

S E N S E
B U I L D
D R I V E

CORPORATE SOCIAL RESPONSIBILITY REPORT

C S R R E P O R T

EFIAUTOMOTIVE.COM



A RESPONSIBLE FAMILY-OWNED COMPANY



EFI Automotive is a Group that specialises in the design and manufacture of actuators and multi-sensor modules for cars in extreme environments.

- An independent company since 1936
- Headquarters in France (Beynost, Lyon)
- Present on the global market for more than 10 years
- 1600 employees worldwide
- 250 engineers and technicians
- 7% of turnover invested in R&D every year

EFI is a responsible family-owned company which, over the years, has developed its production activity around the world: in France where its headquarters are located in Beynost (EFI), in Joinville (EFIS), in the United States (EFC), Mexico (EFDm), Turkey (EUFI) and China (EFEC):

EFI AUTOMOTIVE AROUND THE WORLD



16000 personnes
 Group workforce at the end of 2019



United States (EFC)
190 people



Joinville (EFIS)
71 people



Mexico (EFDM)
21 people



Turkey (EUF)
394 people



Beynost (EFI)
695 people



China (EFEC)
391 people

OUR GOVERNANCE

SUPERVISORY BOARD

Patrick Thollin
CHAIRMAN

Bernard Thollin

Gérard Thollin

André Bélard

Didier Sepulchre de Condé

Thierry Faugeras

BOARD OF DIRECTORS



Béatrice Schmidt
CEO
DIRECTOR GENERAL



Louis Vaquero
DIRECTOR OF
TRANSFORMATION
AND OPERATIONAL
PERFORMANCE



Virginie Laurent
DIRECTOR
BUSINESS
DEVELOPMENT



Thierry PITTIE
DIRECTOR
RESEARCH &
DEVELOPMENT



Laurent Renard
DIRECTOR
FINANCE

DIVERSIFICATION
(beyond automobiles)

COMEX
Automotive

REPLACEMENT PARTS

Governance of the Group is structured around the **Supervisory Board**, the **Board of Directors** and the **Subsidiary Boards**, which together make up the legal steering body of the Group.

The **Board of Directors** is the Group's governing body. The Board decides upon, and ensures the implementation of, the strategy and direction of all of the Group's activities, and also oversees the Group's operations management, with support from the expertise and experience of **COMEX** members. At the same time, it must report to the **Supervisory Board** on its management.

The **Supervisory Board's** role is to oversee and check the consistency and appropriateness of the decisions taken by the Board of Directors, and how they are carried out. They can also act in the decision-making process, and in the monitoring of certain areas such as loans, investments, purchasing/selling of assets.

The **BOARD of each subsidiary** is the legal steering body representing EFI locally. Its responsibility is to ensure the operational deployment of the strategy and decisions taken by the Board of Directors and COMEX (management of the business plan, management of field issues, multi-year budget etc.)

COMEX is the Group's Executive Committee. It is tasked with general management and steering the strategy approved by the Board of Directors. It controls the development of the Group and ensures smooth operation.

Our Policy

Together with the Governance change, the shareholders and the Family Board reworked the Group Policy. It is achieved through the company's vision, the mission and values, with the employees' will to apply it, through the subsidiarity principle (see Subsidiarity paragraph).

Our Vision

"Act with determination and ambition. Convey our entrepreneurial passion." – Jean Thollin, 1992

We are a responsible family-owned company, working in a global market. We are committed to running a sustainable industrial business associated with being highly service-minded for the benefit of a community which develops humanly and economically.

We act with determination and ambition and are driven by our entrepreneurial passion.

As experts in sensor and actuator solutions, we accompany our customers in their mobility experiences to make vehicles more efficient, more comfortable and safer.

Our Mission

We are experts in the design and manufacture of sensors and actuators.

ACROSS the Group, we are driven by the quest for excellence and the desire to offer innovative solutions adapted to the needs of the market and a proximity service.

It is through our employees' skills, creativity and involvement that we have become a privileged supplier for leading manufacturers and outfitters.

Thanks to our effective production tool and our technological development and research centres located on several continents, we have been a recognised actor in the automotive industry for more than 80 years.

We continue to develop in this same spirit and to build together the company of tomorrow.

Our Founding Principle

Subsidiarity

BEING EFI-minded means putting the greater good of EFI above individual or local interests.

It means working to develop the autonomy of people and organisations. It means entrusting action to the lowest level of competent authority. It means helping without reducing responsibility, and accepting help without disengaging.

Our values

Entrepreneurial spirit

We are proud to be a part of the EFI Automotive Group. We work together to serve our customers to ensure the Group's long-term future and with our entrepreneurial passion, we are moving forwards to build our future together. Passionate about business, we are working to build our future together. Above all, we encourage interest in serving our community. This way, each employee enables the Group to benefit from their skills and experience and contributes to the development of the Group. We encourage initiatives aimed at improving our overall performance.





Sincerity

Internally, as with our suppliers and customers, we work within a relationship of communication, trust and sincerity to find the best solutions quickly and together. This enables us to form strong and lasting partnerships. We always aim to look at situations as objectively as possible. We go beyond a theoretical approach and work together in a spirit of mutual trust and openness.

Responsibility

At each level of the organisation, each employee carries out their role responsibly and contributes to the long-term development of the Group. We therefore encourage individuals to take responsibility and act according to the principle of subsidiarity (autonomy, duty to help and support). EFL Automotive is a responsible company: in each of our locations, we comply with current standards, human rights and local legislation. We act in an ethical manner and with integrity, whilst respecting the environment.

Respect

EFL Automotive employees are one of the company's greatest resources. Together with our diversity of languages and cultures, we form a rich and varied community and, while respecting our differences, we share a common goal. We wish to make our community stronger by supporting each employee through training

and skill development. At every hierarchical level, we respect our colleagues' work. We listen to their ideas and suggestions. We stand in solidarity and help each other by means of positive feedback or constructive criticism to strive for excellence together. Whilst we allow room for error, we also expect each employee to recognise their mistakes, correct them in a responsible manner and accept them in order to progress, excel and thus enable the entire organisation to progress.

Agility/Flexibility

We work very closely with our customers. We listen carefully to their specific needs in order to provide them with reliable and innovative solutions as quickly as possible and at the best price. We are moving towards a decompartmentalised and fluid organisational structure which simplifies processes and accelerates decision-making. This gives us the flexibility necessary to adapt to a rapidly evolving market.

Focus

We work together to decide on the main Group objectives and retain a shared vision with regards to their effective implementation. Furthermore, we focus our efforts on creating value for customers and our community.

