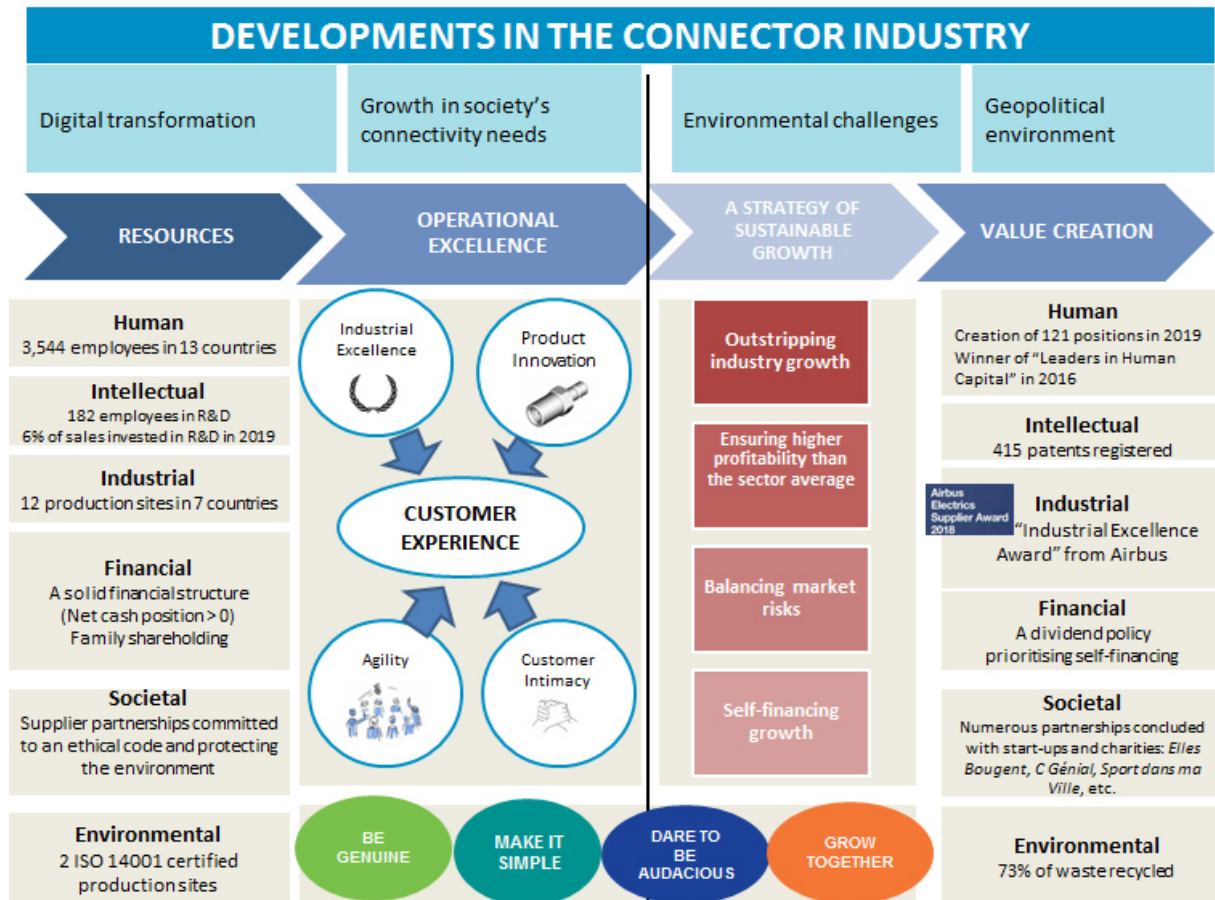


2019

CSR & NON-FINANCIAL PERFORMANCE

1. BUSINESS MODEL



2. NON-FINANCIAL REPORTING

2.1 Radiall Group CSR strategy

In the field of interconnection components, driven by its strong capacity for technological innovation, and its genuine in-depth expertise using a variety of technologies, Radiall is preparing for the future and designing increasingly advanced products.

In this way, the Group is meeting the needs of its customers while committing to its corporate, environmental and social obligations.

Whilst focusing on its activities, Radiall must also incorporate a responsible approach into its strategy in order to satisfy the expectations of various stakeholders: its employees, partners, customers and suppliers.

Radiall Group has, with the participation of its employees, redefined its values, which are, "Make it Simple"; "Dare to be Audacious"; "Be Genuine" and "Grow Together".

Radiall Group's CSR policy is based on these new values and focuses, firstly, on three areas: "Accountability"; "Openness" and "Wholeness"; and secondly, on ethics that are shared by all employees: personal fulfilment of employees in order to build, ethics in order to act with integrity and respect commitments, company prosperity in order for it to last.

Corporate responsibility is also reflected in commitments such as:

- The adoption of an ambitious Quality, Safety and Environment Charter, to promote the development of its employees, and to consider environmental concerns in the design of its products, the management of industrial waste, the reduction of energy consumption, and to promote respect for the environment with its suppliers and subcontractors;
- The promotion of respect for the environment through reference to ISO 14001;
- The development of a dynamic human resources policy, aimed at looking after the health of employees and respecting social dialogue;
- The development of operations that fully respect the best practices of business ethics.

In accordance with its policy, the Shanghai and Bangalore sites have been certified according to the ISO 14001 environmental management framework for many years. The French Voreppe site has introduced a non-certified environmental management system.

"We have chosen to integrate our CSR policy into our strategic roadmap to reflect our CSR ambition and encourage an even broader diffusion of a sustainable mindset within Radiall. Our Corporate and Social Responsibility policy, "Better Connected", is built around three strategic priorities:

- *Accountability*
- *Openness*
- *Wholeness*

We are constantly working towards these goals through continuous improvement. Indeed, we consider it an integral part of our industrial process, which is defined by the search for excellence. Therefore, all aspects of our operations take into account our sustainability goals: industrial operations, purchasing, transportation, human resources, day-to-day operations, etc. This report highlights our main priorities, achievements, challenges and objectives."

