was appointed to manage supplies to the entire network, despite the complexity of the process as masks were being sourced from China and regulations were changing overnight. The coordination team overcame a shortage of flights

and complex French and European regulations to secure stocks for the whole network.

A total of around 1,000,000 masks were delivered to France and Germany to be dispatched through the network.

In parallel, the HSE network continued to review best practices for health measures on a monthly basis.

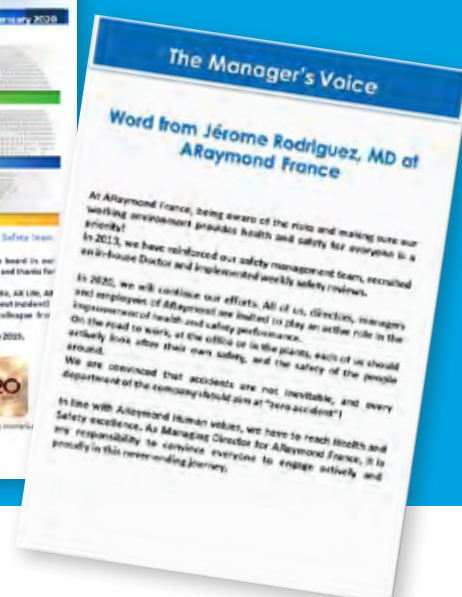
In May, a specific French HSE/Human Resources community was created to meet remotely on a weekly basis and pool procedures, employee information and information booklets for visitors. Our nurse also acted as a link, providing training sessions on suspected COVID cases and how to manage them.

In March, an HSE/Human Resources/Facility Management community was created at our headquarters and met on a weekly basis to implement health measures, ensure the supply of disinfection products, implement one-way systems, identify areas of cross-contamination and ensure that the rules were understood and followed by employees.

To improve management of working from home, which could induce isolation or varying degrees of psychological distress, additional measures were introduced, including sending a good practice manual and video links to employees to provide them with tips on remote working.

Meanwhile, Human Resources teams were in close contact with managers to discuss a potential rise in personnel issues and how to deal with them.

ARaymond communicates internally via its newsletter **Environment Health and Safety**



DUTY OF CARE: COMMON BASIC BENEFITS



The legal obligations around employee benefits vary from country to country and standards and practices differ greatly. But at ARaymond, we see it as our responsibility to give back to our employees by providing a standard set of benefits worldwide.

In 2019, the company introduced a “common basic benefits” program to ensure that all employees worldwide have pension, health, disability and death benefits that exceed legal requirements in individual countries. Most network entities had fully implemented the program by 2020.



A GUIDE FOR COVID-19 PANDEMIC PREPAREDNESS AND RESPONSE AT ARAYMOND NORTH AMERICA



COVID-19 ACTION PLAN AT ARAYMOND BRAZIL



Flexibility and agility to address COVID-19 topics and contain it at our plant.

A local crisis management team was set up to ensure employees health and safety.

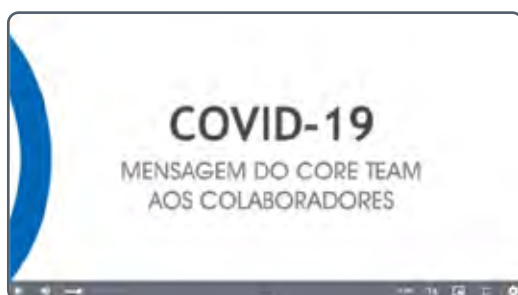
A plan was created to limit employees' exposure, third parties were informed and meetings were held online.

All employees received a guide to preventive measures, relating to work at the plant.

Remote access (laptops, VPN, Teams and user training.) was adopted for those who could work from home, starting by risk group.

Some proceeds from the sale of face masks extenders were donated – in partnership with the Rotary Club – to buy food for the community in Vinhedo.

This initiative helped protect the health of employees and partners, ensured business continuity, improved employee branding and involved engagement by our team.



DIVERSITY & INCLUSION

GENDER & DISABILITY, NON-DISCRIMINATION IN GLOBAL TRENDS

The age pyramid in 2020 is imbalanced in favor of men. We face attractiveness issues for women due to our Automotive activity. In addition, some positions are currently very male-dominated.

In terms of gender equality, the three main challenges for ARaymond in the future will be to:

- ▶ Attract more women specifically to our industrial positions.
- ▶ Ensure gender balance in terms of employees and salaries.
- ▶ Provide support to women to access top management positions.

ARaymond is well positioned in term of aging and seniority, with many senior workers in the network.

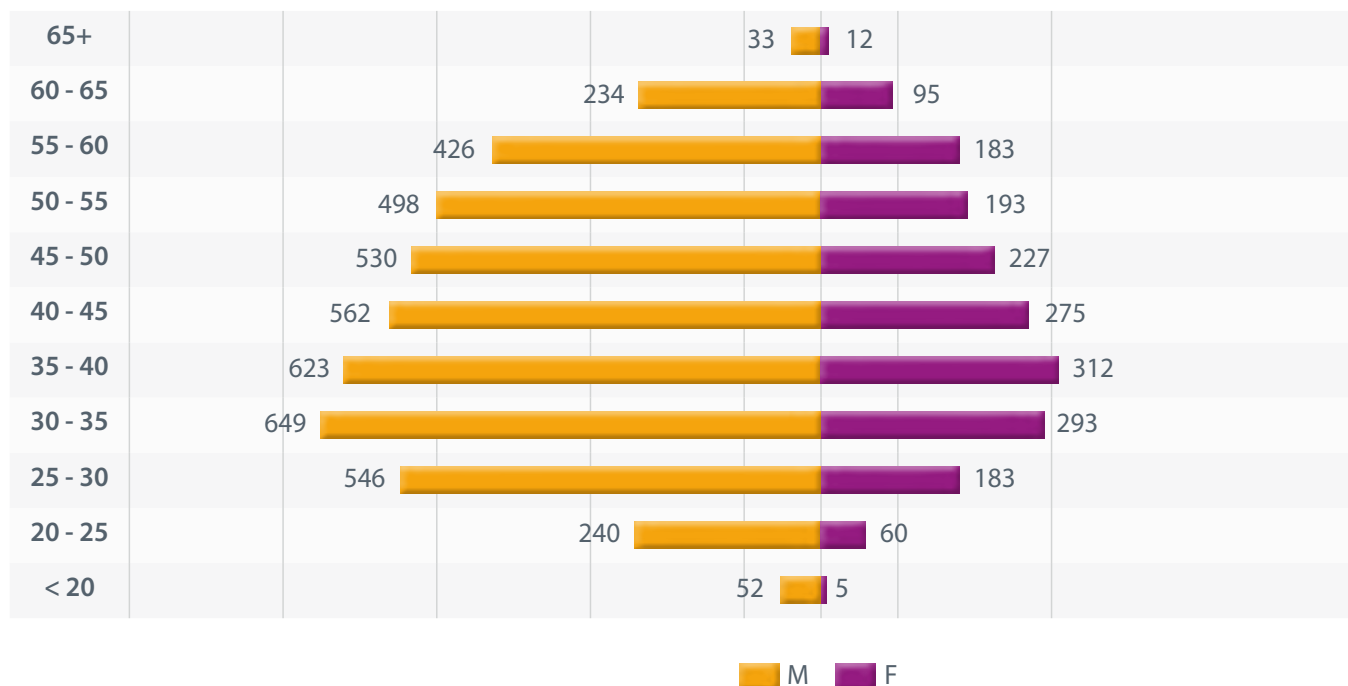
The challenge, however, is to attract young employees and foster transfer of skills between generations.

ARaymond aims to promote diversity in the network and one of its ambitions is to have 50% of top management positions occupied by women by 2030.