These values are accompanied by principles of action that mean we can entrench them in respect for the Group's cultural diversity every day.

ENGINE EFFICIENCY ●

Sensors



Camshaft position sensor



Bidirectional crankshaft position sensor



Magnetic target

Actuators



Actuator for thermal management module

Solenoids



Common rail injection actuators

Our fields of activity



TRANSMISSION EFFICIENCY ●

Sensors



Camshaft gearbox speed sensor



Speed and temperature sensor



Mechatronic module



Parking pawl position sensor



Bidirectional clutch position sensor



Neutral position sensor



IMS/TRS sensor

Actuators



Parking lock actuators

● LIGHTING SOLUTIONS



Guide
lights



Illuminated
panel



Starry
sky

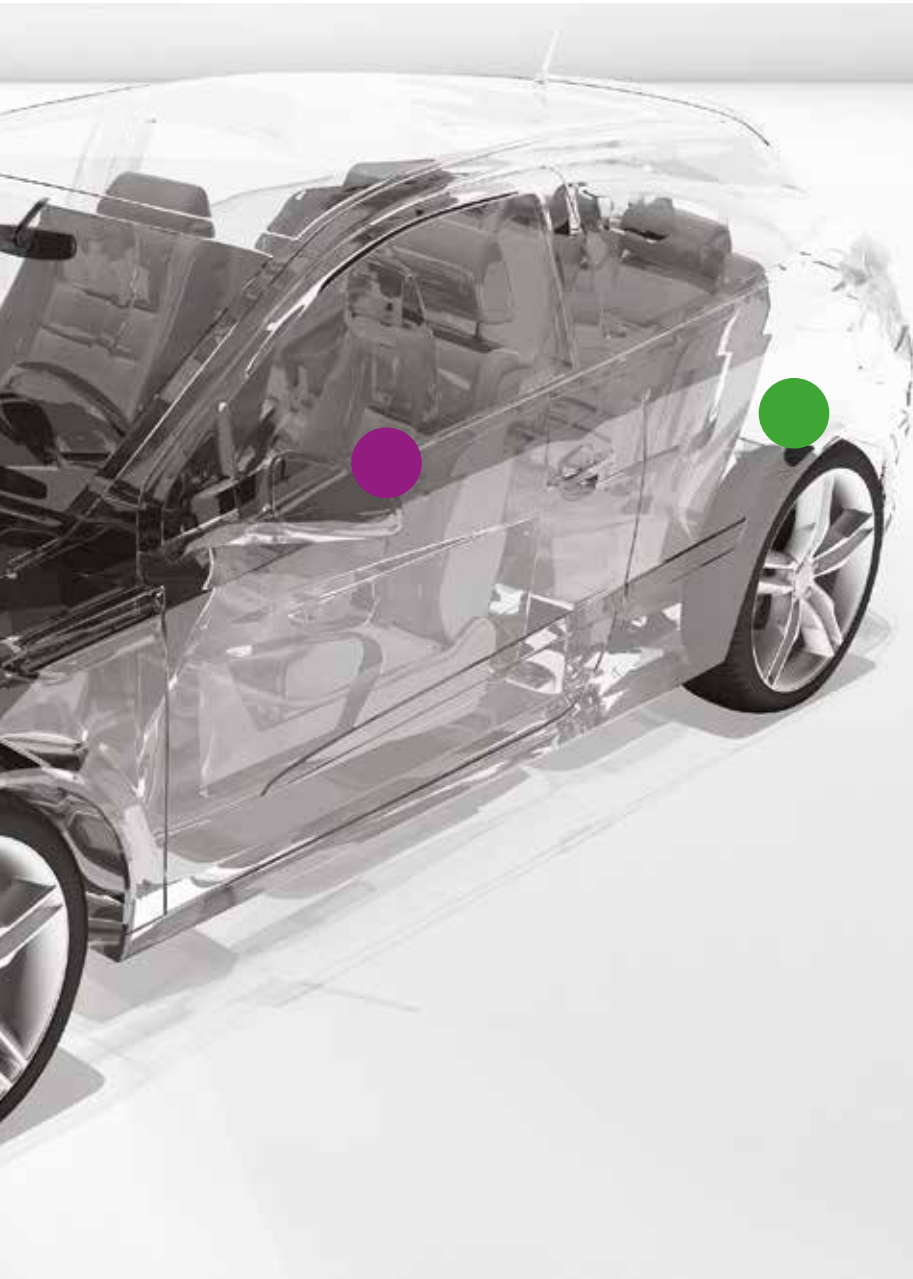
● VEHICLE DYNAMICS



Brake pedal
position sensor



Body height
sensor



● E-MOBILITY



Bidirectional
position sensor
for e-motor



Camshaft
position
sensor
for e-motor



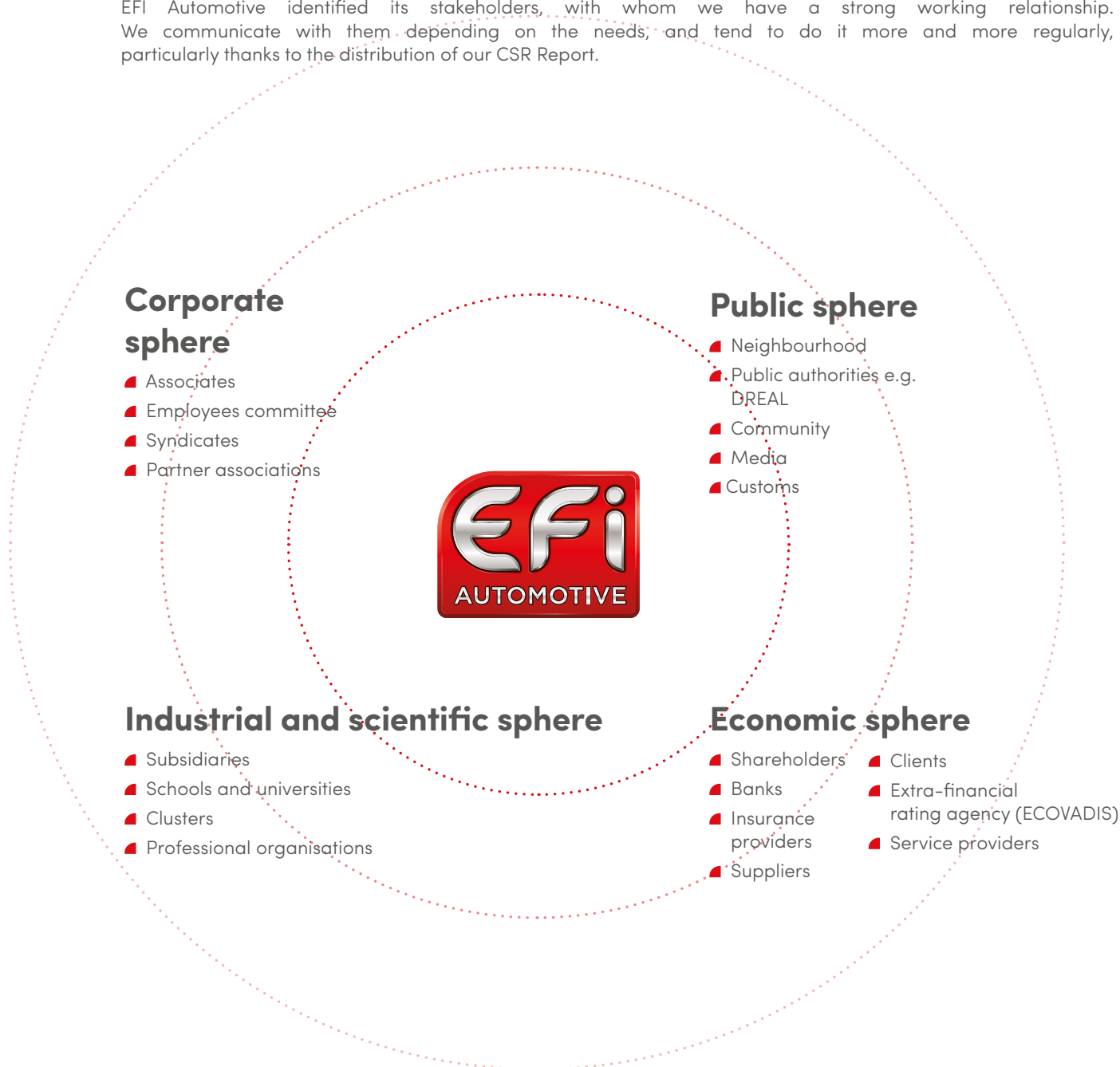
Camshaft
end-of-shaft
for e-motor



Camshaft
sensor
for e-motor

OUR STAKEHOLDERS

EFI Automotive identified its stakeholders, with whom we have a strong working relationship. We communicate with them depending on the needs, and tend to do it more and more regularly, particularly thanks to the distribution of our CSR Report.



Indeed, we want to strengthen the links between them and our Group, so we can always better answer to their needs and requirements with coherent and adapted actions.

As an extension of these dynamics, we started using an approach of continuous improvement of our Corporate Social Responsibility (CSR) performance.

In order to objectively evaluate this performance, we called the non-financial rating agency ECO VADIS. It is an exchange and rating platform online, which identify our main strengths and our potential for improvement.