Pierre GATTAZ

2.2 Risk mapping process

Risks have been identified based on quality (EN9100 framework) and environmental (ISO14001 framework) risk mapping. This analysis involved the HSE, HR and Finance functions, and was approved by Radiall Group's senior management.

It was completed in five steps:

1. Definition of the non-financial risk universe: identification of thirty risks and challenges likely to have an impact on the Group.
2. Rating of gross risks: each risk has been rated according to a consistent approach. All the risks have been assessed based on two criteria: the level of severity in the event of a risk occurring and the likelihood of this risk occurring;
3. Identification of the policies and measures implemented within the Group in order to enable the residual risks to be ranked according to the measures to prevent, mitigate or limit the risk.
4. Ranking of the residual risks: based on the ratings carried out, the Group has identified three key non-financial risks.

These risks are detailed in the following table:

Area	Description of the related risk	Relevant section of the Report	Key Performance Indicator (KPI)
Health and safety at work	Deterioration of the health and safety conditions of employees	See § 2.9 and 2.4 "Health and Safety at Work" pages 7-8	Frequency and severity rate of accidents at work
Employment and skills	Loss of talents contributing to value Mismatch between skills and needs □ Loss of knowledge and skills	See § 2.6.8 "Employability of staff" pages 5-6	Number of hours of training per employee
Quality of management and industrial relations	Risk to business continuity following collective action (loss of productivity), risk of social unrest, causing an increase in staff turnover and absenteeism	See § 2.8 "Quality of management and industrial relations" page 7	Turnover rate
Equal opportunity	Lack of diversity, poorly oriented age pyramid (age and gender)	See § 2.7 "Equal treatment" pages 6-7	Workforce breakdown by gender
Combatting corruption	Corruption and fraud risk	See § 2.4 "CSR Governance" page 4	Framework introduced to help combat corruption
Human Rights	Human rights violations	see § 2.4 "CSR Governance" page 4	Framework introduced to help protect human rights
Environment	Risk of environmental problems, such as air and land pollution, and fire and explosion risk	See § 2.11 and 2.12 □ "Emissions and Pollution" pages 9-11	Number of incidents
Environment	Waste mismanagement or poor processing	see § 2.11 "Waste" page 10	Tonnage of waste per employee and recycling rate
Environment	Inappropriate management of use of resources (raw material and energy) and CO ₂ emissions	See § 2.10 "Use and Preservation of Resources" pages 8-9	Energy used per hour worked Energy-related CO ₂ emissions
Environment	Non-compliance with environmental regulations	see § 2.5 "Consideration given in supplier and subcontractor relationships" page 4, see § 2.13 "Products and Services" page 7	KPI under development in 2019
Business relationships	Unfair competition, competitive malpractice and poor treatment of suppliers	see § 2.5 "Consideration given in supplier and subcontractor relationships" page 4	Framework introduced to promote compliance with business ethics

2.3 Ethics and integrity

Excellence requires every one of us to conduct our activities in an exemplary manner.

Radiall Group and its employees act in good faith in all their business and financial dealings.

Radiall Group conducts its business with honesty and integrity, in accordance with the rights and interests of its employees. It promotes a spirit of mutual respect and openness in the working environment, in which everyone has a duty to protect the reputation of the Company.

Radiall Group complies with the law and promotes loyalty, trust, solidarity and respect for the cultural differences of each country in which it operates.

It sets out the rules it intends to establish with its customers, its suppliers, the authorities, other companies within the market, the environment and individuals. The guidelines set out and detailed in the Corporate Code of Conduct enable all stakeholders in Radiall Group and its partners to understand the behaviour to adopt in certain circumstances in order to maintain and enhance Radiall's good reputation.

Acting with integrity requires each one of us to recognise that our decisions can affect those who do not have the opportunity to be involved in making such decisions. That is why management and in particular the members of the OSC (Operational Steering Committee) are committed to acting in an exemplary manner in line with the Group's values. The Company's management acknowledges that it is, first and foremost, responsible for the autonomy and confidence that we transmit to our teams.

Any Radiall Group employee who is aware of a situation likely to violate the rules and values set out in the Code of Conduct is urged to report it via the reporting mechanism.

This mechanism is also available to any employee requiring help or advice concerning the Code's content and its rules of implementation, in particular:

- If they are faced with a fraud or corruption risk;
- If they believe in good faith that a violation of the Code has been, is in the process of being or is likely to be committed;
- If they discover that someone is suffering reprisals for having made a report in good faith.

Reports will be handled in complete confidence and with the greatest care by the Ethics Committee which will investigate the allegations reported.

An Ethics Committee was created in 2018. Its members are appointed by the Chairman of the Executive Board for a term of three years.

The role of the Ethics Committee is to receive and handle alerts reported via the internal reporting mechanism.

Indicators:

Across the Group's scope in 2019:

- Number of complaints submitted to the Ethics Committee: 1
- Number of complaints upheld following investigation: 1

2.4 CSR governance

Each of the sites has one or more individuals responsible for CSR issues. This person, who is notably responsible for monitoring consumption, improvement measures and regulations, may be a site director, a Quality/Environment leader or a maintenance manager. Three main areas have been defined: Use of Resources, Emissions - Waste and Mobility and CO₂ Emissions), which result in four targets:

- Reducing water consumption by 30% over 3 years;
- Improving energy performance (electricity and gas) by 30% over 3 years (in kwh/h worked);
- Increasing our non-hazardous waste recycling rate to 85% over 3 years;
- Improving the mobility of employees by reducing the percentage of daily "individual car" journeys.

For 2019, all sites launched an eco-waste challenge, in which the site that most reduced its environmental impact won an award.

2.5 Consideration given in supplier and subcontractor relationships

Radiall complies with competition law rules. All suppliers are selected and treated with impartiality and fairness, within the framework of transparent commercial practices and in line with commitments.

Radiall therefore expects its suppliers to follow all the steps of the commercial relationship to ensure responsible business.

A Suppliers' Code has been introduced in order to develop a culture of trust and integrity with all suppliers. These relationships are the guarantee of mutual success and must be founded on best business practices that are both ethical and lawful.