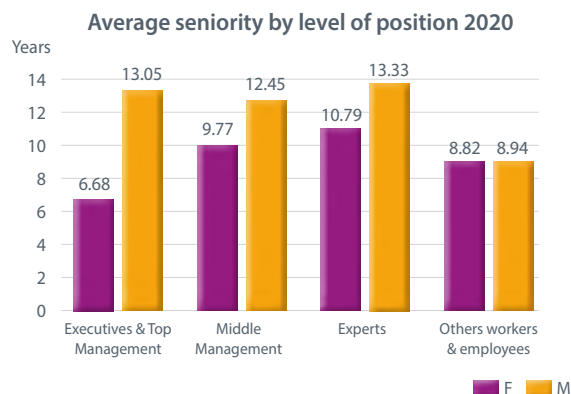
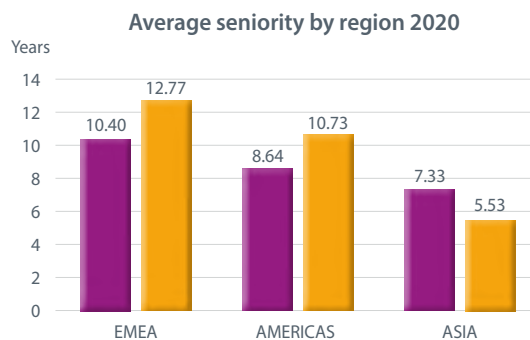
ARaymond Network 2020

Age & Gender distribution

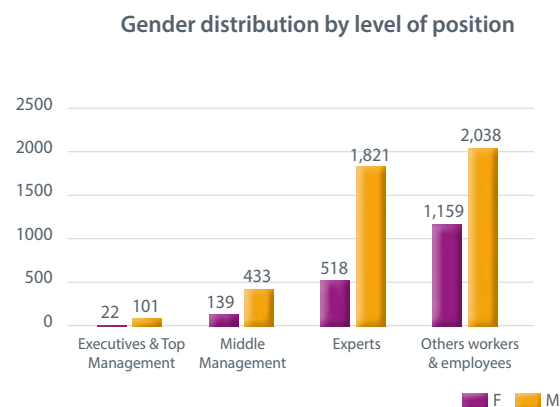
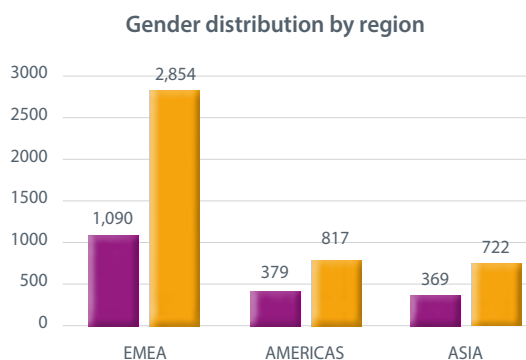
AGE PYRAMID 2020



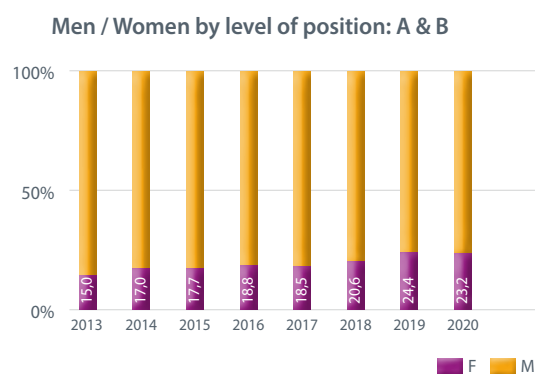
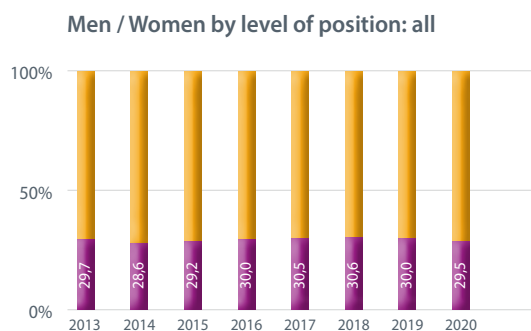
Seniority 2020



Gender distribution 2020



Gender by level of position 2013-2020



People with disabilities

Companies in the ARaymond network will continue to be committed to the integration and employment of people with disabilities.

ARAYMOND FRANCE: LOCAL PARTNERSHIP WITH THE SAINTE-AGNÈS ESAT



A long-standing partnership with the Saint-Agnès ESAT (French organizations that help disabled people back into work) in Fontanil.

The objectives for ARaymond were to promote the employment of people with disabilities, develop a culture of diversity internally among our employees, strengthen collaboration with our supplier and enhance our CSR approach.

THE KICK-OFF PHASE STARTED ON OCTOBER 1, 2018

This launch highlighted ARaymond's social values by demonstrating the feasibility of this type of project and especially the interest of both parties.

In addition to societal inclusion, **the project meets ARaymond's economic requirements** (reduction of flow time and logistical flexibility.) and develops personal projects with workers at the Sainte Agnès ESAT (organization providing assisted employment for disabled workers) by supporting them to work outside the structure, providing new tools and empowerment.

The first phase allowed us to confirm interest and feasibility, so we finalized the integration with the arrival of the second ESAT team in February 2019.



The plan was to involve four to five in-house production lines, with the creation of an assembly workshop, in partnership with the Sainte Agnès ESAT, within our assembly and injection production flow at the Saint-Egrève site.

To do this, a study of our production needs and workstation ergonomics was conducted well in advance.

In addition, we had to ensure that our premises had the capacity to accommodate them (in terms of space, equipment and infrastructure) and raise awareness among ARaymond's employees.

We then launched an initial test phase over a few months, with six assembly stations occupied by six ESAT volunteers – and the test was passed.

AS A RESULT OF THIS SUCCESS, WE HAVE ADDED SIX FURTHER POSITIONS REPRESENTING SIX NEW PEOPLE

We now have 12 workers with disabilities who perform elementary assembly tasks on our automobile production lines. The team is completely integrated into our production flows. They assemble parts for various customers in the automotive sector.

The ESAT Workshop is beneficial in two ways: It represents a cost-effective assembly unit and adds diversity to our organization.

Professional and social integration: this project brings them independence, professional skills and personal fulfilment.

- ▶ First successful experience for the ESAT, as well as for ARaymond as a company.
- ▶ Open-mindedness of ARaymond's employees regarding disability at work.
- ▶ A great deal of meaning instilled by the work of ESAT team members, who are proud to work in an ordinary environment and in a well-known company.

The ESAT scheme has been in place at ARaymond for two years now and we have put all the necessary means to continue this internal collaboration.

Making the project sustainable relies above all on organizing it in a collaborative way by taking into account the needs of each party. We have prepared both ESAT and ARaymond employees for this integration and they are now fully incorporated into ARaymond. This project demonstrates that we can perfectly integrate people with disabilities into an ordinary working environment.

One person has been hired by us.

WORKING LIFE & WORK-LIFE

ARaymond makes every effort to enable a good quality of life at work and a good balance between work and life. Actions have been carried out to better understand the work situation, such as a survey of wellbeing at work. During these exceptional times, ARaymond has communicated good practices and working guidelines to the whole network. These global practices have been implemented and handled locally.

WELLBEING AT WORK DIAGNOSIS AT RAYGROUP



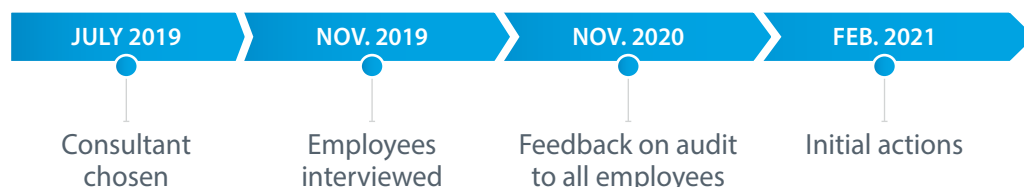
In March 2019, Raygroup's executive management and labor representatives decided to obtain a clear picture of the wellbeing at work situation by conducting diagnosis in collaboration with an external consultant.

The project began in October 2019 by setting up a Steering Committee and by interviewing a selected panel of employees.

The initial conclusions were communicated to employees and the first steps discussed with corporate officers. Due to the COVID-19 outbreak and furlough, this project only restarted in the fourth quarter of 2020.

The first steps identified:

- Set aside time to address "quality of working life" during team meetings, at a frequency to be defined within teams. Two pilot groups were identified and introduced this dedicated time in early 2021. To accompany these moments of discussion, our Human Resources teams were trained in specific tools for use during these discussions.
- Have "pop-up" working groups on specific subjects, for example: the team working on COVID-19 and health and safety measures, the group dedicated to formalizing the Raygroup information meeting.
- Use the upcoming ISO certification and the mapping of our processes to better identify alignment and improvement drivers and harmonizing practices.



45%
OF RAYGROUP
EMPLOYEES
INTERVIEWED

MOBILE WORKING AGREEMENT AT ARAYMOND FLUID CONNECTION GERMANY



In ARaymond GmbH & Co. KG and ARaymond Fluid Connection Germany, the company agreement allows employees to work remotely if approved by the employee as well as their manager. Managers have been trained in the agreement and the need for joint approval.

Working from home is very important to maintaining performance in times of pandemic. It promotes work-life balance and wellbeing at work.