ON this matter, we got a score of 55/100 in 2019. It means our CSR approach is structured and proactive, and that our

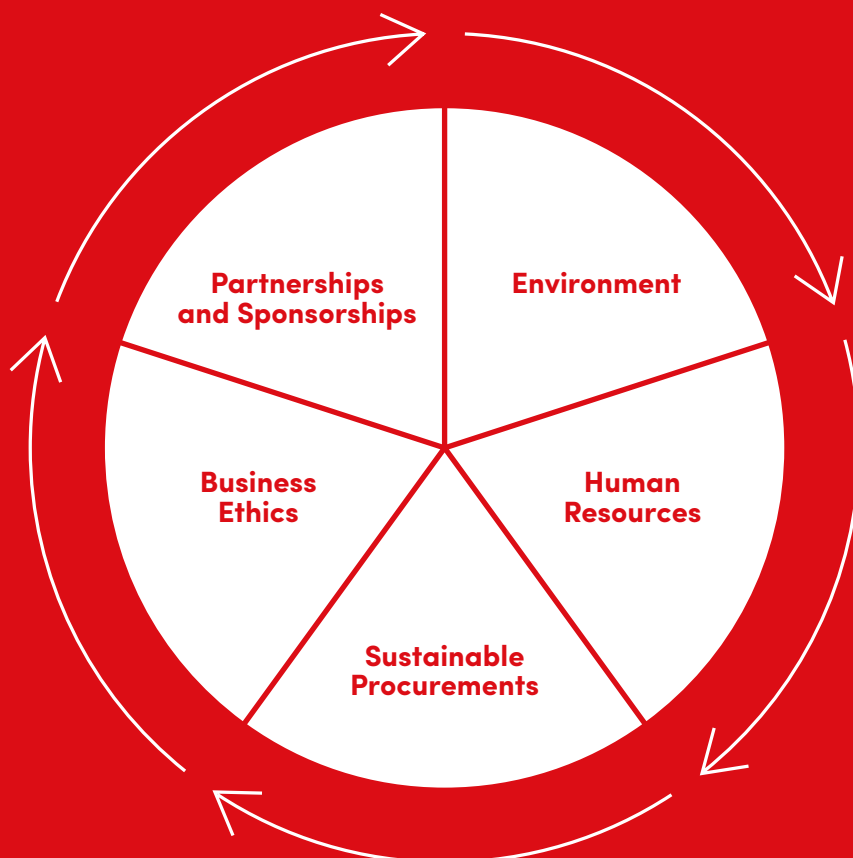
company shows commitment on our main issues. This approach enables to limit the risks for our customers. Thus, ECOVADIS recognises we follow a continuous improvement process on these issues, permitting to consider long term commercial relationships.

ECOVADIS scores

2017 / 2018 / 2019



In this Report, our policies and actions, which comply with the United Nations Global Compact Principles, are brought together in accordance with the Corporate Social Responsibility principles, which are:



I – A SUSTAINABLE INDUSTRIAL PROJECT

Respect for both people and the environment is a matter of major concern for us. With this in mind, we are committed to an approach which protects the environment by using the principles of precaution and continuous improvement across our activities, products and services. As we are keen to preserve biodiversity and natural habitats in the vicinity of our sites, we have implemented an approach for risk prevention to

limit our impact on the environment. We are acting to prevent and reduce pollution, not only in the context of our activities, but also from the broader perspective of our products which, in the context of energy transition, play a part in improving the efficiency of vehicles and therefore reducing CO2 emissions. We are committed to the responsible management of natural resources and our raw materials and favour waste disposal, reduction, reuse and recycling.

In order to ensure consistency across all our commitments, we ensure that we comply with regulations in force in the states where we operate and that we are not limited by the strict application of their requirements.

We are aware of the importance of protecting the environment and everyone's health, and, together, we are helping to build a sustainable future.