The purchasing departments take into account environmental criteria when purchasing, on a case-by-case basis. Radiall's purchasing terms and conditions stipulate certain social and environmental requirements that suppliers and subcontractors must comply with, which particularly include:

- Compliance with local regulations regarding employment law and health and safety conditions;
- The provisions of the United Nations International Convention on the Rights of the Child of 20 November 1989, which prohibits child labour;
- The renunciation in any form whatsoever of forced or compulsory labour as defined in Article 1 of the International Labour Organisation Convention of 25 June 1957 on the Abolition of Forced Labour;
- Compliance with the following regulations: The RoHS Restriction of Hazardous Substances), WEEE (Waste Electrical and Electronic Equipment) and REACH (Registration Evaluation Authorisation and Restriction of Chemicals) Directives and Directive 2003/11/EC, as well as with the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR).

Major subcontractors are questioned or audited in relation to all these points. Some of them are certified in accordance with ISO standard 14001.

2.6 Employment and skills

In order to support its growth and achieve its goals, the Group wishes to attract the best talent and help its employees meet the challenges that they face. Through its ambitious human resources policy, Radiall has the following objectives:

- Encourage the personal development and fulfilment of its employees;
- Provide them with a working environment that respects their physical and moral integrity, and ensure that they receive fair treatment in all circumstances;
- Develop their internal and external employability by facilitating their access to training throughout their career and by enhancing their position and their experience through increased autonomy and responsibility.

2.6.1 Breakdown of Group headcount at 31 December 2019

	Europe	Americas	Asia	TOTAL
Salaried staff	1,457	244	500	2,201
% women	47%	41%	43%	46%
Permanent staff	1,323	244	284	1,851
(of which part-time)	88	0	0	88
% women	48%	41%	36%	45%
Fixed term	134	0	216	350
% women	46%	0%	52%	49%

2.6.2 Change in headcount over the last financial years

	Europe	Americas	Asia	TOTAL
2019	1,457	244	500	2,201
2018	1,378	123	496	1,997
2017	1,338	125	462	1,925
2016	1,284	133	419	1,836
2015	1,266	153	411	1,830

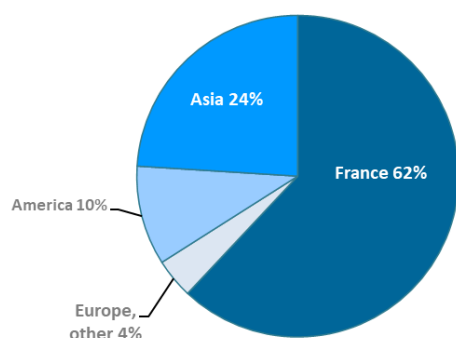
2.6.3 Temporary staff and on-site service providers (yearly average)

	Europe	Americas	Asia	TOTAL
TOTAL	290	1,007	123	1,420
On-site	0	1,002	0	1,002
Temporary	290	5	123	418

Temporary staff and on-site service providers (yearly average)

	Europe	Americas	Asia	TOTAL
2019	290	1,007	123	1,420
2018	252	868	148	1,268
2017	235	753	208	1,196

Geographic breakdown of the total headcount*



*As specified in section "10.14 Methodological note", total headcount includes salaried staff at 31 December 2019 as well as annual average on-site service provider staff and temporary staff.

2.6.4 Information on Radiall's total operations in France:

		Salaried headcount 31 Dec. 2019	Salaried headcount 31 Dec. 2018
Radiall	Radiall Paris (93)	72	76
	Château-Renault (37)	383	344
	St-Quentin Fallavier (38)	349	334
	Centr'Alp (38)	404	386
I.D.M.M	Dole (39)	143	140
	TOTAL France	1,351	1,280

2.6.5 Changes in workforce

	France	Europe (excl. France)	Americas	Asia	TOTAL
Recruitments	266	26	141	48	481
Departures	195	18	20	44	277
TOTAL	71	8	121	4	204
Permanent staff	83	12	121	11	227
Fixed term	-12	-4	0	-7	-23

a. Details of departures and transfers in France:

	Permanent	Fixed term	TOTAL
Resignation	22		22
Redundancy for economic reasons			0
Contractual termination	11		11
Early termination of fixed-term contract			0
Redundancy for other reasons	3		3
Other (death, etc.)			0
Retirement	14		14
End of trial period	8	3	11
End of contract		96	96
Conversion into permanent contract		38	38
Transfer			0
Total France			195

b. Internal geographic mobility

France towards France	Abroad towards France	France towards abroad
0	0	0

2.6.6 Increase in total headcount*

+10.83%

*As specified in section "9.14 Methodological note", total headcount includes salaried staff at 31 December 2019 as well as annual average on-site service provider staff and temporary staff at Group level.

2.6.7 Measures taken to promote employment

Radiall SA renegotiated its jobs and skills planning – Skills Drive 2025 agreement in order to anticipate and support the transformation of the organisations and professions in connection with technical developments and to help secure the career paths of employees within the Group.

This agreement is based on the following objectives:

- Organising the information on the Group's strategy and medium- and long-term outlook and on the policy relating to jobs and skills;
- Analysing, using a framework of functions, current resources and foreseeable developments in terms of needs regarding jobs and skills;
- Identifying the strategic, stable, changing and threatened functions;
- Developing the construction and safeguarding of career paths.

2.6.8 Employability of staff

a. Jobs Exchange

Radiall Group has an internal Jobs Exchange that includes offers from all Radiall France and international subsidiary establishments. Job vacancies are detailed, providing the job title, establishment in which the position is offered, tasks and duties, and general skills required.

All applications are reviewed and all receive a reply. Every negative response will be detailed and substantiated.

b. Occupational training

At Radiall, training aims to develop its employees' expertise. To this end, the Company emphasises:

- Any action that enables employees to upskill or to develop their professional expertise;
- Any action that promotes employability to keep up with changes in technology-based jobs or work organisation.

