

EXTRA-FINANCIAL REPORT

2022

VIGNAL GROUP



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The Vignal Group

The purpose of the group

The Vignal Group's strategy is to become a global player in the field of lighting and safety for both on and off-road industrial and commercial vehicles, in compliance with environmental and regulatory requirements, while implementing an ambitious Corporate Social Responsibility (CSR) policy.



Key figures



600

Employees



154

Millions
turnover



10%

Dedicated R&D
staff



20 years

of CSR policy

100 years of experience



Locations: head office and subsidiaries



Markets



Product ranges



Group growth

Our Group has developed through organic growth and has carried out several external growth operations.

The multiple acquisitions have enabled us to build synergies, enhance product ranges, expand into new market segments and strengthen our global presence.



Foreword

This document represents the "non-financial reporting" of Vignal Group 2022. However, it is also intended to confirm our support for the United Nations Global Compact.



Renewal of our support for the United Nations Global Compact

Dear Mr. General Secretary, I hereby have the pleasure to confirm Vignal Group's continued support to the United Nations Global Compact.

We thus renew our commitment to adopt, support and apply in our sphere of influence, the 10 founding principles relating to human rights, labour rights, environmental protection and the fight against corruption.

We also express our commitment to furthering the application of these principles by continuing to integrate them into our company's strategy, business culture and operating procedures.

Please find attached our progress report for the year 2022.

Best regards.

A word from the President

Over the next few years, a product or service will be valued not only by its price but also by the weight of carbon it represents and the way it has been produced.

With this belief, we must act to improve things and communicate to convince as many people as possible to get involved too.

The individual effort may be small, but together we have the real power to shape our lives on a sustainable planet.

We must respect each other, regardless of our backgrounds, orientations and choices.

Then we will not only live better together, but also become more successful and ensure a better life on this planet for our children

Jean-Louis COUTIN

President Vignal Group

Our CSR policy and our "Global design / Local production" strategy

Voluntary, national, and international commitments

"Vignal has made sustainable development one of its major strategic priorities". Emmanuel MAGAT - Industrial and CSR Director

The United Nations Global Compact

In 2015, Vignal Group expressed its commitment to universal values by joining the United Nations Global Compact, thereby demonstrating its commitment to corporate social responsibility. Vignal Group then committed to aligning its strategy and operations with the 10 principles of the Compact relating to human rights, labour standards, the environment and anti-corruption.

The Sustainable Development Goals (SDGs)

In line with its CSR commitments, the Group supports the United Nations' SDGs. The 17 SDGs are a global call to action by 2030 to reduce inequality, make the world a better place for future generations and ensure that all people live in peace and prosperity. Vignal contributes as best it can to the 6 SDGs below.



The Code of Ethics - Vignal CSR Charter

The Code of Ethics and the CSR Charter are the two founding documents of our vision in terms of sustainable development. Each in their own way specifies the group's CSR ambitions but also the principles and rules that each employee must follow in the exercise of their duties and responsibilities.



Over 20 years of CSR policy

The Group's CSR policy aims to respect people, the planet and organisations in accordance with laws and regulations.

Our CSR policy focuses on improving the sustainability of our business model by taking care of the trust of our stakeholders with whom we maintain a constant dialogue.

We have been putting CSR at the heart of our decisions for over 20 years. Below are the most representative actions.

2000

ISO 14001 certification,
environmental standard

2009

1st carbon assessment (scope 1,2,3)

2013

1st CSR charter
1st Ecovadis "Gold" CSR rating

2014

Strategic plan :
"Global design / local production"

2015

Global compact membership United Nations
Creation of the Group CSR Committee
1st health and well-being barometer

2016

New site in Lyon
1st Responsible Purchasing Policy
extra-financial reporting

2017

1st CMRT conflict minerals assessment
Transformation of the Rancate site
Mosinee site development

2018

Opening of the Changzhou site in China
1st supplier CSR audit Carbon footprint /
turnover ratio: -40% in 5 years

2019

Localization of supplies
Revision of the Code of Ethics
Production of the 1st gender equality index

2020

Redesign of the CSR Charter
Deployment of CSR supplier audits
Covid crisis management in an ethical manner
Investments : 6 moulding machines
100% electric.

2021

Integration of Vignal Sesaly
Ecovadis Gold for French companies
Muscle awakening in production
Introduction of ISO 20400
Update of the CSR Charter.