Actions

Certified management system and monitoring of objectives

- Deployment of an environment management system in all our sites.
- Monthly and annual follow-up on our environmental objectives as part of the board of directors' review of each of our sites.
- Annual review of environmental objectives in order to continually improve our environmental performance.
- Employee training on environmental issues, in particular through the Safety DOJO at all sites.
- Monitoring of a KPI based on environmental performance by process.



Résultats



Objectifs

For that purpose, we focus in particular on:

- Reducing our consumption of energy and natural resources
- Reducing emissions and the environmental impact linked to our activity and to the use of our products
- Managing the monitoring of environmental audits at Group level

1. Reducing our consumption of energy and natural resources

In view of our industrial activity, we identify a high energy and natural resources consumption. We work to reduce the consumption by setting up the following actions:

I.1.1. Electricity



Awareness training for all personnel at all sites on energy consumption using the “Minutes for the Environment” programme

- In Turkey and the USA, all lights are LEDs

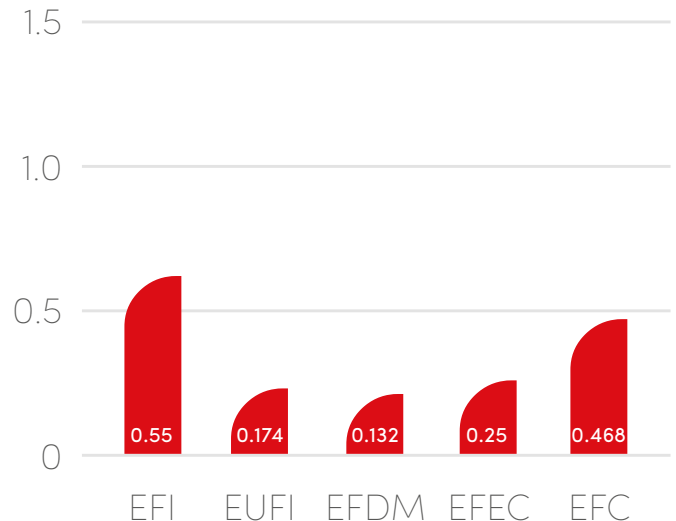
We set up a machine rationalisation system to optimise their loading volume

- In Beynost, a weekly follow-up to review an electrics operating range, which lets us change out equipment before they overconsume,
- In China, frequency converters are used to limit energy consumption,
- For every new project in China, an energy conservation assessment is carried out in accordance with local regulation,
- In Mexico, Beynost, China and the USA, machines are disconnected at the weekend when they are not being used,
- LED lights in all new offices and office space in Beynost, and in all buildings in China, Turkey and the USA.



ELECTRICITY
CONSUMPTION IN
KWH/1,000 PARTS

2018



- At the plants in Beynost, switch off the car park lights for 50% of the night,
- In Turkey, turn off the machines at the weekend when they are not in use,
- In Beynost, equip 100% of the lights in common areas with presence detectors progressively as the buildings are renovated (one building per year),
- At all our sites, reduce electricity consumption/1,000 parts by 5%.



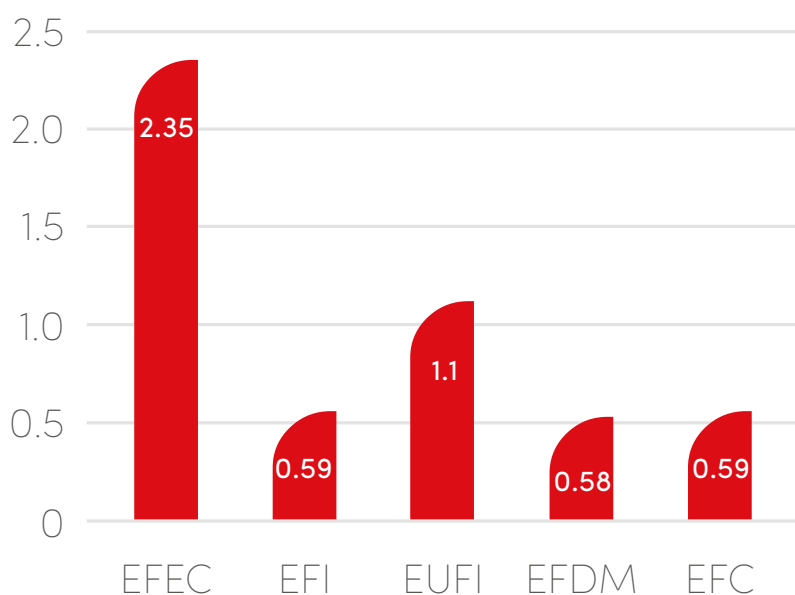
I.1.2. Greenhouse gas

- At the Beynost site, we draft of a Greenhouse Gas report every 4 years, and implementation of actions as a result.
- In 2018, Beynost produced 1024 tons of CO₂ That is 828 tons less than in 2015.
- Ask all sites to draw up a carbon footprint report.

I.1.3. Water



- The machines at all our production sites work on a closed or semi-closed circuit to limit water consumption.
- The industrial park of the Mexico site has shared use of a wastewater treatment plant.
- Monitoring wastewater generated during final deburring operations at most sites.
- The industrial and sanitary waste water quality is checked twice a year in Beynost.



WATER CONSUMPTION
IN M³/PERSON/MONTH

2019



- Reduce water consumption at each subsidiary by 3% each year.