Staff trained

	India	China	USA	Mexico	France
Number of trainees	111	359	35	920	803
Number of hours worked by trainees	4,515	4,741	1,120	7,360	12,585
Number of hours worked by trainees	40.7	13.2	32.0	8.0	15.7
Number of people trained	289	786	102	2,760	1,799

Training budget

	India	China	USA	Mexico	France
Total training costs	€22,280	€148,010	€46,916	€102,116	€838,327
% of payroll	2.6%	1.4%	0.5%	1.8%	1.82%

The indicator concerns 88% of the Group's workforce.

Training areas

Skills training / Employability:

- Continue technical training to enhance skills related to product innovation, processes and operating procedures
- Continue to undertake training initiatives aimed at improving versatility,
- Support the development of new skills (change of workstation, new products, new tools, etc.),
- Strengthen expertise in key processes.
- Pursue the Lean policy
- Develop understanding of how the company operates (financially, SCM, etc.);
- Develop foreign language skills for employees required to work with their international contacts
- Develop intercultural skills

Leadership:

- Support managers in their hands-on and team building role, by incorporating QVT principles and the new values of the company;
- Support managers in change management by acquiring agility principles, and openness towards their environment (Aletia University, communities of expertise, internal and external networks, etc.);
- Support new managers in becoming familiar with their new duties
- Improve communication skills

Change Management/Agility:

- Maintain knowledge in accordance with developments in IT solutions,
- Improve basic IT and system management skills,
- Support the roll-out of micro-computing, digital and HRMS tools;
- Support the development of a digital culture;
- Acquire and/or increase project management skills at global level, in particular via agile methods.

CSR/Regulatory:

- Continue to raise awareness of RSI and arduous work
- Promote safety/the environment through a structure and training that are adapted to each sector of the business,
- Train our experts in regulatory requirements

c. Partnership initiatives

Radiall, as a "corporate citizen", promotes local employment through partnerships, in particular with French job centres. The business is one of the leading companies in the various employment areas of the production sites including Château Renault for the Indre and Loire district and Centr'Alp for the Voiron area.

Radiall attaches a certain importance to integration and reintegration; to this end, it has signed the Corporate diversity charter. It receives trainees through vocational integration in collaboration with the association "Sport Dans Ma Ville" through their "Job Dans Ma Ville" programme with, in particular, the sponsorship of young people by Radiall employees.

The Company is keen to support young people to go into industry through apprenticeships and also through "in-house classes" during industry week at the Centr'Alp site. Many

"school" trainees are also received each year across all the company's sites.

Radiall is involved in the association "100 Chances 100 Emplois" (100 Chances 100 Jobs) at its Aubervilliers site, whose aim is to promote the professional integration of young people and young adults from so-called "problem" areas by using the "100 Chances 100 Emplois" process that exists in several employment areas, by supporting young people towards training or employment.

In order to involve the French national education system in these measures and to demonstrate to teachers on the one hand that the concepts taught are used tangibly in industry, and on the other hand, that they are of economic importance, Radiall takes part on all French production sites in the "Professeurs en entreprise" [teachers in business] initiatives organised by the "C génial" Foundation. They enable teachers to learn about careers in our industry to ensure they are better able to inform their students in relation to their career choices.

2.7 Equal opportunity

Women represented 44% of the Group's salaried workforce at 31 December 2019.

Radiall SA presented a comparative studies report on gender equality during a plenary session of the Central Social & Economic Council. This measure is also mentioned during the mandatory yearly negotiations with union representatives. A new company wide agreement is currently being negotiated.

Recruitment takes place via a procedure established and applied by the individuals in charge of recruitment. Advertisements are gender neutral in order to attract as many male and female candidates across all the company's professions.

2.7.1 Initiatives conducted to improve professional diversity

The company pursues a certain number of initiatives in the following areas:

- Signature of a partnership with the "CGénial" Foundation, which helps to promote Radiall and its professions to young people and welcomes teachers within the business.
- Presentation of the career paths and professions offered by the Company, in collaboration with technical and scientific associations and industries.
- Presence in school and university training programmes by hosting young people within our establishments, whether this be through introductory placements, business classes or information days on our careers.
- Encouragement of sponsorship such as "Job dans ma Ville" (Job in my City) which enables young people to discover the world of work, its codes and requirements, through the experience of a professional.
- Partnership with the association "Elles Bougent" (The Women are Moving) to promote talent diversity and to improve diversity in technical professions within companies.

2.7.2 Assessment of performance on gender equality

- Indicator relating to the gender pay gap: 34
- Indicators relating to individual rate increases: 20
- Indicators relating to gender discrepancies in promotion: 15
- Indicator relating to the percentage of employees who received an increase in the year following their return from maternity leave: 15
- Indicator relating to the number of employees of the under-represented gender among the ten employees who received the highest remuneration: 0

Radiall SA received a total score of 84 out of 100.

2.7.3 Permanent/fixed-term breakdown of headcount by age

2019	Europe	Americas	Asia	TOTAL
-26 years old	143	22	33	198
% women	32%	50%	36%	35%
26 to 30 years	111	38	60	209
% women	38%	29%	40%	37%
31 to 50 years	732	125	368	1,225
% women	47%	39%	46%	46%
51 + years old	471	59	39	569
% women	56%	51%	20%	53%

2.7.4 Integration of disabled workers

Radiall has set out its disability policy through 4 key strands: Communication/raising awareness; retention in the workforce; direct recruitment of people with disabilities; subcontracting and partnerships with disability friendly and assisted employment companies.

In 2019, awareness raising initiatives were held within the framework of Radiall's disability policy.

The employment obligation for 2019 was 80 units. To complement its 77.08 total units, the business has paid a financial compensation contribution of €33,797.

2.8 Quality of management and industrial relations

2.8.1 Quality of management

In France, Radiall was awarded "Happy trainees" certification by the website choosemycompany.com via a survey of our trainees and work/study students (77% of respondents). They had a company satisfaction rate of 81.6% and 84% of them would recommend Radiall.

Staff turnover

	France	Europe (excl. France)	Americas	Asia
No. of employees hired on permanent contracts in 2019	141	18	141	25
No. of employees on permanent contracts who left in 2019	58	6	20	14
TOTAL	199	24	161	39
Workforce in January 2019	1,143	91	120	275
Staff turnover	8.7%	13.2%	67.1%	7.1%

The Group's staff turnover was 13%

2.8.2 Labour relations

Every establishment in France elected its employee representative bodies and now has a Social and Economic Council (CSE-E). At each site, management has these bodies meet on a monthly basis. At the corporate level, management holds two ordinary meetings per year for members of the Central Social & Economic Council (CSE-C).