Communication and performance still work, even when a large proportion of employees are not in the office or their usual workplace. Customers and suppliers benefit from continuity in the working relationship.

So far, 111 managers have been trained in the topic. The agreement already applies to all employees in our German entities.



WORKPLACE WELLNESS COMMUNITY AT A.RAYBOND



A.RAYBOND has created a workplace wellness community. Its purpose is to implement actions to improve employee wellbeing. To do this, A.RAYBOND needed to build an action plan based on regular measurement of employee wellbeing and therefore consulted Bloom at Work. This led to A.RAYBOND being selected as a pilot site to implement Bloom at Work, with ARaymond Tinnerman, based on the principles of Servant Leadership.

Bloom is a solution enabling you to continuously get a sense of your teams' mood through short and fun surveys. It is a workplace development tool that helps companies implement relevant actions based on three steps: Measure, Analyze and Improve.

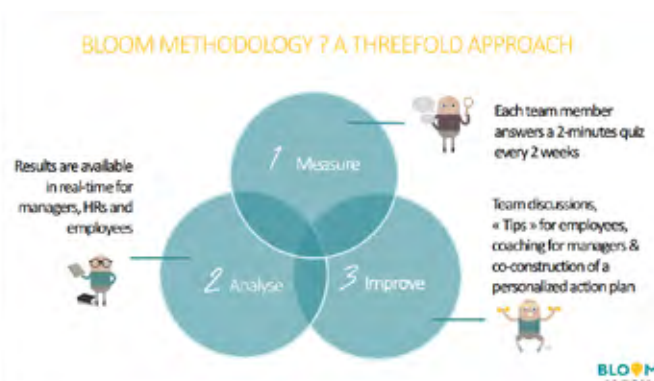
Employees are sent a monthly quiz containing seven questions. They can also post comments. The questions are asked in different formats and are based on Servant Leadership principles. The results are accessible in real time via various dashboards and can be compared with those of other entities – in complete confidentiality. At the end of each quiz, the employee receives practical and simple tips to help him or her develop better at work. The company and managers are then able to build action plans. Bloom's idea is to create transparency and discussion on issues that affect us all. A questionnaire has been created to assess the benefits of Bloom at Work. Here are the results: -Participation rates were always above 82% (before COVID). - 87% of employees enjoyed answering the quizzes. -65% thought it was a good tool for sharing opinions and debriefing/communicating as a team and 30% thought it

allowed informal discussions. -At the end of the questionnaire, it is possible to send a Bloom (positive message, thanks, encouragement...) to an employee of your choice. The surveys were very popular with employees, who would like to see more of them!

Thanks to Bloom, we saw how the level of employee fulfillment was impacted by the COVID-19 crisis. We were able to define priority areas for improvement, associated with an action plan. **And we were able to see that actions put in place to counter the negative effects of COVID-19 proved beneficial. We will therefore continue, with or without COVID-19!**

The tool will now be presented and offered to other ARaymond entities, thanks to a collaborative initiative between Raygroup, ARaymond Automotive North America and A.RAYBOND.

For A.RAYBOND, Bloom at Work will continue in 2021.



"ZEN ATTITUDE" AT ARAYMONDLIFE



ARaymondLife realizes that the rhythm of everyday life takes you at full speed. You deal with thousands of things at once, you are invaded by undesirable thoughts, you are tired, you have negative ideas, you need to take a step back or you simply want a moment of peace and quiet *just for you*.

ARaymondLife offers 15-minute meditation sessions for these employees each week after coffee and before going back to work.

IN SHORT, VERY ZEN.

WELLBEING AT WORK



On September 21, 22 and 23, 2020, ARaymondlife's support teams and production management teams were divided into three groups to participate in a training day to develop authentic communication and co-construct wellbeing at work in this period of high activity for the company.

The agenda for the day included discussion of several topics:

► **Non Violent Communication (NVC)**, with the identification of two languages: the Jackal language, which expresses itself through judgments, reproaches, interpretations, comparisons, demands, disclaimers and "labels" ("them", "you", "whose fault is it?", "it's like that"); and the Giraffe language, which is based on facts and is expressed through thoughts, feelings, emotions, needs, requests, allowing space for listening with conversations based on observations (cooperation: "I", "we", "what do we need?").

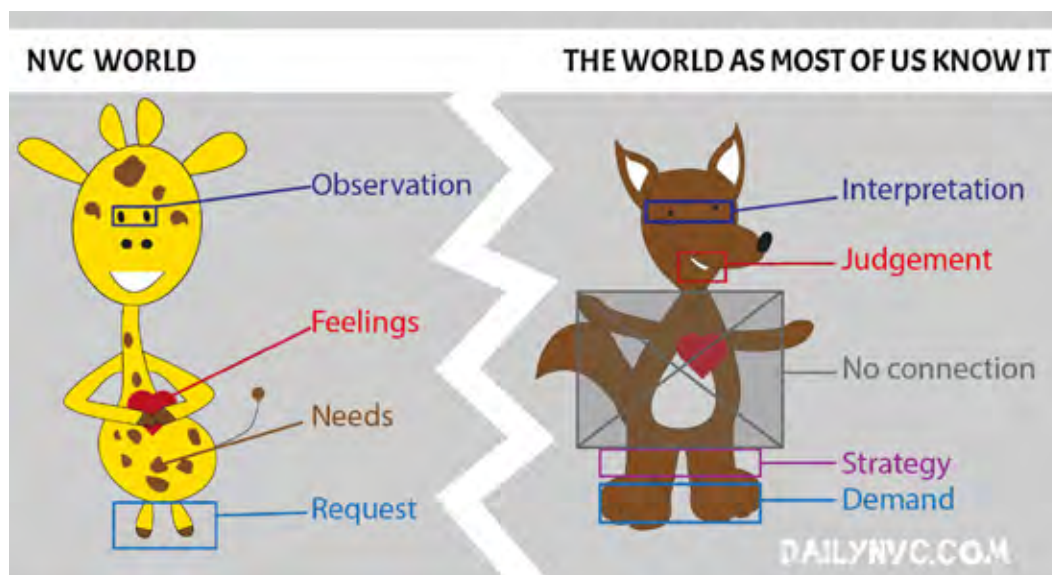
► **The Trees of ARaymondlife**

Each team built its fruit tree (what is pleasant/satisfactory for us at work?) and its thorn tree (what is unpleasant/unsatisfactory for us at work?). At the end of the workshop, a group discussion was held on the actions to be implemented on a daily basis to continue to grow fruit and while composting thorns.

► **Initiation into OSBD** (communication method used in the field of conflict management) or authentic expression -

► **The Benefits of Feedback.**

Importance of feedback to employees or colleagues on the quality of work and exchanges. Each group was able to initiate and learn about non-violent communication. We are aware that daily training is needed to acquire the right reflexes and more training will follow. Feedback from each of the groups will allow us to create a collective tree for ARaymondlife. The team will be invited to work in project mode on this subject in the coming weeks...



JOBS & SKILLS DEVELOPMENT

As technology evolves very fast, working methods must adapt accordingly. The lifespan of skills is becoming shorter and lifelong training is beginning to overtake traditional ways of learning. Companies must take these “revolutions” into consideration and create a workplace fostering the development of new skills.

Jobs and skills development covers the way in which we provide a workplace favorable to professional development and how to manage employees’ individual aspirations in relation to our company’s strategic objectives.

The idea behind ARaymond University is to create a university made for everyone, with all ARaymond people.

The university also aims to create social bonds across all networks, with plans in the longer term to open it to our customers and strategic partners.

HOW IS THE UNIVERSITY STRUCTURED?



THREE PILLARS

People development

To develop and strengthen the group’s culture and values and support the flourishing of people and talent

ARaymond specific know-how

To provide a structure to identify and capitalize on ARaymond’s specific know-how

Prepare the future

To accompany ARaymond’s strategic transformation project

ARAYMOND ACADEMY AT ARAYMOND INDIA



ARaymond Academy in India was launched to enhance employee skills. We created our own training materials for the initiative and used our own internal trainers and Subject Matter Experts (SMEs). Evaluation of the training is carried out at the end.

The objective of the training is customized as necessary, based on needs identified within the organization.

The ARaymond Academy provides ARaymond with a learning and development organization to enhance our stakeholders’ skill-set, which will be useful in enhancing performance of their daily tasks.

The main objective is to create a learning culture within ARaymond India.