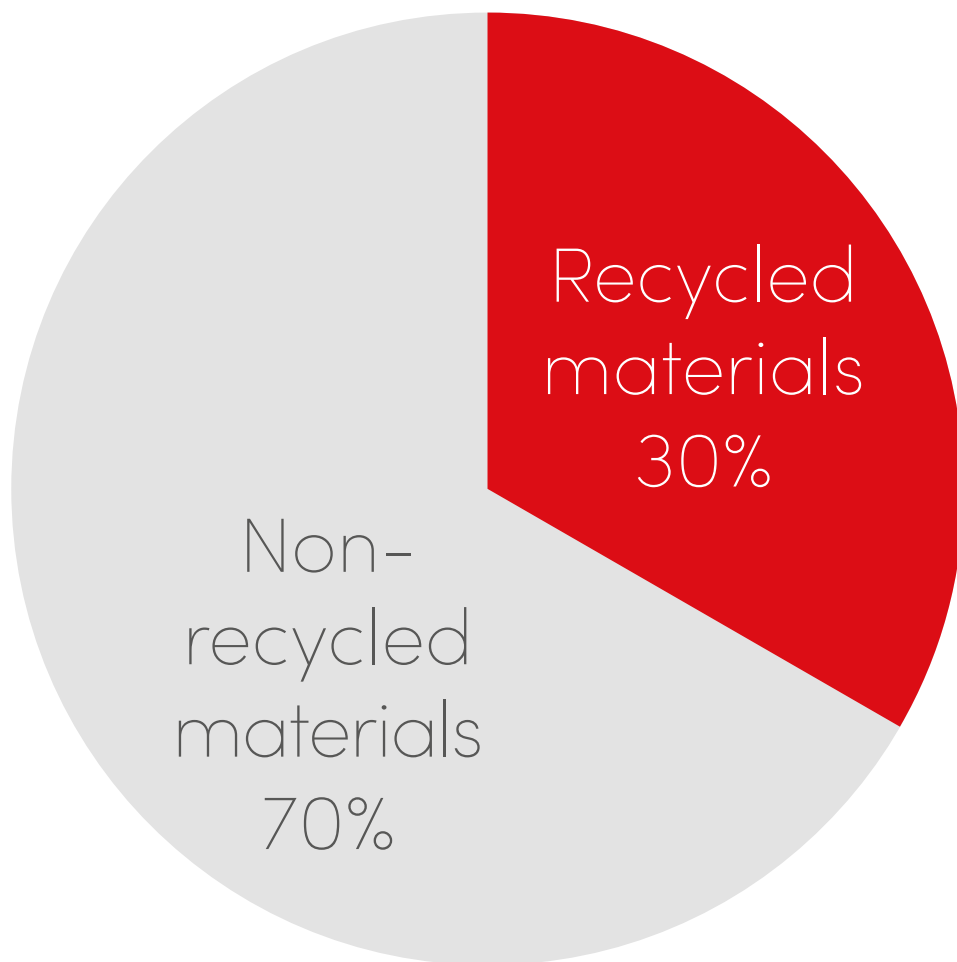
I.1.4. Raw Materials



- We are researching alternative solutions to limit our rare earths procurement,
- We integrate environment and safety requirements right from the products design phase to limit the use of polluting or dangerous raw materials, for our employees' health,
- We reuse crushed material for injection-moulded parts, if our customers agree.



Résultats



Objectifs

- Reach an average of 20% minimum of crushed material in our products under development,
- End the use of or reduce the size of injection sprues by setting up technical solutions to reduce our raw materials consumption.



Actions

I.1.5. Sponsoring of research project on climate change

- In Beynost and Joinville, new compressors have been set up to save energy, thanks to credit awarded by ADEME, the French Environment and Energy Management Agency, who supported the project,
- A campaign has been set up to research hazardous substances in the water in Beynost sponsored by the water agency.

I.2. Reducing emissions and the environmental impact linked to our activity and to the use of our products

Our production activity is by nature, issuing rejects that can harm the environment. So it's very important for us to limit the amount of these rejects. For that, we set up the following actions:

I.2.1. Local pollution



- Our atmospheric emissions in Beynost are analysed annually,
- The quality of our industrial water emissions in Beynost is analysed twice a year,
- A retention pond has been set up for fire extinction water at the Joinville site,
- Oil interceptors have been set up on part of the car parks in Beynost and Joinville.



- An environmental analysis implemented at all of our sites and action plans put in place to prevent local pollution,
- At all of our sites, a response procedure set up for emergency situations in case of an accidental spill.



- Have no polluted fire extinction water emissions at the Beynost site,
- At each site, set up good practices to prevent potential polluted water emissions reaching the stormwater.



I.2.2. Noise

- Noise audits are carried out within property lines in China, Turkey and France



- Maintenance of a noise level below the regulatory threshold at the Headquarters and at each subsidiary where regulations require it (China, Turkey, France)

I.2.3. Wastes



- Waste sorting has been set up in each site with sorting instructions and recycling awareness sessions,
- Recycling bins are also made available in the break rooms at each plant,
- Packaging has been reduced, supplier packaging is reused where possible, and recyclable packaging is used,
- Priority is given to sustainable packaging over boxes,
- A programme has been set up in Turkey, allowing operators to sort their household waste, bring it to EUFI and, depending on the weight of their recyclable waste, to receive a gift card at the end of the month.



- Method for calculating waste sorting, standardised at 100% of sites
- 0 waste to landfill in the USA



- Further management of registering waste at Group level



1.2.4. Environmental impacts linked to our activity

- Lorry loading is optimised before they leave the Beynost and US sites, using road markings to limit transports.
- In Beynost, supplier lorry unloading and loading takes place in the morning and the afternoon in shifts to avoid congestion for hauliers and limit CO2 emissions.



- 70% of our sites make a shuttle available to pick up the employees from the villages around the site, to avoid them taking their cars and reduce CO2 emissions.
- Configuration of all the printers to print on both sides.
- More than 15% reduction in paper consumption at the Beynost site between 2018 and 2019.



- Reduce the Significant Environmental Aspects by 10% based on the current year's environmental analysis at each site.



1.2.5. Environmental impacts linked to the product use and end-of-life

- Life cycle analysis of the product since 2018, and accordingly to the ISO 14001 v. 2015 norm requirements. This is an analysis from the point of extraction of the raw material, up until the end of the product's life, in order to find solutions to reduce our environmental impact.



1.2.6. Consumer health and safety

- We participate in the improvement of the efficiency of our customers' vehicles in order to reduce their CO2 emissions, and creation of solutions for electric mobility, especially with the help of our sensors for electrical and combustion engines:

Inductive position sensor for e-motor (end of shaft)

Inductive position sensor for e-moto (for through-shaft)

Speed sensor for e-motor



1.2.7. Hazardous and chemical products

- We make limited use of chemical products for production activities at our sites; we have a process in place to store, transport and handle chemical products (thanks to displays, instructions, dedicated programmes etc.)
- Compliance with REACH regulations
- Compliance with product safety requirements
- 100% of our sites carry out accidental spill drills at least once a year



Procedure in the event of accidental spillage

1



ACCIDENTAL SPILLAGE

5



LIMITING POLLUTION
AS FAR AS POSSIBLE

2



INFORM YOUR SUPERVISOR

6



PICK UP THE PRODUCT

3



USE THE EMERGENCY
SPILLAGE KIT

7



THROW THE BAG IN THE
HAZARDOUS WASTE BIN

4



PUT ON PPI

II – FOR THE BENEFIT OF A COMMUNITY WHICH DEVELOPS HUMANELY

Working conditions policy

Entrepreneurial spirit and Respect are two of the six EFI values. They translate a will to put the human forth, especially through our programmes “Being EFI” and “Managing EFI”.



“Being EFI” covers deployment of the subsidiarity principle and sharing the same comprehension of the company’s values, adapted to local cultural characteristics.