Social activities are managed by each Social & Economic Council, which are allocated a specific budget for this purpose.

In 2019, Radiall SA concluded the following agreements with central union representatives: Dynamic Skills Agreement 2025 (SWP), Agreement on Labour Relations and the implementation of the CSE.

2.8.3 Remuneration

Annual payroll in France

(€)	2019	2018	2017
Gross salaries Radiall	45,966,566	42,775,747	41,131,708
Gross salaries I.D.M.M.	4,397,059	4,638,418	4,463,112

Remuneration and change in remuneration

Mandatory annual negotiations are held at company level. The cycle was aligned with the publication of the Company's results, meaning better visibility. For 2018-2019, the total amount allocated to increases in overall remuneration was 2.7%, including 0.55% dedicated to adjustments and promotions.

Profit sharing and bonuses

An amount before tax of €5,999,000 was budgeted at 31 December 2019 under the profit-sharing agreement in force.

2.9 Health and safety at work

2.9.1 Organisation of working time in France

The organisation of working time is governed by the Company-wide "ARTT" Agreement entered into in 2000. Staff employment contracts are drawn up in days or hours. Employees have employment contracts for 213 days per year. Working time for contracts drawn up in hours is based on an average working week of 35 hours. Our agreement provides the possibility to use annual modulation, if necessary. The Company practises so-called "alternate / staggered" schedules to enable the extended use of industrial facilities.

Time Savings Account (CET) system is in place for managing leave or reduction of working hours leave. This saving allows for later withdrawal in time or in money.

A collective pension plan (PERCO) to which a maximum of 10 CET days can be allocated is offered.

2.9.2 Health and safety conditions

Every establishment in France has a Health & Safety and Working Conditions Committee (HSC). Four times a year management brings together, in an ordinary meeting, members of this body with the various health and safety stakeholders to prepare the deliberations of the CSE-E in this area. It should be noted that a Single Occupational Risk Assessment Document is in place and enables dangers to employees to be identified and employee risks to be assessed.

A report assessing the general situation relating to health, safety and work conditions and recalling the actions that

contributed, over the course of the year just ended, to the protection of the health and safety and to the improvement in the working conditions of employees, is presented to the CSE-E members, as well as the annual programme for the prevention of occupational risks and for the improvement of working conditions.

2.9.3 Absenteeism in France

The absenteeism rate is calculated based on the following absences: illness, work accidents or accidents while traveling to or from work, maternity leave, care for sick children, paid or unpaid authorised or unauthorised absences, strikes, and individual training leave.

The indicator concerns 54.7% of the Group's workforce.

	Overall absenteeism rate	Absenteeism rate Illness
2019	4.28%	3.41%
2018	5.0%	4.0%
2017	4.9%	4.1%
2016	4.4%	3.4%

2.9.4 Work accidents in France

	No. of work accidents	Average contribution to work accident insurance
2019	18	1.0%
2018	21	1.1%
2017	11	1.1%
2016	22	1.4%

The frequency rate shown corresponds to the number of accidents at work divided by the number of hours worked multiplied by 106.

France	Frequency rate of accidents	Severity rate of accidents
2019	8.41 points	0.19 points
2018	10.62 points	0.18 points
2017	4.60 points	0.15 points

Abroad (2019)	Frequency rate of accidents	Severity rate of accidents
China	1.17 points	0.04 points
Americas	3.95 points	0.20 points
India	0 points	0 points

The indicator concerns 95% of the Group's workforce.

2.9.5 Occupational diseases in France

Radiall is involved in the TMS Pro initiative to transform working conditions over the long-term with the aim of preventing work-related risks and keeping employees in work.

5 instances of occupational disease were reported in 2019.

2.9.6 Retention in the workforce

Radiall pursues an overall occupational health policy covering 3 areas, namely psychosocial risk, retention in the workforce and health capital.

As part of the retention in the workforce section, Radiall has been involved in a pilot project on "Work and Breast Cancer", the aim of which is to prevent the risk of individuals leaving in the event of serious illness and to innovate to make retaining them in the workforce easier.

The pilot concerns the specific case of women affected by breast cancer and it involves several mid-sized companies, scientists and institutions that provide its funding. Related with the drive to implement a CSR policy that is rooted in the realities on the ground, in 2019 Radiall opened its doors to the teams from DoTank, a living lab for medium-sized companies, for a first experimental stage aimed at determining the role of the activity of work in the reestablishment process.

As part of a more global employability approach, Radiall welcomes adults undergoing professional or university retraining. Specific initiatives are conducted to cater for people with disabilities.

2.10. Consumption and conservation of resources

As part of its policy to preserve natural resources, Radiall measures and analyses its various usage levels in the fields of water and energy.

For each of these elements, readings are taken at all the sites with monthly reporting created by the Group HSE Manager.

In order to limit the risks of overuse of these resources, Radiall is implementing measures to reduce usage and raise employee awareness of its appropriate usage.

Water

Water is used at industrial level primarily for surface treatment at the Voreppe, Obregon and Shanghai sites, as well as for tribofinishing at the Voreppe and Dôle sites.

Efficient cooling systems have been introduced to remove open circuits. Reusing water is also encouraged for water from processes (the evapo-concentrator at Voreppe) and lavatory water (watering lawns and collection of rainwater), lastly usage restrictors are implemented whenever possible.

There are no local restrictions in France relating to the sites' water systems.

No water is taken directly from the natural environment.

Consumption (m3)	2017	2018	2019	Ratio 2018/2019
Total water	57,709	51,626	62,266	+20%
For sanitation purposes	30,092	24,857	32,357	30%
For industrial purposes	27,617	26,769	29,909	12%



The ratios that recorded increases were due to the integration of the three new sites and by more accurate usage calculations. At constant scope, the increase stood at 11%.