ARaymond Academy has developed 54 modules (Training Material) in one year and more than 1082 hours training. This has helped to develop a learning culture and has had an impact on major areas like safety, improved productivity, know-how of

processes and machines. After the training, employees could understand various aspects such as the importance of quality and reducing product and process waste. **This has developed necessary skills among employees. As a result, we have minimized customer complaints, reduced delivery lead-time, improved safety of the work environment and made progress in the journey towards excellence.**

The ARaymond Academy is an initiative destined to continually evolve and could be a good initiative for other ARaymond group companies. We can develop a digital platform to share training materials and SME resources. Knowledge transfer takes an hour and can be easily achieved via the ARaymond Academy.



ARAYMOND CORPORATE MENTORING PROGRAM

This program was co-designed by the People Development Committee and the Human Resources Corporate to support the growth of our people, especially the development of emerging “talents” in the ARaymond Network.

The first pilot took place in 2020. This program aims to develop the individual during a certain period of time. The mentor provides informal guidance to the mentee to help her/him carry out significant transitions in terms of knowledge, work and ways of thinking.

The objective is to enable the mentee to fully apprehend her/his current role, her/ his potential and foster personal and professional development. This program involves the entire ARaymond network. The mentors and mentees can come from any ARaymond company and region.

Impacts:

- Keep our “talent” on board (people retention).
- Improve the onboarding of new people.
- Improve employee motivation (have someone to ask for advice, guidance, etc.).

After the 2020 pilot, we plan to propose this program to our ARaymond Network once per year, expand our pool of mentors within the ARaymond Network, improve mentors’ competencies (for example coaching skills).

CAREER ARCHITECTURE

Career Architecture is based solely on fulfilling the need for the employee to grow within the organization. Through Career Architecture a systematic approach towards inter- and intra-company department, which tackles monotony in the job, thereby stimulating new ideas and ways of doing things to achieve win-win outcomes for both employee and employer.

Career Architecture – A systematic process-based approach for employee mobility both inter- and intra-company department. The movements may be vertical, horizontal or diagonal based on the career architecture of the function in question. The main objective of Career Architecture is to give employees a direction and movement within the organization, to upgrade their skills and knowledge, thereby upgrading their value within the organization and beyond. It also acts as a second line in the organization, the employee feels motivated as their career needs are addressed and they can visualize their own growth.

Career Architecture:

- Employees can visualize their growth within the organization both inter- and intra-departmental.
- Second-line development.
- Less attrition: due to employees becoming more engaged in the field in which they want to work.
- Less turnaround time: as we have employees readily available in the organization who already have the right culture.
- Less brain drain.

- Loyal and committed workforce.

There is a tendency among external vendors or suppliers to want to work with one person, often due to a relationship that has been built up over years.

By giving career growth to the employee within the organization, we are safeguarding our long-term relationship with external stakeholders. External stakeholders do seek a promising culture which is employee friendly and a future-ready organization.

Career architecture is deeply understood and designed to enable each employee project their career growth within the organization, which is employees’ major long-term focus aside from remuneration. Focusing on this area therefore helps employees to see their career growing as the organization grows.

JOB AND SKILLS DEVELOPMENT POLICY AT ARAYMOND BRAZIL



The Career & Development Policy was created to define rules on career development, Performance Appraisals, Individual Development Plans and Recognition for Performance.

The Career & Development Policy was created by the People Development department to promote the transparency of Career and Development Plans at ARaymond Brazil. The CEO, Executive Managers and Human Resources were involved in discussing and approving the topics.

All managers will be trained on related topics in 2021 and employees will receive information through their managers. Expected outcomes are transparency, understanding and implementation of the policy to promote our team's strategical development.

Policy topics:

- ▶ Introduction.
- ▶ Career structure.
- ▶ Performance and development management.
- ▶ Career development management.
- ▶ Responsibilities.

Impact: transparency, team engagement, satisfaction, increase in performance and development, maintenance of our headcount/talents.

Benefits: increased performance and development within our team.

Future: roll-out of the policy for managers.



SOCIAL DIALOGUE

Social dialogue in the ARaymond network takes place at two levels:

- ▶ At company level, according to the industry sector and country regulations
- ▶ At European level, according EU directives and French labor law, as ARaymond EWC is supported by its French parent company ARaymond SCS. At EU level, topics have to be transnational by law.

EUROPEAN WORK COUNCIL ADAPTING TO THE COVID-19 CRISIS



Due to the COVID-19 health crisis, the annual plenary meeting could not be held as planned in Prague in mid-June.

In order to maintain a link and share some essential information, regular meetings have been planned between the CEO, the Secretary and the Vice-Secretary.

An extraordinary online meeting was also organized in mid-July with the 14 European representatives. At that meeting, the various parties agreed to reschedule the ordinary and plenary meeting to be held remotely in mid-October.

Due to European labor law, the EWC joint body should meet at least once a year to review pre-defined topics and discuss various issues such as strategy, financial situation, main changes and current topics.

In order to meet these objectives, significant resources have to be deployed to offer satisfactory conditions for discussions to 28 participants from five different countries, in five different languages (French, Spanish, Italian, German and Czech).

Success depends on the involvement of numerous professionals and the implementation of significant technical resources:

- ▶ **eight interpreters** for the various language combinations.
- ▶ **one event coordinator** and one scribe to take minutes.
- ▶ **two technical platforms** (Teams for images and ZIPDX for multilingual interpreting).
- ▶ **six voice channels recorded** (five languages and one floor channel).

Our Spanish event coordinator, with our IT department, takes care of the online and interpretation systems and the French scribe produces summary minutes from a neutral viewpoint.

The fact that we have been working with this interpretation company in a partnership mindset for many years enabled us to move from a face-to-face organization to a remote organization in just a few weeks.

In 2020, despite the COVID-19 crisis:

- ▶ No redundancy plan within the EU scope.
- ▶ The ARaymond Network implemented the majority of planned investments.
- ▶ The company's financial independency was saved.

Despite the crisis, we demonstrated that we are able to preserve our social dialogue.



OUR SOCIETIES

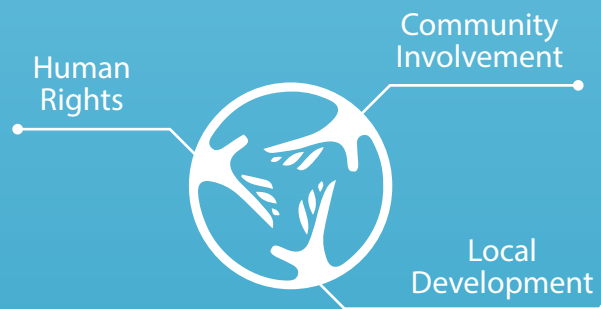


As a family business deeply caring about people, we want to contribute to improving life for human beings.

Our aspiration is to improve human existence and positively impact the populations and territories surrounding our sites.

Our approach is to prevent potential human rights abuses resulting from our activities and, in every region in which we operate, to actively participate in developing education, the local economy and communities.

Our priorities are to promote the understanding and integration of human rights within our company, to contribute to local development and to develop community involvement through our activities and with our employees.



HUMAN RIGHTS

Human rights are universal and every person in the world deserves to be treated with dignity and equality.

As stated in our Code of Conduct and Ethics, ARaymond respects and supports the protection of internationally proclaimed human rights in line with the Universal Declaration of Human Rights. Our actions are to promote the understanding of Human Rights by our employees, and to integrate the respect of Human Rights in our business processes. Local initiatives make voluntary and positive contributions in support of human rights.

PURPLE AUGUST AT ARAYMOND BRAZIL



Raise awareness to end violence against women.

In Brazil, August is dedicated to raising awareness of violence against women. The idea is to help women who are suffering any kind of violence – sexual, psychological, moral, etc. – and inform them of ways to seek help, while raising awareness of laws in place to protect women.



YELLOW SEPTEMBER AT ARAYMOND BRAZIL



Suicide Prevention Month. Raise awareness of symptoms and ways to prevent and treat mental illness.

Expand employees' knowledge of ways to deal with anxiety, depression and stress. Raise awareness of suicide prevention and ways – such as the health plan – to seek professional help.



LOCAL DEVELOPMENT

CLOSE TO OUR CUSTOMERS EVERYWHERE

Over recent years, the ARaymond Network has invested in the construction of more and more manufacturing sites and Advanced Research and Development centers around the world to ensure that it remains physically close to its customers. We do not outsource production of our components. We have made the conscious decision to manufacture locally for domestic markets.



LOCAL SOURCING PRIORITIZED WHENEVER POSSIBLE

ARaymond increasingly contributes to local social and economic development.

The Purchasing department tries to develop relationships with local suppliers, partners and professional associations as part of a genuine desire to promote local development. A local partnership with a regional provider close to Lyon was recently selected to supply French COVID masks to meet the needs of the ARaymond BU in France.