2022

Integration of Vignal Sarr into the group.
Reception in Corbas for Vignal Sesaly.
Vignal Changzhou's carbon footprint.
Product carbon footprint.
Low carbon process integration.

Our "Global design / Local production" strategy

The Group's CSR policy focuses on respect for the planet, for people and for laws and regulations.

In agreement with all our partners, Vignal decided :

- To remove non-value-added operations;
- To avoid intercontinental transport;
- And to achieve the highest standards of quality and responsiveness.

To achieve these goals, Vignal decided to design its products globally and manufacture them locally.

To achieve this, Vignal has continued to develop its industrial facilities and has set up "best-in-class" manufacturing plants close to its customers, in Europe, North America (Mosinee, Wisconsin) and Asia (Changzhou).

The R&D teams, which represent 10% of the group's workforce, enable Vignal to offer ambitious technological innovations and new ranges aimed at drastically reducing energy consumption.



Our CSR strategy in 3 commitments

Commitment 1: Contributing to the climate effort



"All our teams are committed to making sure that our products and the way we manufacture them have a positive impact on our ecosystem and the territories in which we operate.

We have set ambitious and realistic targets for reducing our carbon intensity: -15% every 3 years.

We are breaking new ground to achieve decarbonisation of our operations and provide our customers with sustainable, low-carbon solutions. For the respect of people and the planet".

Emmanuel MAGAT - Industrial and CSR Director

Our road maps :

↳ Designing and manufacturing sustainable products

- best-in-class factories in Europe, the USA and Asia;
- innovative products with a life span as long as that of the vehicle;
- a low-carbon strategy thanks to particularly efficient LED products;
- R&D teams around the world that are aware of eco-design.

↳ Reducing CO2 emissions

- 100% of the subsidiaries are ISO 14001 certified;
- carbon assessment since 2009 on the 3 scopes: reduction of our t.eq.CO2 ratio by 35% between 2018 and 2021;
- investments in low energy buildings and processes;
- we are committed to our 'global design - local production' policy.

Commitment 2: Making progress for women and men



"Men and women within the group are passionate and driven by the desire to take action. They are Vignal's greatest asset!"

Together we are building the future of Vignal. This is why the "human and ethical" pillar is at the heart of the CSR strategy.

We listen to our employees. We provide a safe living environment and equal opportunities for women and men.

Nathalie LACHAUD - Director of Human Resources

Our road maps:

↳ Sharing a company project

- 100% of the staff is aware of the company's project;
- a policy for sustainable growth, which guarantees the continuity of jobs;
- an ambitious policy for health, safety and working conditions;
- the sharing of our CSR policy with our stakeholders.

↳ Respecting the group's ethics

- a Group Code of Ethics, which is the basis of our values;
- Support for Drive Sustainability and the United Nations Global Compact;
- a policy focused on professional equality between women and men;
- ethical and responsible crisis management.

Commitment 3: Conducting a responsible purchasing policy



"The Responsible Purchasing Code of Conduct sets out the commitments expected of our suppliers in the areas of environmental, social, business ethics and supply chain management.

This long-term initiative, which began in 2013, now includes compliance with the Code as a selection criterion, along with cost, quality, service, innovation and risk management.

The Group Purchasing department is committed to making Responsible Purchasing based on the principles of ethics, professionalism, transparency and mutual trust.

This Code is the reference framework. Each provider signs the agreement when he or she joins the Group panel."

Hervé RICHONNIER - Director of Responsible Purchasing

Our road maps :

🔗 Making our supply chain less vulnerable

- integration of ISO 20400 guidelines into our strategy;
- completion of a risk matrix and CSR assessment of our suppliers;
- monitoring the procurement practices of our suppliers;
- CSR exchange questionnaire with our suppliers to improve standards.

🔗 Locate our supplies

- reducing our intercontinental transport;
- supplies and production as close as possible to our customers in order to be reactive and flexible;
- redistribution of value at the local level ;
- responsible employer brand.

Subsidiaries making commitments

Our continuous growth

During the first half of 2022, Vignal acquired SARR, the French leader in the beaconing market, particularly for police and gendarmerie vehicles. The company boasts a wide range of expertise, such as film processing, industrial screen printing and the manufacture of electrical harnesses.

Vignal SARR generates a turnover of 13 million euros with a workforce of 60 people.

Through this acquisition, the Vignal Group will be able to offer its customers new products, particularly vehicle markings, and to strengthen its position in markets where its presence was currently limited.

Vignal focuses on the future and always takes a long-term view in order to offer all its employees sustainable employment.