Energy

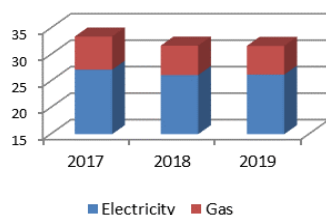
Energy is used on the production sites mainly in the form of electricity for the operation of production equipment (machines, surface treatment) and natural gas for heating the sites located in colder regions.

Energy audits were carried out for Radiall France in 2015 and 2019 in accordance with regulations, the areas for improvement initiated have been taken into account, notably at the Isle d'Abeau site via improved energy efficiency.

There has been an improvement in energy efficiency at certain sites as a result of changes in lighting (LED), improved monitoring of air treatment and the thermal insulation of buildings (both new and renovated).

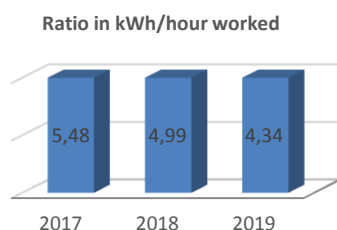
Sources of renewable energy are now being taken into consideration, in particular with the introduction of photovoltaic panels (10kw/h power at Obregon).

Consumption (in GWh)	2017	2018	2019	Ratio 2018/2019
Electricity	27.179	26.161	26.243	0.3%
Gas	6.242	5.552	5.420	- 2.4%
Total	33.422	31.713	31.662	- 0.2%



Like-for-like scope	2017	2018	2019	Ratio 2018/2019
Hours worked	6,101,071	6,347,032	7,288,690	+14.8%
Consumption (GWh)	33.422	31.713	31.662	- 0.2%
Ratio in kWh/hours worked	5.48	4.99	4.34	- 13%

Energy performance is measured by the amount of energy used per hour worked, and it improved by 13% between 2018 and 2019.



Raw materials

The main raw materials used to manufacture Radiall products are copper alloys, plastics and teflons. The sites also consume chemicals such as solvents, oils, and metal solutions used to coat finished products.

The recycling of packaging and the recovery of metals enables the environmental impact to be minimised. A large proportion of the metal waste from the mechanical engineering workshops is sold to foundries who reintegrate the metal into the distribution channel.

Use of land

The land used is restricted to buildings and car parks. Materials are not stored directly on the ground, nor is sewage or wastewater spread over the ground.

2.11 Emissions

Air emissions

Most of the emissions come from gas boilers used for heating, which mainly produce carbon dioxide and nitrous oxides.

The boilers are maintained and inspected to keep these emissions to a minimum. Performance calculations are carried out for any boilers exceeding 400 kW on French sites.

None of the French sites are subject to a solvent management plan. Less than 10 tons of chlorinated (perchloroethylene, dichloromethane) and non-chlorinated (hydrofluoroether, acetone, alcohol) cleaning solvents are used, representing approximately 1 ton of emissions.

Emissions from extractions from surface treatment baths (acid, cyanide) are insignificant in terms of quantity, however, their impact is more significant. Because of this, the networks were separated, and cyanide-containing emissions are now cleaned at the Voreppe site. This greatly reduced the quantities emitted.

Charging stations for electric vehicles have been introduced at various sites to encourage employees to use this type of vehicles.

Greenhouse gas emissions

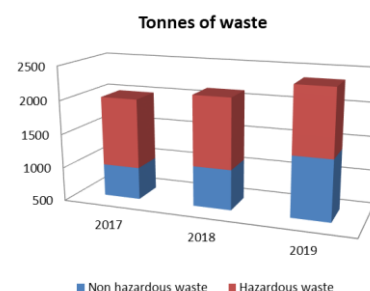
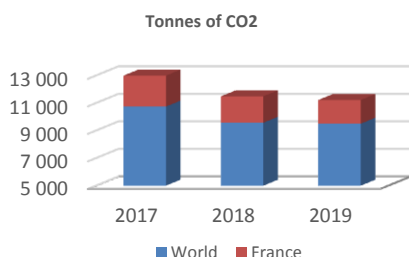
The significant sources of the greenhouse gas emissions generated as a result of the Company's activity are primarily made up, indirectly, of the combustion of natural gas for heating and producing electricity.

The greenhouse gas emissions generated by the use of the goods and services that it produces are very low since Radiall components are primarily passive and use little or no energy when in use.

For 2019 and for all sites, the emissions of greenhouse gases due to gas and electricity usage represented 9,501 tonnes CO₂ equivalent. The total for France stood at 1,719 tonnes CO₂ equivalent or 18% of the total.

A greenhouse gas reduction target will be set when the regulatory assessment regarding the 2022 data is updated.

Since no Radiall site located in France is located in a vulnerable area and the water consumption is too low to be affected by significant restrictive measures, Radiall has not yet taken any measures to adapt to climate change.



Water discharges

The Voreppe, Obregon and Shanghai sites are the most environmentally significant. They include a detoxification plant to treat wastewater from the surface treatment unit.

Thanks to the installation of an evapo-concentrator, the Voreppe site has totally eliminated its emissions.

Two French sites have tribofinishing activities and only the Voreppe site discharges between 1 and 2 m³ per month after filtering.

Oil removers are installed alongside parking areas, in accordance with the regulations in force, in order to eliminate discharges into the natural environment.



Quantity of waste	2017	2018	2019
Tonnes / 10,000 h worked	3.29	3.36	3.25

Waste

Non Hazardous Waste (NHW) comprises paper, cardboard, scrap metal, shavings, scrap plastic and waste from the Company restaurants, and is processed by approved businesses.

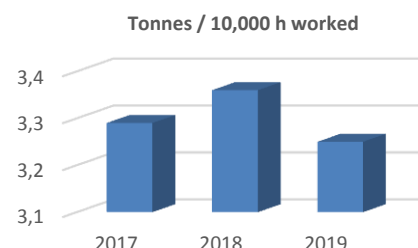
Hazardous waste (HW) is generated by the surface treatment process: concentrated cyanide and metallic baths, metal hydroxide sludges and certain oils and dirty rags from the machining centres are processed externally by approved contractors.

As part of its prevention and circular economy policy, Radiall promotes measures related to the prevention, recycling and reuse of its waste.