COMMUNITY INVOLVEMENT

COMMUNITY INVOLVEMENT AT ARAYMOND INDIA



Community involvement aims to promote involvement in community-based CSR and show the human face of business. ARaymond India supports and develops community involvement through activities with our employees, through volunteering with local associations and sponsoring of local events, such as organizing clean-up events and traffic-awareness campaigns. As well as improving community relations, involving our staff in CSR helps to motivate them and encourage their personal and professional development.

VOLUNTEERING

Cleaning of a public place, awareness of traffic rules and donating basic essentials to those in need and victims of COVID-19.

SPONSORSHIP

Tuition-fee sponsorship for economically disadvantaged students via an NGO called Friends of Children.

Sponsorship

The company has been working with an NGO called Friends of Children for the past five years. Under the program, the company sponsors the higher education tuition fees of nine or 10 students identified as talented. These are typically students from rural areas from an economically disadvantaged background. The amount of sponsorship is around 125,000 to 200,000 rupees per year.

Impact: positive impact of CSR activities carried out by the company as well as goodwill among various organizations such as ACMA, IFCCI, etc.

Benefits: so far, more than 15 students have had their tuition fees sponsored and are now ready to earn for their families.

Future: the company plans to continue the sponsorship program, which could now be expanded if the NGO needs to sponsor more students, especially in the challenging situation created by COVID-19.

Volunteering

Three volunteering activities were undertaken by the company in 2020.

- 1 - **Cleaning of public spaces:** in January 2020, company employees gathered in Taljai to collect plastic, paper, glass and other garbage from the public park, which was disposed of through the authorized garbage dealer.
- 2 - **Traffic awareness:** during Road Safety Week in February, a team of company employees volunteered to raise awareness of traffic rules and the importance of road safety. Banners were displayed, gifts were distributed to those following the rules, along with other similar activities.
- 3 - **Basic necessities** were provided to COVID victims in April and May.

Clean India: a team of employee volunteers called Team Sparkle led this campaign to clean some areas of the public park.

Green India: a team of employee volunteers called Traffic Warrior carried out this activity to promote road safety and traffic rules.

COVID care: victims and disadvantaged workers were provided with basic necessities such as food, grain and medicines, by the company's CSR workers.

All volunteering activities created a positive impact on our goodwill and reputation among internal and external stakeholders. ARaymond's initiative was also appreciated by customers.

The cleaning drive volunteers collected around 100kg of garbage. The company is planning to undertake similar actions in 2021 and in the coming years, although the pace is currently bit slow due to COVID-19.

Community involvement

Cleaning public spaces

Location: **Taljai Hills, Pune**

Daily visitors: **approx. 2,000**

ARI volunteers: **18**

Duration: **two hours**



Please join Us...



Before



After



Waste collected: total of 10 big garbage bags and two small garbage bags
Total garbage: 99.7kg/plastic bottles: 11kg/glass bottles: 46kg

Traffic awareness



PAINTING WITH ARTISTS – ARAYMOND BRAZIL



ARaymond Brazil collaborated with the MAAS (*Memorial de Arte Adelio Sarro*) museum, with support from Komedi, to organize the second edition of the social, cultural and educational project *Pintando Com Os Artistas* in March and November 2020. ARaymond Brazil used the local government's *Lei de Incentivo à Cultura* grant to use part of its income tax to support the initiative.

As well as free entry to art exhibitions, the project administrated art workshops for students of public schools located in the city of Vinhedo and the surrounding region, led by the artists involved.

Aligned with the ARaymond objective of enabling access to education, [the project aims to bring art and the inspiration it can provide closer to the local population](#), as well as to public schools. Students also had the opportunity to meet and interact with the artists, who inspired and motivated them, opening a new world full of inspiration.

[The project offers free entry for the local population to the MAAS](#) during the exhibition, allowing them to explore the private art collections as well as the specific *Pintando Com Os Artistas* exhibition – and, with a little luck, to meet the artists in person and find out their story...

ARaymond Brazil plans to support the MAAS and artists with future projects, to provide the local population with access to art and education.



OUR PLANET



Minimizing our environmental impacts or helping others to do the same contributes to the preservation of our planet.

Our aspiration is to contribute to the preservation of our planet's environment through meaningful creations, development and actions.

Our approach is to minimize or achieve a “net zero” impact by adopting environmentally-friendly activities and by implementing regenerative systems whenever possible.

Our priorities are climate change mitigation and related shifts in energy usage, the sustainable use of resources, particularly water and input materials, and the prevention of pollution.



ENVIRONMENTAL PRIORITIES

As part of our commitment to preserve our planet through meaningful creation and action, in 2020 we chose to focus on climate change mitigation, sustainable use of resources and prevention of pollution.

Our primary focus areas will be:

Carbon: do our fair share to contribute to the industry's low-carbon transition and to achieve the goals of the Paris Agreement. We will therefore strive to minimize as far as necessary the greenhouse gas emissions (GHGs) linked to our activities, help avoid GHGs outside the company's scope and increase carbon sinks through negative emissions projects or solutions.

Energy: shift progressively to renewable energy sources by pursuing a renewable energy procurement strategy, implementing self-generation of renewable energies at our sites and increasing energy efficiency in our activities and in the creation of physical products.

Water: minimize our water consumption in commercial and industrial activities and ensure our discharges do not impact the water quality of receiving watersheds, to have the least disruptive effect possible on water quantity, quality and availability to local communities and ecosystems.

Materials: increase the proportion of sustainable materials (recycled, renewable and recyclable) in the materials used to produce and package our primary products and solutions.

Waste: prevent waste creation and avoid waste wherever possible and as early as possible in the process, while phasing out waste disposal by repurposing all non-avoidable waste (reuse/recycle/recover).

ENVIRONMENTAL CERTIFICATIONS

ARaymond places a strong emphasis on environmental sustainability and demonstrates this by obtaining certifications on many of its sites, such as ISO 14001 (environmental management) and ISO 50001 (energy management).



18 SITES



4 SITES

In addition, ARaymond requires new buildings and facilities to obtain at least LEED silver certification. LEED (Leadership in Energy and Environmental Design) is an American system for the certification of high environmental quality buildings that save energy, conserve natural resources and have a positive impact on the health and wellbeing of the people who work in them. The 16 new ARaymond buildings built since 2011 are at least LEED Silver certified and five have even received LEED Gold certification.



16 SITES



CARBON

ARAYMOND GLOBAL CARBON FOOTPRINT

In 2020 we made the decision to adopt a “net zero” approach to carbon. The strategy, long-term goals and targets now need to be defined.

Nowadays, nobody can challenge the fact that emissions of greenhouse gases (GHGs), and particularly CO₂, are directly responsible for global warming. Tackling our emissions is therefore a clear priority if we want to minimize our environmental impact and especially our contribution to global warming. That is the aim of our Carbon Footprint approach. Adopting a Carbon Footprint approach will enable the ARaymond Network to measure its GHG emissions, analyze its direct and indirect contribution to GHG emissions and implement a strategy to reduce GHG emissions and reach net zero emissions.

As a network of interconnected entities in the industrial sector, ARaymond aims to adopt a “net zero” carbon strategy and minimize all operational GHG emissions. Among the sustainability metrics/KPIs we have defined to measure, improve and monitor our environmental impacts, GHG emissions is the one that is most known and inquired about by our stakeholders.

It is important to get a clear picture of our current carbon footprint to help us define our road towards a Net Zero carbon footprint.

This issue involves assessing our Global Carbon Footprint as follows:

Scope 1: direct GHG emissions from sources owned or controlled by the company.

Scope 2: GHG emissions from purchased electricity, steam, heating or cooling consumed by the company.

Scope 3: are other indirect emissions, resulting from activities not directly owned by our business but still associated with our operations, such as purchased goods and services, business travel, waste management, employee commuting, third-party distribution, investments.

All ARaymond entities (offices included).

This first assessment also aims **to inject this monitoring habit into regular company processes** and make local entities more autonomous in handling sustainability metrics.

Step 1: measure the Global Carbon Footprint.

Step 2: set the Baseline and reduction Target.

This initial assessment will enable us to set the target and baseline year at global and local level and later on, to elaborate a low carbon strategy associated with a GHG reduction action plan.

GREENHOUSE ENERGY & CARBON NEUTRALITY – ARAYMOND GERMANY



The topic of climate neutrality and environmental protection is becoming increasingly important. We as a company also want to make our contribution to protect our environment. We assume that proof of CO₂ neutrality will be increasingly demanded by our customers in the future.

Our goal is to reduce our CO₂ emissions to a minimum and to market ourselves as a climate-neutral company.