Jean-Louis COUTIN, Vignal Group CEO: "Vignal continues to pursue its growth strategy through targeted acquisitions in order to strengthen its technological businesses and/or acquire new product lines. The integration of SARR into the group will allow us to develop synergies to offer more products and services to all our customers."

Christophe BUCHET, President of SARR : "I am proud to have made SARR a major player in the French market. I firmly believe that joining the Vignal group will enable SARR to intensify its development and open up new international prospects."



Group carbon balance

Contributing to carbon neutrality in 2050 requires controlling greenhouse gas emissions throughout the value chain.

All the subsidiaries of the Vignal Group are concerned about their sustainability. To help us reduce our environmental footprint, we measure our greenhouse gas emissions.

Contributing to the target
of carbon neutrality
of the European Green Pact
for 2050

Thus, under the aegis of the Industrial and CSR Director, the Vignal Group has been carrying out its annual carbon assessment on scopes 1, 2 and 3 since the beginning.

SCOPES
1 and 2

These correspond to all direct and indirect greenhouse gas emissions: gas or oil heating, company cars, electricity consumption.

SCOPE
3
Upstream

This includes greenhouse gas emissions generated before the production phase: fixed assets, employee travel, incoming materials and upstream freight.

SCOPE
3
Downstream

This includes all the greenhouse gas emissions associated with the use of the lights once they are on board the vehicles and until the end of their life.

Carbon emission perimeters

SCOPE
3
Upstream

Emissions
from production
inputs

2%



SCOPES
1 and 2

Manufacturing
of Vignal
products

1%



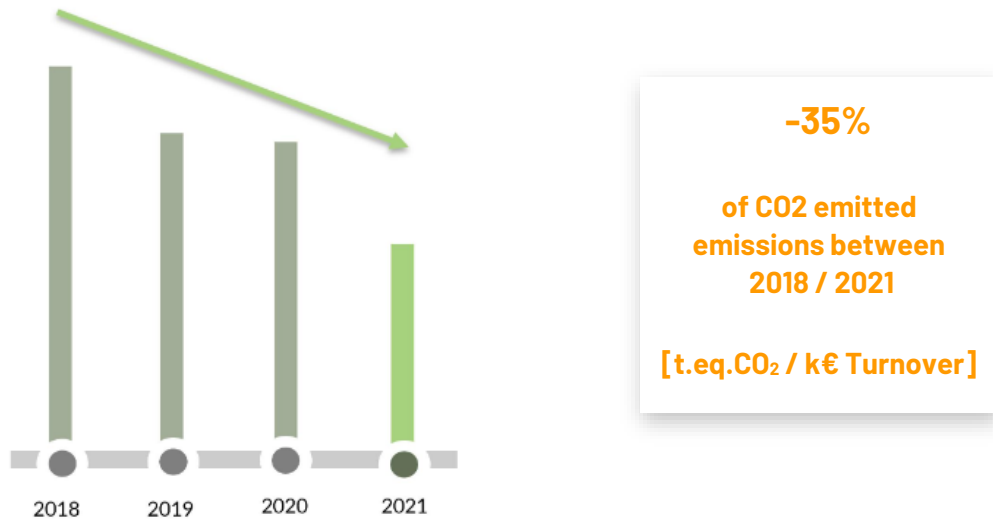
SCOPE
3
Downstream

Use of
Vignal
lights

97%



Our results in 2021



The levers of our low carbon strategy

POLICY

Leds
Innovative and
sustainable products
Eco-design

BEST-IN-CLASS PLANTS

"Global design - local
production"
Location policy
Iso 14001

TECHNOLOGY & INNOVATION

Buildings, low energy
processes
Lean production

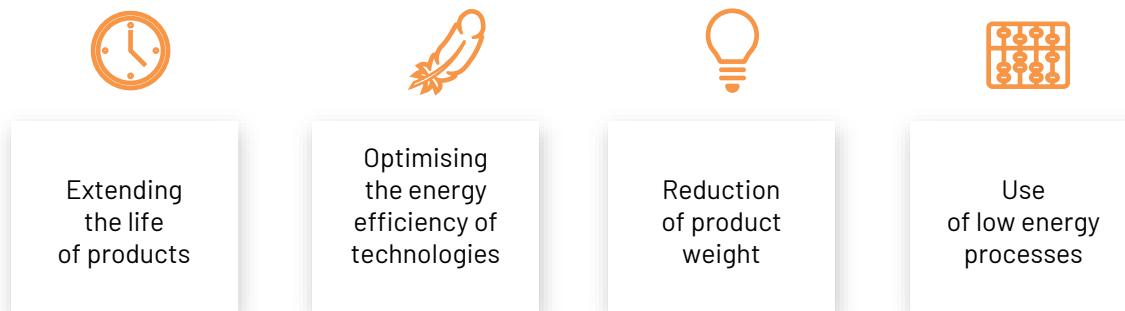


Eco-design

The eco-design approach is deployed by the Group Projects Department.