No-hazardous waste such as cardboard, metals and paper is mainly processed through the recycling of materials. This recycling percentage is increasing. Given its nature, in most cases hazardous waste is destroyed or sent to landfill, with certain metal components being partially recovered.

An increase in tonnages can be seen as a result of the integration of the three new sites, while on a constant scope basis the waste amount would be 2,074 tonnes, representing a 3% reduction.

Waste production in tonnes	2017	2018	2019	Ratio 2018/2019
Non-hazardous waste	979	1,096	1,395	27%
Hazardous waste	1,026	1,037	977	-5.8%
Total waste	2,005	2,133	2,372	+11.1%
% of NH waste recycled at Group level	77.5%	77.2%	73%	-5.5%



Combating food waste

There are currently no formal measures in this area, however Radiall has no particular impact in relation to this point since the sites have canteens that effectively manage the quantities provided.

2.12 Accidental pollution

Radiall implements various measures as part of its risk prevention policy relating to accidental pollution, notably the introduction of regularly tested emergency plans (accidental spillages, fire drills).

ETARE plans (for listed establishments with a heightened risk) have been established with the regional emergency services for Voreppe and Isle d'Abeau.

The Voreppe site has a safety advisor for the transport of hazardous substances (ADR), an annual report is prepared and sent to the site's Management and staff is regularly trained to control this risk.

Chemical products are stored in retention areas and employees receive regular training in their correct handling.

In order to avoid pollution related to equipment, machining tools and surface treatment operations are positioned on watertight floors.

No accidental spillages, atmospheric pollution or fires were recorded in 2019.

No complaint was issued by the authorities in relation to the Group's Environmental compliance.

2.13 Products and Services

Measures taken to improve consumer health and safety

As a manufacturer of electric and electronic components, Radiall is subject to European legislation (RoHS and WEEE Directives, REACH Regulation). This legislation is designed to restrict hazardous substances and improve the management waste and chemicals.

Radiall has taken firm action to comply with these regulations, in particular the elimination of lead and brominated compounds in certain products, to protect consumer health and safety. Compliance units and responses to customer questionnaires are in place notably at the Voreppe site.

A statutory review is carried out and monitored for the France sites to look into and maintain overall compliance with HSE regulations.

Combatting food poverty

Given that its activities, products and services do not use, either directly or indirectly, food resources, Radiall has no impact on food scarcity.

Ensuring animal welfare

Given that its activities, products and services are not related, either directly or indirectly, to animals, Radiall has no impact on animal welfare.

Ensuring responsible, equitable and sustainable food choices

Since Radiall's activities, products and services do not involve the food-processing industry, Radiall has no direct or indirect impact on human nutrition.

The social and environmental impacts of the business

Radiall's Prevention Related Policies aim to help minimise the social and environmental impacts of its activities.

2.14 Methodological note

The CSR indicators published in this chapter have been prepared by a body of Group experts in functions and skills. Committed to a process of continual improvement, Radiall is endeavouring to build a framework of indicators taking into account legal obligations and specific to Radiall and its business.

In accordance with Article 225 of the Grenelle 2 Law, the Group has decided to have a certain number of indicators verified by its Statutory Auditors, Mazars.

2.14.1. Scope

Corporate indicators

The corporate reporting scope includes all the companies within the consolidation scope of Radiall SA that are fully and proportionally consolidated as presented in the consolidated financial statements of Radiall SA.

Environmental indicators

The information presented in this chapter is based on the business activity at Radiall's French industrial sites (Voreppe, L'Isle d'Abeau, Château-Renault and Dôle), China (Shanghai), India (Bangalore), the US (New Haven) and Mexico (Obregon). Three sites were added in 2019, in Mexico (Obregon IDMM), Italy and Switzerland, with all those now included representing 93% of the Group's workforce.

It is compiled from 2019 data and takes into account data specified under Article R225-105-1, based on the following three principles:

- Environmental impacts of the business activities,
- Measures taken to limit these impacts,
- Prevention of emergencies

Changes in scope

In the event of a change in scope, (creations of new entities, disposals, liquidations, acquisitions or change in company interests) the data is included in the scope from the date of change of interest.

2.14.2 Data collection

Social indicators

Social data is reported on a monthly basis.

Social data is collected in each of the directly or indirectly controlled subsidiaries via a standard model.

The Group's Human Resources Department is responsible for the consolidation of the social data thereby reported, following the completion of consistency checks.

Environmental indicators

Most environmental data is prepared on a monthly basis by each site's Environmental Manager and reported to the Group's HSE Coordinator.

This data is collected for all sites via a standard model and is subsequently consolidated following the completion of annual consistency checks.

2.14.3 Specifications regarding certain indicators

The definition of all the indicators and the calculation methods are provided to contributors. The main assumptions used are detailed below by indicator category.

Headcount

The headcount includes all employees bound by a permanent or fixed-term employment contract or equivalent for international subsidiaries. They are counted as natural persons at the end of the previous month.

On-site service provider staff (including a maquiladora in Obregon) or temporary staff levels are calculated on the basis on a weighted monthly headcount at the end of the previous month.

The headcount includes all employees bound by a permanent or fixed-term employment contract or equivalent for international subsidiaries, as well as on-site service provider staff (including a maquiladora in Obregon) and temporary staff.

Absenteeism

The rate of absenteeism corresponds to the total number of paid or unpaid hours' absence (illness, work related or commuting accident, maternity, contractual leave) divided by the number of hours theoretically worked.

Training

The indicator relates to training hours and exclusively concerns the France scope.

Water consumption

The water consumption indicator relates both to the industrial water consumption used for, amongst other things, surface treatment, as well as for sanitation purposes. It relates solely to water distributed by a private or public supplier. No water was directly withdrawn from the natural environment above or below ground.