Climate neutrality can be achieved if CO₂ emissions are reduced to a minimum and any remaining CO₂ emissions are offset by climate protection measures. The company thus demonstrates that it is modern, in tune with current issues and future-oriented.

The first step is to create a CO₂ footprint for our site. All areas that generate CO₂ must be recorded and evaluated.

MEASUREMENT - REDUCTION - OFFSETTING - DOCUMENTING AND VALIDATION.

ARaymond Germany sees the advantages of being recognized as a climate-neutral company. This makes us more attractive to our customers (and could even be a decision criterion for supplier selection in the future), more attractive as an employer and more representative to the outside world.

ENERGY

In 2020 we made the decision to switch our energy purchase towards to renewable energies. The strategy, long-term goals and targets now need to be defined.



GREEN POWER SUPPLY – ARAYMOND FLUID CONNECTION GERMANY



To reduce its carbon footprint, ARaymond Fluid Connection Germany has switched our electricity supply to 100% green energy from 2021 onwards. ARaymond Fluid Connection Germany has obtained the official certificate for the CO₂ saving.

The objective is to become carbon neutral in the coming years.

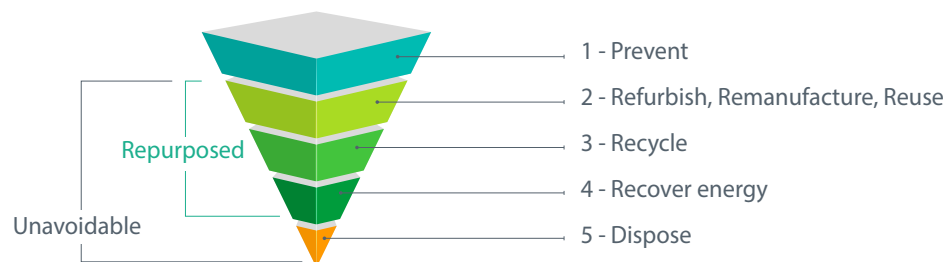
WASTE



In late 2020 we designed our global approach involving waste avoidance and zero waste-disposal. The strategy, long-term goals and targets now need to be defined.

Our intents are to develop waste management programs in which:

- ▶ Waste is avoided wherever it is possible and as early as possible in the process
- ▶ Zero waste is disposed: all non-avoidable remaining waste is repurposed



MATERIALS

The design of our global approach to materials is still ongoing and will be finalized in 2021.

ARAYMOND AGRICULTURE: BIODEGRADABLE FASTENING SOLUTIONS TO REDUCE AGRICULTURAL PLASTIC WASTE

When you think of the agricultural industry, plastic waste is not the first thing that comes to mind. But the reality is that plastics play a key role in the farming and greenhouse business – and generate a lot of waste each year.

As an example, agriculture is estimated to generate 370 million kg of plastics in the United States alone. And most of that is not recycled, ending up in the ground or in landfills, often with a negative impact on wildlife and the environment.

A positive trend, though, is the move toward more eco-friendly, biodegradable products – which are fully compostable and waste-free. One company committed to this type of product and leading the way towards a more sustainable future is ARaymond Agriculture, a global firm headquartered in Spain which produces a wide range of eco-friendly clipping and fastening solutions for the greenhouse and agricultural industries.

Oriol Peiris, digital marketer at ARaymond Agriculture, said that the company initially stopped using virgin plastic and committed to 100% recycled plastic. ARaymond then developed a new line of biodegradable fastening solutions for agriculture.



"We saw the market was willing to have eco-friendly products and wanted to make our contribution to this movement, which will only keep growing," Peiris explained. "Our biodegradable clips for greenhouses were first introduced four years ago and the line has seen major growth in the past two years, especially across Europe (France and Holland), where there is a larger appetite for this type of innovation."

Both the recycled plastic and biodegradable solutions are produced by ARaymond in Spain. ARaymond is an industry pioneer in the production of fully certified compostable and biodegradable clips for greenhouses, which it tested by placing the clips in sand for 40 weeks to confirm they would completely disintegrate.

Being eco-friendly has its challenges though, especially in relation to the biodegradable solutions being developed by ARaymond and others. Humidity and temperature changes in the greenhouse environment can cause some fasteners to break if not developed properly, for example, increasing the production costs.

ARaymond Agriculture's objective is to offer its clients innovative solutions, combining quality services and high value-added products. In response to agricultural productivity problems, ARaymond designs and develops creative solutions enabling significant gains on fastening time and yields. For its compostable range, the use of environmentally-friendly biodegradable materials is favored whenever possible. ARaymond Agriculture's headquarters is in Sant Fruitós de Bages, Manresa, Spain, with sales offices around the world.

SUSTAINABLE MATERIALS

Item	Tons
Total plastics volume 2020	21,632
Volume PA 11 (100% bio-based)	295
Volume PA 6.10 (30% bio-based)	344
Recycled volume	845

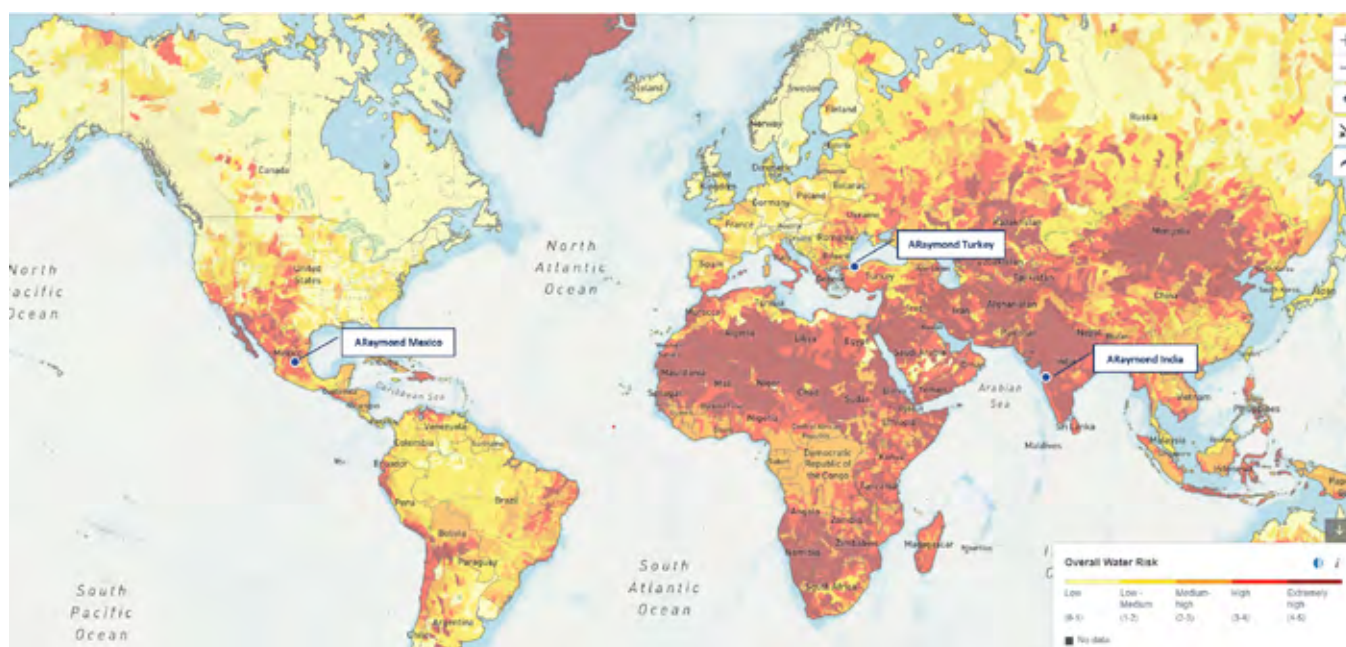


AROUND 7%
OF PLASTICS PURCHASED
BY ARAYMOND ARE GREEN.

WATER

In 2020, we conducted a risk-assessment across the network to identify sites located in high water scarcity areas (using the Aqueduct Water Risk Atlas).

Three of our operational sites (India, Mexico and Turkey) are located in such areas. The next step will be to assess the risk of disruption to those sites caused by a lack of available water and the opportunities to tackle water availability challenges (such as water consumption reduction and elimination of water consumption from stressed water resources).





OUR VALUE CHAIN

Cultivating an open dialogue and a close collaboration with our business partners will encourage the entire value chain to innovate for sustainability.

Our aspiration is to deliver innovative and environmentally sound assembly solutions that meet our customers' challenges, now and in the future (quality, cost, delivery time, environmental and social performance).

Our approach is to create these sustainable solutions with our customers and strategic partners, through agile co-innovation partnerships based on transparency, a win-win environment and respect.