Managing EFI enable to structure the Group internationalization with common Management reflexes, in particular to promote a feeling of belonging to the same Group whatever the country is. Besides, we are convinced that common and shared managerial practices, boost our workers well-being by the exemplary nature of our managers.



Intercultural communication training, so that everyone knows how to properly communicate with their colleagues abroad.





We also extended the scope of application of health and safety to cover quality of life in the workplace.

In view of the above, we pride ourselves on:

- Ensuring employees' safety
- Preserving employees' health
- Respecting Human Rights and developing a good quality of life in the workplace
- Integration of Safety in the Quality, Safety, Environment process
- Creation and integration of the Safety policy in the Quality and Environment policy.



II.1. Ensuring employees' safety

Safety is one of the 10 strategic initiatives in effect within the Group. EFI Automotive regards each individual's health as something to be safeguarded for both personal development and that of the community of EFI colleagues.

In order to apply this initiative at Group level, a Safety Management System has been in place for two years, with many means of implementation.



QRSC meeting (Quick Response Safety Control) during which the near-miss accident files are processed

Launch of a standardised Safety Management System,
based on ISO 45001 since 2017

II.1.1. EFI's workers' safety



- Deployment of an organised network within the Group with points of contact identified in all subsidiaries to ensure employee safety:
 - Detailed health and safety risk analysis at all sites
 - Deployment of an "Accident Description Form" to share the accidents occurring at each site with the other subsidiaries in real time.
- Deployment of management and escalation loops at all levels right up to senior management and operational risk analyses to anticipate accidents and guarantee and improve working conditions:
 - Use of the unique risk assessment document, to index all the risks with an AMDEC type of quotation to prioritise the risks. Actions are implemented accordingly, and managed during QRSC meetings.
 - Analysis of safety risks (near misses, accidents, visits, routines, audits) on panels near the machines, the production islands, and the Autonomous Production Units (APUs); then, once a week at site level, and monthly at the Group Directors level, a regular and in-depth analysis at every hierarchic level.

- Organisation of Behavioural Safety Visits by the Management in order to have discussions with operators to identify the near misses and accidents to evaluate if they all know how to manage risk, comply with standards and behave in a safe, appropriate manner.
- Daily activity on safety risks during QRSC meetings in France.
- Working on the suppression of working accidents by treating the near-miss accidents.

Indeed, the Bird's Pyramid shows that 600 near-miss accidents lead to 10 accidents with sick leave:



- Priority is given to the installation of Collective Protective Equipment (CPE) and the provision of Personal Protective Equipment (PPE) if the CPE doesn't completely eliminate the risk, with PPE training at each site,

INTEGRATION OF THE SAFETY MANAGER FOR EVERY
PROCESS CHANGE AT EVERY SUBSIDIARY.

IN BEYNOST, POSSIBLE INTERVENTION OF THE
OCCUPATIONAL DOCTOR AND ERGONOMIST TO ADAPT
THE WORKSTATION TO THE EMPLOYEE.

- Establishment of a DOJO introduced by Turkey, at each subsidiary and with deployment planned in the USA, Mexico and China, in order to train employees on the machine use, the safety guidelines and to raise awareness on safety risks with practical exercises.



Safety DOJO, Beynost



Safety DOJO, Turkey



ORGANISATION OF A WORKSHOP TO RAISE SAFETY AWARENESS IN TURKEY

Guessing games mobilising the 5 senses

Raising awareness about Personal Protective Equipment

Collect employees' impressions after this experience,
showing that each one is aware of the importance of
keeping healthy, and preserving your 5 senses

By wearing your Personal Protective Equipment

- Implementation of standards for cross-functionality in all Group subsidiaries:
 - Standardisation of lifting accessories, which were subject to a 6-month workshop at all subsidiaries
 - 1 model press integrating the safety standards, relying on best practices
 - Improvement and standardisation of our machines' pneumatic systems
 - Creation and standardisation of a safety leaflet
- Prevention reinforcement in employees regarding pedestrian walkways and pedestrian/forklift crossings
- In China, KAIZEN workshops have been set up by management, and we encourage all employees to join and contribute to them. This is a method for managing a short project by involving employees with concrete and simple actions for rapid gain.



Model press



Space for the KAIZEN workshop

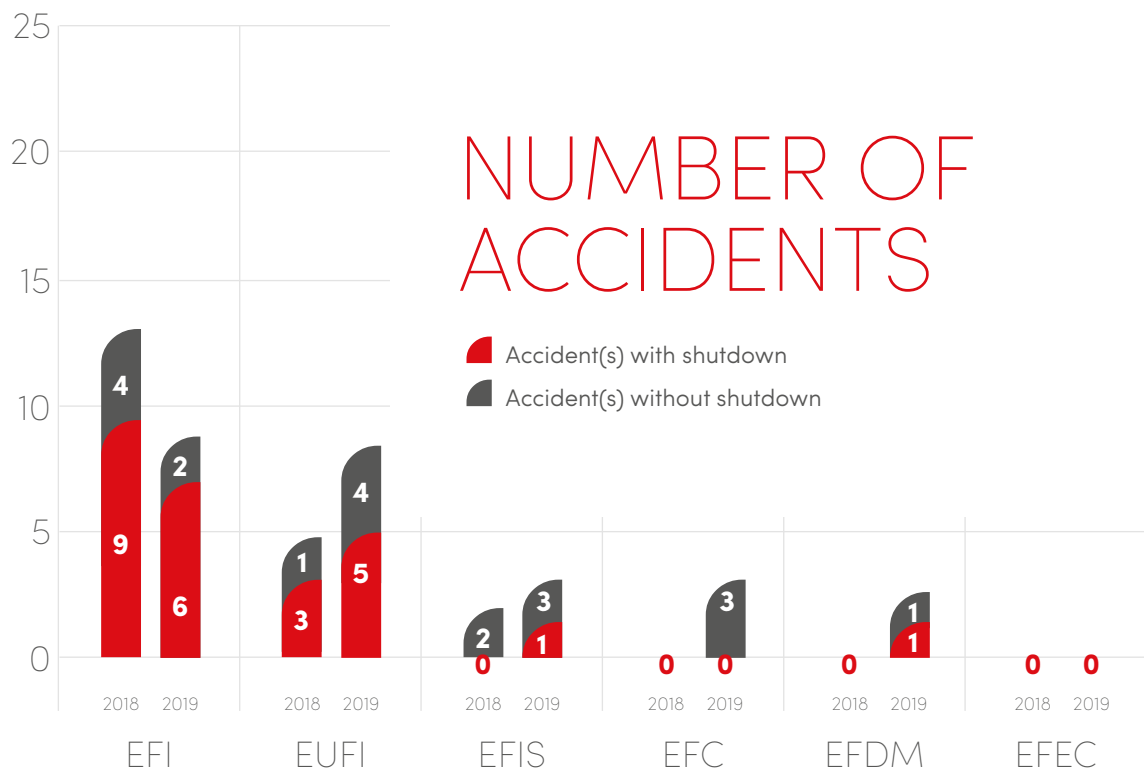
- Prevention and management of risks related to the health and safety of employees during business trips, using:



- INTERNATIONAL SOS, which proposes integrated solutions for medical and safety prevention, access to health care and intervention in case of emergency,
- An "EFI Passport" travel policy which is applicable to all sites and employees across the Group.