This involves reducing the environmental impact of the product at the design stage while respecting existing technical constraints.

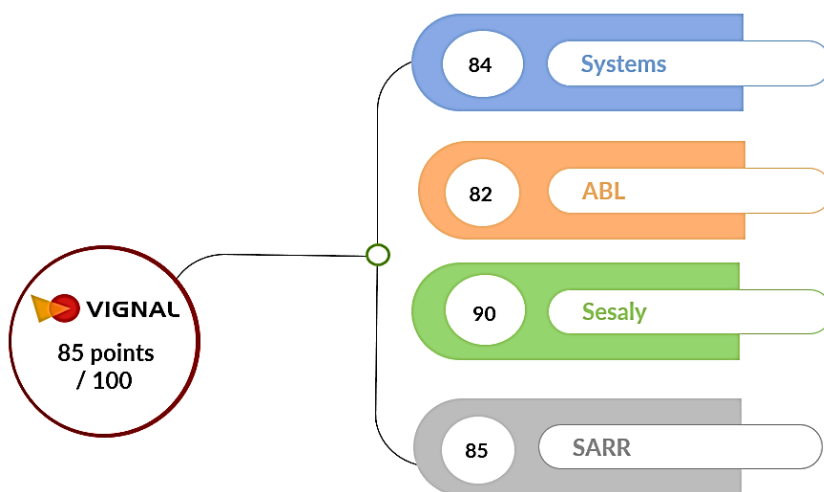
Vignal acts around important priorities identified in its value chain.



Gender Equality Index 2021

Vignal is working to improve equality between women and men in terms of pay, training, career development and the balance between parental and professional life.

The results of our subsidiaries in France expressed in points on a 100 basis are as follows:



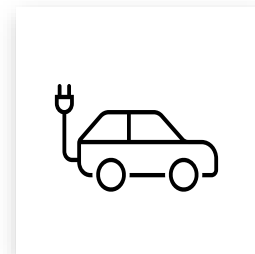
Subsidiaries involved in CSR

Vignal Systems: towards greener mobility

Business travel is a lever for reducing greenhouse gas emissions. Vignal is looking to further improve its transition to a greener fleet.

We have replaced the fleet with hybrid vehicles and installed 24 electric charging stations.

The idea is to offer our employees the option of recharging their vehicles at their workplace.



Vignal Rancate: very active on the CSR front

Installation of heat protection film on the windows of the industrial building. This application manages to filter the incoming light and thus lower the temperature by 3 degrees while keeping the working areas bright.

It is an ecological and economical solution because we do not use air conditioning. It follows Swiss regulations which stipulate that workers have a right of access to light, i.e. a right to enjoy a view of the outside world for their well-being and development.

The lunchroom has been redesigned to offer employees a place where they can talk and feel good. Inspirational quotes are displayed on the walls to bring the teams together.

In addition, office lighting is being switched from traditional neon tubes to LEDs, which consume less energy and have a longer life.

Total renovation of the production changing rooms. Disabled toilets and shower areas have been provided.

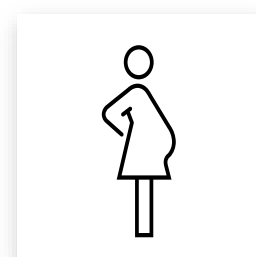


Implementation and enhancement of the "Pilot" function on 3 teams. The pilots are trained in production requirements and team management. This new level of competence brings great personal satisfaction to the pilots.

Provision of defibrillators that can be used in the event of sudden cardiac arrest and save lives. 10% of the staff is trained in first aid and the use of these defibrillators.

Implementation of a procedure for pregnant women. When a woman returns to work after giving birth, organisational measures are put in place to protect her health and to allow her to breastfeed her child if she so wishes.

The ISO 14001 certification was renewed without any non-conformities. This is proof that Vignal CEA has established the conditions necessary for continuous improvement of its environmental performance.