Our priorities are to deliver sustainable solutions, to foster sustainable purchasing and to deepen relationships with our customers, taking into account the entire life cycle.



SUSTAINABLE PURCHASING

Sustainable Purchasing reflects our broader CSR goals of having a positive impact on human societies and contributing to the preservation of our planet. For ARaymond, it means implementing purchasing decisions made in collaboration with all partners and based on client exigence, ARaymond core values, and care about social and environmental impacts.

Sustainable Purchasing means the systematic adoption of purchasing practices and processes developed by:

- ▀ Teams rooted to ARaymond core values and Corporate Social Responsibility
- ▀ Knowledgeable and skilled teams who act ethically and in consciousness, caring about the environment and the people, integrating those impacts in their purchasing decisions
- ▀ Teams who collaborate with their suppliers and the whole ecosystem (internal and external) to improve overall economic, social and environmental performance
- ▀ By engaging in this responsible purchasing process, we try boosting innovative partnerships with our suppliers to strengthen the sustainability of our value chain and our solutions.

SUSTAINABILITY IN THE PURCHASING PROCESS



2019/2020

STEP 1: PREPARE AND TRAIN

Definition of ARaymond's Sustainable Purchasing vision

—
Sustainable Purchasing e-learning to train buyers and contributors to the Purchasing process.



2021

STEP 2: DEVELOP CSR COMPETENCIES AND CSR RISK MAPPING

Identify and Train Responsible Procurement Champions

—
(Pillar 1) Work on CSR internal risk mapping to identify our CSR issues and opportunities in purchasing categories

—
(Pillar 2) Promote our best practices:
define supplier selection and assessment:
Proposal of a guidebook with key issues and examples of CSR criteria to incorporate for the qualification of new and existing suppliers.

—
(Pillar 3) Work on soft skills and training
a team of sustainable champions.



2022

STEP 3: FORMALIZE

Formalization of ARaymond's Sustainable Purchasing policy:

Vision/Governance
Commitment/Objectives & KPIs

COLLABORATION WITH STAKEHOLDERS

Initiate a supplier survey with strategic suppliers to enhance supplier relationship management.
The objective will be to find out how much suppliers care about sustainability.

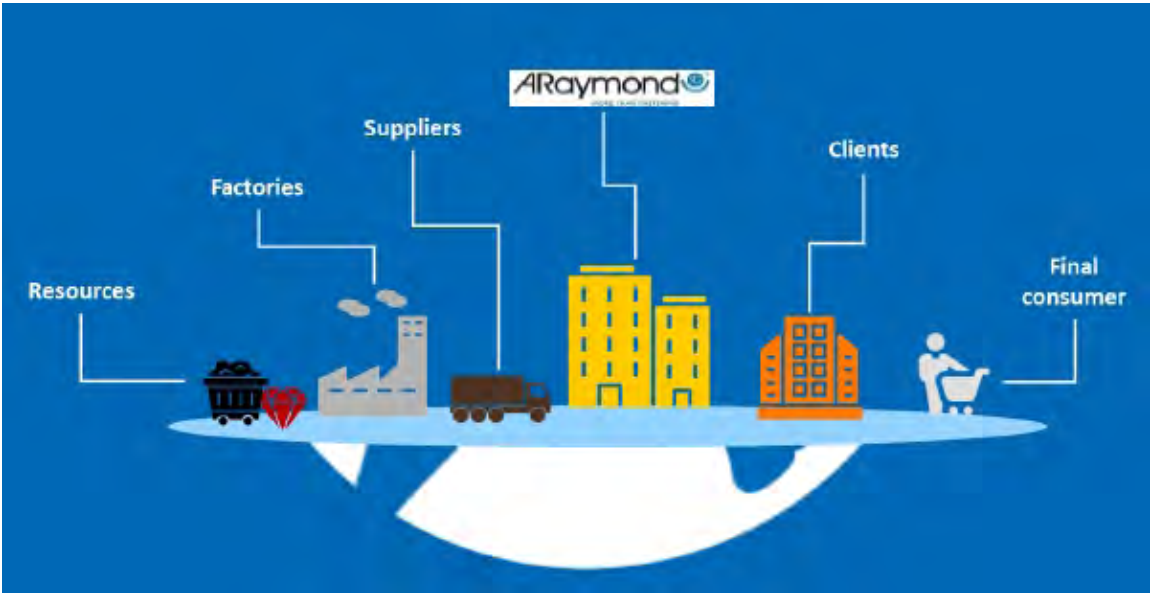


EARLY 2021

Creation of a community of 13 Sustainable Purchasing Champions located in the main geographies where ARaymond operates

A Champion will spread the sustainable purchasing vision as a guardian of the sustainable purchasing roadmap deployment within its entity.

E-LEARNING RETURN ON INVESTMENT AND SATISFACTION RATE



164 people trained (68 people completed the e-learning in French and 96 people in English).

95% of people are satisfied with the training.

The next step will be to incorporate it into our new learning platform for new recruits.

SUSTAINABLE SOLUTIONS

Life Cycle Assessments

ENVIRONMENTAL INVOLVEMENT THROUGH “GREEN SOLUTIONS”

What is a green solution? This is a pretty broad concept considering the number of criteria (global warming, water consumption, pollution prevention, resources depletion, etc.). The methods used to measure, calculate and report the result can also be very different from one company to the next.

The aim is therefore to:

- ▶ Agree the environmental impact we want to consider in our analysis.
- ▶ Define the calculation method, scope and functional unit.
- ▶ Run the pilot calculation of a product or product family representing a high proportion of our sales.

The plan for this year may be different for our two major Business Units (Clips and Quick Connectors)

Whereas Quick Connectors has completed data collection and calculations and identified hot spots, this still needs to be completed for Clips and Services as a first step in a Life Cycle Assessment.

As far as Quick Connectors is concerned, the objective for this year is to run an eco-design project to explore ways of improving our environmental impacts.

For Clips and Services, our goal would be to proceed with the same study once we have identified potential improvement areas.

The impacts of this type of eco-design project are numerous:

- ▶ Involving suppliers and customers in an ambitious eco-design project can strengthen our relationships and open doors for future collaboration.
- ▶ Finding alternative materials, reducing energy usage, optimizing the weight of parts – these examples of eco-design guidelines can have a positive impact on product costs!
- ▶ More generally, being able to know where we can improve our solutions, propose alternatives and apply them to some of our product range is an exciting target, helping the entire company to commit to sustainability.

We have seen previously how an eco-design project can help create a relationship with our customers and suppliers. To take account of all external stakeholders, we could also consider involving universities or other partners, in order to generate even more creativity during our ideation phase.

The target is not to conduct a Life Cycle Assessment on every product manufactured by ARaymond. It is more to capture the biggest contributors within our products portfolio and identify actions to reduce their environmental impact. This would help us to design sustainable products and improve our communication concerning the impacts of our solutions.



CUSTOMER RELATIONSHIP

ARaymond meets the basic standards for a strong and trusting customer-supplier relationship, based on a better understanding of our customers' sustainability expectations, regular Voice of Customer reporting and establishment of sustainability collaboration platforms.

ARaymond is also proactively adapting its customer relationship to meet their growing expectations and challenges, such as shorter product development cycles, modular design, intelligent systems, innovative materials, circular business models and after-sales services.

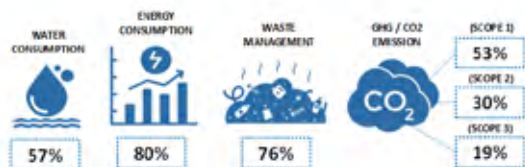
ARaymond is leveraging its Servant Leadership model to place the Servant culture at the heart of the customer relationship. Listening, dialogue and trust (three pillars of Servant Leadership at ARaymond) are also central to customer service.

USE OF SUSTAINABLE CUSTOMER-SIDE PRODUCTS & SOLUTIONS

One of the starting points for our journey towards the supply of green solutions was to ask our customers about their priority sustainability issues and how they involve suppliers in those environmental issues.

A global survey was conducted in 2020, on a double-blind basis and answered by 100 automotive players worldwide.

The main finding was that our customers' **primary focus is on streamlining waste and energy consumption**. Here are the answers to the question "Which environmental KPIs are monitored as part of the company's overall performance?"



For ARaymond, this clear input indicates that our assembly solutions can also present a significant advantage to avoid or reduce waste in relation to end-of-life management, maintenance, serviceability and recycling.

Indeed, although we aim to offer sustainable solutions, we believe that the main value we can provide to our customers is not only the low environmental impact of our products, but above all the benefits that our smart assembly solutions can offer our customers, especially for their end-of-life products (cars).