Résultats



GOALS FOR 2020 IN ALL SUBSIDIARIES



Objectifs



OUR DAILY OBJECTIVE
AT ALL SITES:

0

**workplace accidents
with shutdown**



II.1.2. Visitors safety, providers and sub-contractors

- We have co-written a prevention plan for each subsidiary aimed at the external companies working onsite in accordance with the regulations in force, analysing the risks linked to their activities and the safety instructions.

II.2. Preserving employees' health

Workers' safety can't be separate from the protection of their health. That's why we set up the following actions:

II.2.1. Noise

- At each subsidiary:
 - **Noise measurements** on workstations
 - **Employee training** on noise issues
 - **Safeguarding** against noise by providing earplugs
- In Beynost:
 - **Noise campaigns**
 - Equipment for all EFI personnel working in workshops, including moulded earplugs, and spiral or arc earplugs for providers and temporary workers.
 - Provision of information booklets available in the infirmary



- Systematise noise campaigns in all the Group's subsidiaries, with a set frequency.

II.2.2. Muscle-skeletal disorders

- We are working to prevent musculoskeletal disorders (MSDs) and occupational diseases with the introduction of ergonomic recommendations in our general machine design specifications.
- We provide an Ergonomic Recommendations Guide for support teams for the design or modification of workstations and their environment
- Implementation of practices in the USA to understand and reduce/stop MSDs.



"Health/Ergonomics" leaflet to raise awareness of good posture at our Beynost site

- In Beynost, the ergonomist participates in risk prevention right from machine design, in the event of a declared occupational disease, to adapt a workstation to a disabled or an able-bodied person, or after an accident,
- In Beynost, a lift has been installed to facilitate the access of persons with disabilities to their workstations,
- A TEMOTOKA workshop has been rolled out in Turkey with the aim of making all the equipment necessary for a task accessible and within the operator's reach.

II.2.3. General medical follow up

- We organised the "Biggest Loser" team event in the USA: the team that loses the most weight in a given time wins an award,
- We calculated Body Mass Index in Turkey, which will be acted upon in accordance with the results,
- We provide a medical examination for all employees at least every 2 years,
- There is a nurse at the Beynost and Turkey sites,
- In France, the nurse follows up compulsory medical examinations, alerts raised by the CHSCT, and employees' workplace first aid training.
- In Beynost, the nurse performs health follow-ups through "Infirmary visit" sheets for unannounced visits outside of workplace accidents.

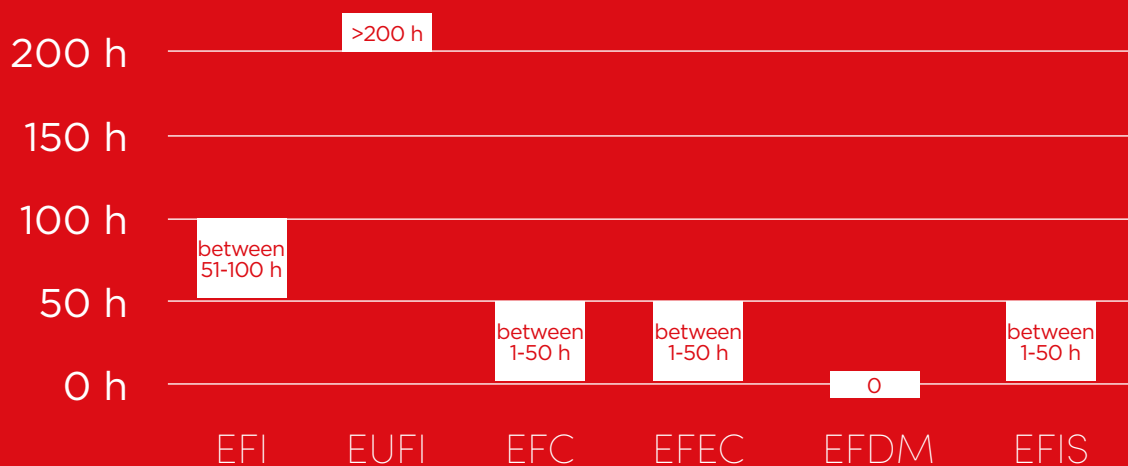


Efforts to fight against tobacco

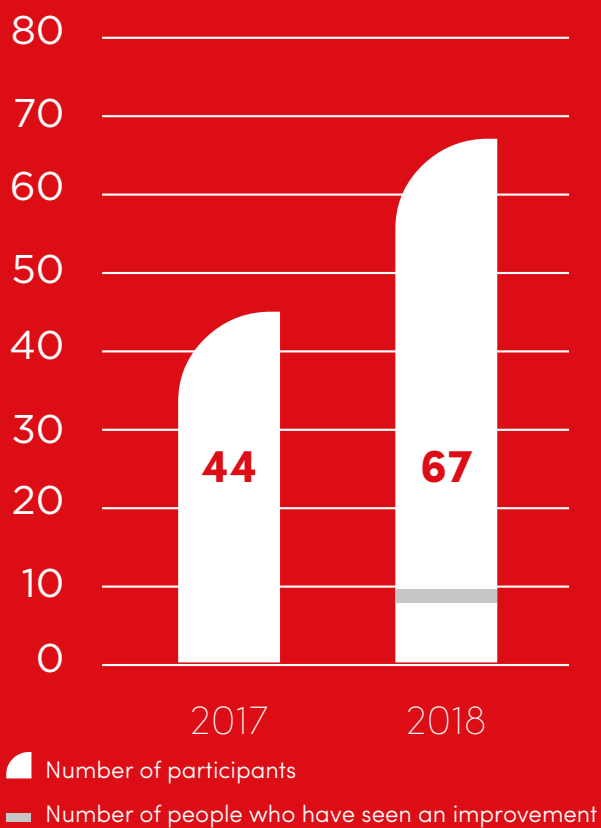
- In France: Awareness campaign to stop smoking
- At all the subsidiaries: Compliance with the smoking ban inside all buildings
- In the USA and in Mexico: 100% "non-smoker" sites