Cross-reference table

Items on the Non-Financial Performance Statement:		Relevant section of the Report
Business model		<i>See "Business model" page 1</i>
List of information expected in the business model	Other (interaction with stakeholders, etc.)	
	Financial and non-financial resources	
	Trends, vision, values, objectives	
Main non-financial risks and KPIs		<i>See "Table of main CSR risks" page 3</i>
Other mandatory information	The social impacts of the business	<i>See Section 2.13 page 11</i>
	The environmental impacts of the business	<i>See Section 2.13 page 11</i>
	Climate change	<i>See Section 2.11 page 9-11</i>
	Circular economy	<i>See Section 2.11 page 10</i>
	Collective agreements concluded within the Company and their impacts on the financial performance of the company as well as on the working conditions of employees and measures aimed at combatting discrimination and promoting diversity	<i>See § 2.8 "Quality of management and industrial relations" page 7</i>
	Combatting food waste	<i>See Section 2.11 page 10</i>
	Combatting discrimination and promoting diversity	<i>See CSR Governance 2.4 page 4</i>
	Disability	<i>See Equal Treatment 2.7.4 Integration of employees with disabilities page 7</i>
	Combatting food poverty	<i>See Section 2.13 "combatting food poverty" page 11</i>
	Ensuring animal welfare and responsible, equitable and sustainable food choices	<i>See Section 2.13 "ensuring animal welfare" page 11</i>

3. REPORT BY THE INDEPENDENT THIRD-PARTY BODY ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL PERFORMANCE SET OUT IN THE MANAGEMENT REPORT

Financial year ended 31 December 2019

To the Shareholders,

In our capacity as independent third-party body, member of the Mazars network and Radiall S.A.'s Statutory Auditors, accredited by COFRAC Inspection under number 3-1058 (scope available at www.cofrac.fr), we hereby present our report on the consolidated statement of non-financial performance for the financial year ended 31 December 2019 (hereafter the "Statement") included in the Management Report pursuant to the provisions of Article L.225-105-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Responsibility of the Company

The Executive Board is responsible for preparing a Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in respect of these risks and the results of these policies, including key performance indicators.

The Statement was prepared in application of Company procedures (hereafter the "Standards"), the significant items of which are presented in the Statement and are available on request from the Company's registered office.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and our profession's code of ethics. In addition, we have set up a comprehensive quality control system including documented policies and procedures to ensure compliance with applicable laws and regulations, ethics codes and professional standards.

Responsibility of the Independent Third-Party Body

Based on our work, our role is to deliver a reasoned opinion expressing a conclusion with moderate assurance on:

- compliance of the Statement with the provisions referred to in Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in application of section 3° of paragraphs I and II of Article R. 225-105 of the French Commercial Code, i.e. the results of the policies, including the key performance indicators, and the actions, with respect to the main risks, hereafter the "Information".

However, it is not our responsibility to comment on compliance by the Company with any other applicable legal and regulatory provisions, in particular in relation to any plan to monitor and combat corruption and tax evasion, or the compliance of products and services with applicable regulations.

Nature and scope of procedures

Our work described below was carried out in accordance with the provisions of Articles A. 225 1 and subsequent of the French Commercial Code, with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (French National Institute of Auditors) relating to this work, as well as international standard ISAE 3000.

- We have familiarised ourselves with the operations of all the entities included within the consolidation scope and with the report detailing the main risks;
- We have assessed the appropriateness of the Reporting Criteria with regard to their relevance, comprehensiveness, reliability, neutrality and comprehensible character, by taking into consideration industry best practices where applicable;
- We have verified that the Statement covers all categories of information referred to in paragraph III of Article 225 102 1 in relation to social and environmental information;
- Where applicable: We have verified that the Statement covers all categories of information referred to in paragraph II of Article 225-105 when they are relevant to the main risks and include, where appropriate, an explanation of the reasons justifying the absence of the information required by Paragraph 2 of Section III of Article L. 225-102-1;
- We have verified that the Statement presents the business model and a description of the main risks associated with the business of all entities included in the consolidation scope, including, where relevant and proportionate, the risks created by its business relations, products or services, as well as the policies, procedures and results, including key performance indicators relating to the main risks;
- We have consulted the documentary sources and carried out interviews to:
- Assess the selection and validation process relating to the main risks as well as the consistency of results, including the key performance indicators used, in comparison with the main risks and policies presented, and
- Corroborate the qualitative information (actions and results) that we have considered to be the most important, presented in Appendix 1. For certain risks (corruption risk, risk of breach of human rights, risk of damage to business relationships), our work has been conducted at consolidating entity level, and for other risks, work has been conducted at consolidated entity level and in a selection of level 2 entities;
- We have verified that the Statement covers the consolidated scope, i.e. all entities included in the consolidation scope in accordance with Article L. 233-16 with the limits specified in the Statement;

- We have reviewed the internal control and risk management procedures implemented by the entity and we have assessed the information gathering process aimed at ensuring the exhaustiveness and accuracy of the Information;
- For the key performance indicators and other quantitative results that we considered to be the most important, as presented in Appendix 1, we have implemented:
- Analytical procedures to verify the appropriate consolidation of the collected data as well as the consistency of their changes;
- Detailed tests, based on samples, to verify the appropriate application of the definitions and procedures and reconcile the data with the supporting documents. This work was conducted with a selection of contributing entities and covers between 30 and 48% of the consolidated data selected for these tests;
- We have assessed the overall consistency of the Statement in light of our knowledge of all the entities included in the scope of consolidation.
- We consider that the work we have performed by exercising our professional judgment allows us to draw a conclusion of reasonable assurance; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work called on the expertise of five people and was performed between December 2019 and March 2020 over a period of 4 weeks.

We conducted approximately ten interviews with the individuals responsible for preparing the Statement, representing in particular the Human Resources, Health & Safety and Finance Departments.

Conclusion

As part of the roll-out of the new training monitoring system across the France scope, it appears that a percentage of the training hours has not been included in the system, resulting in an under-estimation of the published training hours.

On the basis of our work, with the exception of the items detailed above, we found no significant irregularity that would call into question the fact that the Non-Financial Statement complies with applicable provisions and that the Information, taken in its entirety, is presented in a fair manner in accordance with the Reporting Criteria.

Paris La Défense, 26 March 2020

The Independent third party body,

MAZARS SAS

Gaël LAMANT

Partner

Edwige REY

*CSR and Sustainable Development
Partner*