Vignal ABL France and US: a number of actions to promote the health, safety and well-being of employees

Purchase of a hydraulic drum lifter designed for accurate lifting of drums and safer movement. This tool ensures optimal manoeuvrability for the operator.

Acquisition of an electric platform truck capable of moving heavy loads. It is 100% electric, and its ergonomic shape allows you to adopt a posture without straining your back or shoulders.

New boiler installed, which achieves higher efficiency and less CO2 emissions into the atmosphere.

Insulation work was carried out in the boiler room to reduce energy consumption and protect the equipment.

Installation of LED lighting in the powder coating area.

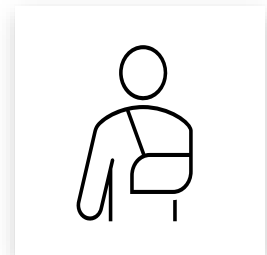
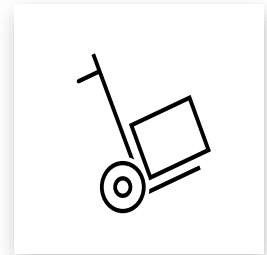
An improvement project was carried out to reduce the drying time of our plastic parts. This leads to a reduction in power consumption and guarantees the durability of the parts.

Renovation of the women's changing rooms to provide a more pleasant place for employees to change at the beginning and end of their working day.

Improvement of 6 points in the gender equality index. The number of women among the 10 highest earners has increased.

In the US, managers have carried out instructions to significantly reduce the risk of minor injuries.

Procedures have been put in place to switch off electrical machines between the shifts of two teams.

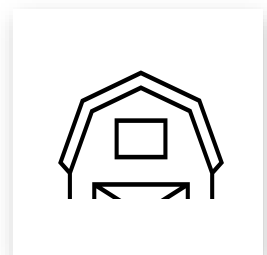


Vignal Sarr : 1st rating index equality and roof renovation/insulation work

Vignal Sarr has carried out its gender equality index for the first time. The score is 85 out of 100. This result is in line with the group average.

The roof of the Vignal Sarr factory has undergone work, particularly with regard to its insulation and its "light inlets".

These light tubes are an energy-saving source of light and provide illumination in working and traffic areas. The whole building is bathed in natural and functional light for the well-being of our employees.



Vignal Sesaly: an ambitious training plan

Vignal Sesaly has trained its teams for greater performance, resilience and capacity to innovate.

Vignal Sesaly, like the other companies in the Group, is committed to training its employees beyond the legal threshold.

This represents a major challenge for the Group's human resources policy.

In 2021, more than one in two employees had received technical or managerial training.



Vignal Changzhou: a mobility plan that reflects the country and improved building lighting

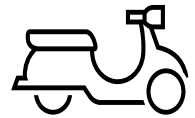
An increasing number of employees at the Vignal Changzhou site in China are using electric scooters to get around.

The scooter car park has been expanded with additional spaces and charging stations for employees.

The Changzhou plant has been upgraded with new lighting. The old lighting was replaced by LED lighting.

This replacement halves the energy consumption and allows for greater modularity of the lighting zones.

It also improves the working comfort of the operators by increasing the illuminance and the speed of lighting of the lamps. In addition, maintenance of the lighting is improved due to the longer life of the LEDs and the lower height of the luminaires.



Responsible Purchasing

"As the world changes, leaders need to be far-sighted and pragmatic to help their organisations create value"

Knowing our CSR risk exposures

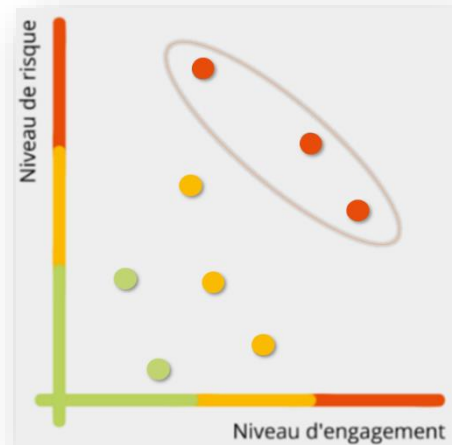
To create sustainable value, the Purchasing Department needs to be aware of the risks arising from its supply chains, such as those relating to human rights, resource constraints or corruption.

Each year, Vignal carries out a mapping of the CSR risks in its supply chain.

Depending on the risks identified and the countries to be audited, we develop our vigilance plan.

Our results allow us to monitor the CSR performance of our suppliers and to support them.

This improves our decision making.