Nevertheless, if our solutions need to be discarded, it is better for them to be fully recyclable. This will be made possible by the eco-design principles that we have begun to introduce throughout our network, making sure we are aligned with our values and consistent with our beliefs.

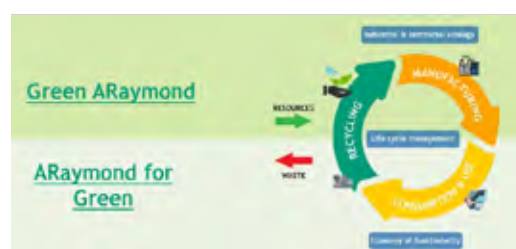
Returning to our customer needs, the main criteria they take into account when considering the sustainability of a product/solution are clear: strong environmental sustainability performance, competitive price and top quality.

Question: "What are the main criteria taken into consideration when thinking about product/solution sustainability?"



This is the winning equation to aim for if ARaymond wants to make environmental sustainability a success for its products, in line with customer expectations.

These two approaches to product sustainability – what we do and commit to for ourselves and what we can offer to customers – are the cornerstones of our We cARE initiative.

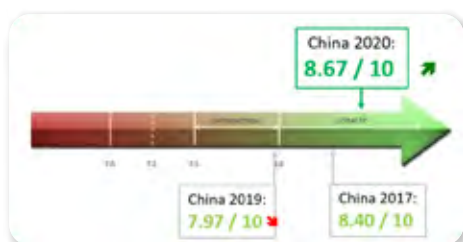


Finally, with a view to promoting interaction with our customers, collaboration platforms are a good means of developing customer/supplier partnerships in relation to environmental sustainability (in the survey previously mentioned, 53% of respondents said that they had already implemented co-innovation or collaborative platforms with their suppliers.)

Aside from cost and performance, customers expect transparency, added sustainable value and innovation from this co-innovation.

Those findings are key to confirming our assumptions and encourage us to accelerate the transformation towards environmentally-friendly activities and the development and production of sustainable solutions.

CUSTOMER SATISFACTION SURVEY IN CHINA



Knowing your customer better enables you to correctly measure their satisfaction and establish retention levers.

ARAYMOND therefore launched a customer satisfaction survey in China in 2020.

In our 2020 customer satisfaction survey, no less than 56.7% of customers rated Araymond with a mark of 9 or 10 out of 10, while only 5.1% rated it lesser than 7. On average, satisfaction is rated at 8.67/10 ; an excellent score and significantly better than in 2019.

On the question of recommending ARaymond to a colleague or another professional in your industry, the ratio of customer referrals has considerably grown from 47.7% to 62.8% in 2020. The ratio of the customers not recommending ARaymond has also decreased by 9%.

As a result, the Net Promoter Scoring (NPS), which is obtained by difference between the “Promoters” and “Detractors”, is of +57.1pts in 2020 ; a significant growth from 2019.

Despite Covid’s situation, ARaymond China has provided new value added services like promotional webinars and product elearning sessions. They continue to improve customer satisfaction.



NEW PRODUCT SPECIFICALLY FOR THE COVID-19 PANDEMIC – SAVIEAR STRAP



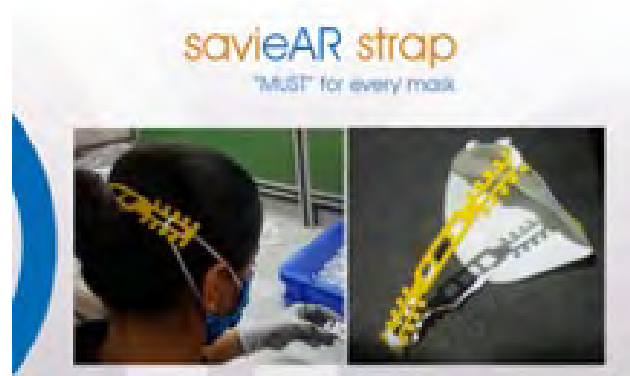
Among the plethora of challenges that COVID-19 has inflicted upon us, the additional burden on our ears caused by masks can prove annoying and painful. Our engineering team worked on a solution out of sympathy for our teams, and particularly operators, and came up with an innovative and versatile product called a SavieAR strap.

The objective was to create innovative products to respond to challenges raised by the COVID pandemic. It would help to utilize some production capacity, which was available during the lockdown period when the automotive industry was stagnant.

Several products, including face shields, COVID keys and savieAR straps, were created by the engineering team. The SavieAR strap proved popular among customers due to its simplicity.

SavieAR straps were distributed to all ARaymond India employees, as well as to several customers. **They were useful in demonstrating the innovation culture and flexibility of the ARaymond teams to develop products even in adverse market conditions.**

The product was very popular with Indian customers.



The innovative features of the savieAR strap include:

- ▶ No pressure on the ears, removing ear pain/discomfort
- ▶ Easy to wear
- ▶ One universal size fits all
- ▶ Reusable.
- ▶ Color options are available
- ▶ The SavieAR strap will continue to be useful in the future for as long as face masks are used. It can also be sold/duplicated in other ARaymond locations

LOOKING AHEAD

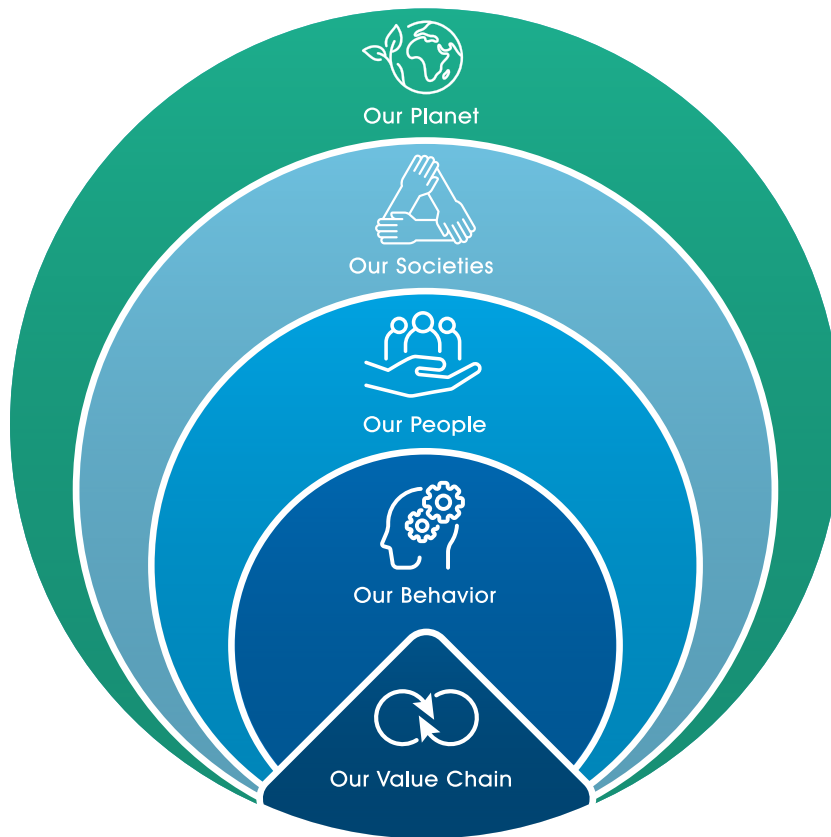
Even if still challenging, 2021 should be better than 2020. We see an increasing need for innovation and collective actions to make our societies more resilient to the sustainability challenges we face (such as inequalities and climate change) and more attentive to the megatrends we foresee (such as transformative technology via Artificial Intelligence, soft risks in safety, and changing workplace demographics).

We want our company to be part of the solution. We will therefore continue to progress on our CSR roadmap and in 2021:

- ▶ **Pursue the development and deployment** of the sustainability culture through awareness, training and communication
- ▶ **Develop our mid to long-term ambitions** concerning ways of working, health & safety, carbon and energy
- ▶ **Implement social and environmental performance measurements** as part of our CSR governance
- ▶ **Strengthen collaboration with our suppliers**, customers and partners for the development of sustainable solutions

This will allow us to continue to progress in relation to the 10 Principles of the UN Global Compact and to contribute to the Sustainable Development Goals.

Because only collaborative work will initiate and effect the changes necessary for a sustainable world, we will do all of this in partnership with our stakeholders, everywhere.



www.araymond.com

FOR QUESTIONS ON THIS UNGC COP REPORT

Carole Neyrinck
Carole.neyrinck@araymond.com

Marie-Laurence Gilbert
Marie-Laurence.Gilbert@araymond.com