Be better prepared for crises

Vignal is doing his best to manage the shortages that are impacting the world as a whole.

Our approach is dynamic with a daily risk management process and bi-monthly 'Subject Committees'.

For our buyers it is important to pick up on market trends and weak signals in our sector.

The goal is to make our supply chain better prepared for future crises and therefore more resilient.

The production system also plays a key role with the integration of component manufacturing and assembly on standardised production lines worldwide.

Thanks to these investments and our organisation, we have short delivery times in all our manufacturing sites.

This reactivity, appreciated by our customers, is the same on all three continents (Europe, North America and Asia).

In addition, this proximity allows us to reduce CO2 emissions linked to transport, to support local employment and to satisfy the expectations of our local stakeholders (customers, governments, etc.). This strategy is particularly applicable in the United States and China where the Group is deployed.

Continued partnership with Drive Sustainability

Co-creating innovative projects

#DriveSustainability



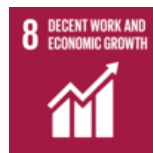
We maintain a regular dialogue with our stakeholders at local and national level in each of the countries where we operate. This dialogue is a lever for creating links, innovation and added value.

It has been two years since we joined BMW, Daimler, Fiat, Ford, Honda, Jaguar, Scania, Toyota, Volkswagen, Volvo Group and many others under the coordination of CSR Europe.

This partnership is based on 3 principles:

- stakeholder engagement;
- transparency;
- learn from and share best practice.

We are working together to have a common approach to the sustainability of our supply chain.



The following are the principles we are committed to moving forward with our customers.



Sustainable supply chain

Working together to improve supplier sustainability



Sustainable raw materials

Sourcing raw materials responsibly



Employee well-being

Ensure that our supply chain employees are treated well and empowered.



Carbon neutrality

Strive for a carbon-neutral supply chain



Circular value chain

Promoting circular use of resources in our value chains

Vignal Group KPIs



Social



		2020	2021	
Accident frequency rate	%	11.3	15.0	G4-LA6 ACCIDENTS AT WORK
Accident severity rate	%	52.0	54.0	
CDI Turn over	%	7.4	11.7	
% of women hired	%	47.0	44.0	G4-LA1 STAFF TURNOVER RATE
Professional Equality Index F/H.	Base 100	84,5	85,0	

Environment



		2020	2021	
Carbon footprint (Base 100 in 2018)	t. eq. CO ₂ /k€ Base 100 (2018) 65			G4-EN18 EMISSIONS. GREENHOUSE GAS
Electricity consumption	kWh/k€	49.4	35.3	
Gas consumption	kWh/k€	23.8	18.4	
Water consumption	m ³ /k€	0.043	0.030	G4-EN3 ENERGETIC. CONS.
Non-hazardous waste	kg/k€	1.91	1.19	
Plastic waste	kg/k€	0.71	0.53	G4-EN23 WASTE
Cardboard waste	kg/k€	1.50	0.97	

Governance



	2020	2021
of subsidiaries having completed their business plan and ensured their communication	100%	100%

Responsible purchasing



	2020	2021
% of suppliers who have signed the CSR Charter	92%	92%
% of suppliers who responded to the CSR questionnaire	86%	82%

G4-LA14
CRITERIA FRS EMPLOYMENT

G4-HR10
HUMAN DTS CRITERIA

G4-LA14
CRITERIA FRS ENV. T.

Annexes

The Vignal spirit

Vignal was founded in 1919.

Vignal now has 7 industrial subsidiaries in France, Switzerland, the United States and China.

The success of these subsidiaries is based on our CSR values which drive their actions and lead them to progress year after year.

Vignal has made sustainable development one of its strategic axes. Sustainable development is one of Vignal's strategic priorities.

The 10 principles of the UN Global Compact

Human rights

Support and respect the protection of international human rights law within its sphere of influence. Ensure that you are not complicit in violations of these rights.

Labour rights

Uphold freedom of association and the right to collective bargaining.

Eliminate all forms of forced or compulsory labour.

Ensure the effective abolition of child labour.

Eliminate discrimination in employment and occupation.

Environment

Support a preventive approach to environmental challenges.

Undertake initiatives to promote greater environmental responsibility.

Encourage the development and diffusion of environmentally friendly technologies.

Fight against corruption

Commit to fighting all forms of corruption within its sphere of influence, including extortion & bribery.

Extra-financial report 2022
COP 2022 - United Nations Global Compact
Industrial and CSR Department
Vignal Group - October 2022

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