Intervention of the occupational doctor on workstations (in number of hours spent)



Participation in months without tobacco



18 PARTICIPANTS
IN THE "BIGGEST
LOSER" EVENT IN
2018
(9% OF THE
WORKFORCE)

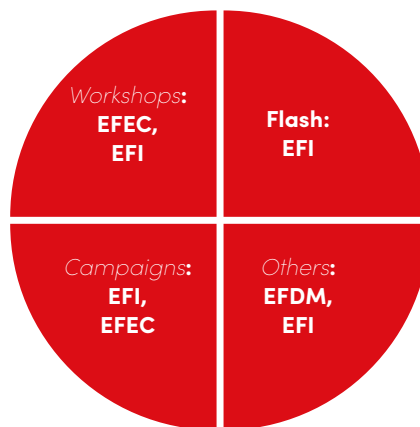


58 KG LOST
IN TOTAL,
3.2 KG
ON AVERAGE
PER PERSON



II.2.4. Stress

■ Actions taken to counter stress:



■ Organise workshops on physical stress with an osteopath in Beynost in 2020.

II.3. Respecting Human Rights and developing a good quality of life in the workplace

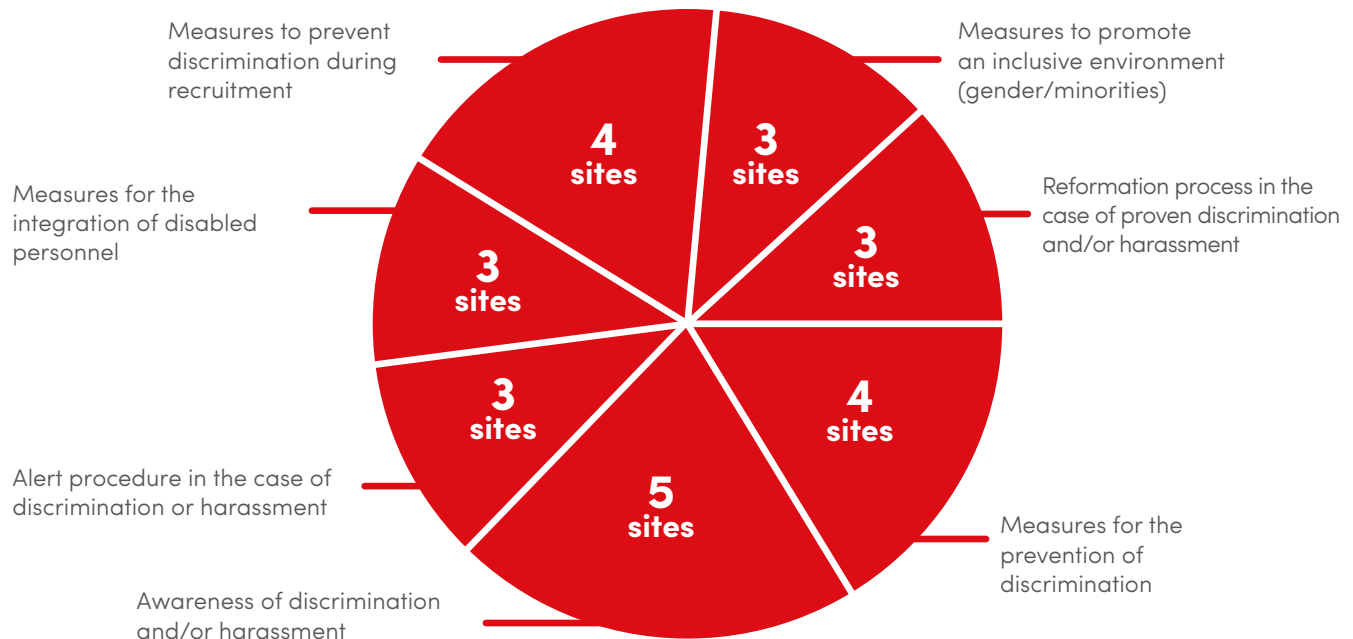
The Group's companies, along with their employees, undertake to comply with and promote international law on human rights. This is based on the Fundamental Human Rights and regulations set by the International Labour Organisation.

The Group's companies also ensure compliance with the applicable laws in all their activities in all countries in which they operate and in all relations with their employees, supply chain, customers and the populations of the countries in which they are based.

They also do everything possible to eliminate discrimination around employment. They respect freedom of association, recognise the right of collective negotiation and ensure an active social dialogue with staff representative authorities in relation to independence and trade union pluralism.

II.3.1. Fight against discriminations

■ We ensure respect for Human Rights within the Group, especially by the integration of the anti-discrimination and anti-harassment policy in the managers training plan in France.



■ Rolling out the Managing EFI and Being EFI strategies.



II.3.2. Gender equality

- We have signed a professional equality agreement in Beynost that affirms our willingness to view the principle of professional equality between men and women as a right and a factor of enrichment for collective social cohesion and a factor of economic efficiency for businesses.
- Facilitating access to training for employees returning from parental leave, in France.

GENDER EQUALITY INDEX 2019 (EFI)



- Pay gap between M and F: **2.7%** in favour of men
- Salary increase between M and F: **4.6%** in favour of women
- Difference in promotion rates between M and F: **0.8%** in favour of men
- Percentage of salary increases for women in the year following their return from maternity leave **100%**
- Number of employees of underrepresented gender in the top 10 earners **0** (men are over represented)
- TOTAL: **87/100**



- Continue to observe parity in the processing of the applications considered for each post by expressing this requirement to our recruitment agency.
- Guarantee gender wage equality.

II.3.3. Collective agreements



- In France, we have signed arduousness agreements, generation contracts and an HR forecasting and planning agreement,
- We make regular use of collective agreements in France, Mexico and China,
- In France, it is possible to donate days off to employees who need to support sick relatives.
- Sexism officer appointed at the Beynost site.



II.3.4. Staff representation

- 100% of our sites have access to trade unions, staff representatives, CHSCT or equivalent, or means for dialogue with managers.



II.3.5. International Labour Organization standards and obligations respect

- We comply with the ban on forced and child labour in EFI.



II.3.6. Career evolution

- We carry out appraisals of employees in an individual development interview once a year that feed into a tailored training plan, and performance interviews,
- There is a possibility of career progression thanks to training exemptions for employees,
- Operators can improve their skills to technician level with training, a case study and an exam in China, and with a diploma in France:

SKILLS INCREASE FOR OPERATORS IN CHINA



Days 1 to 3: **training**



Day 4: **practical case**

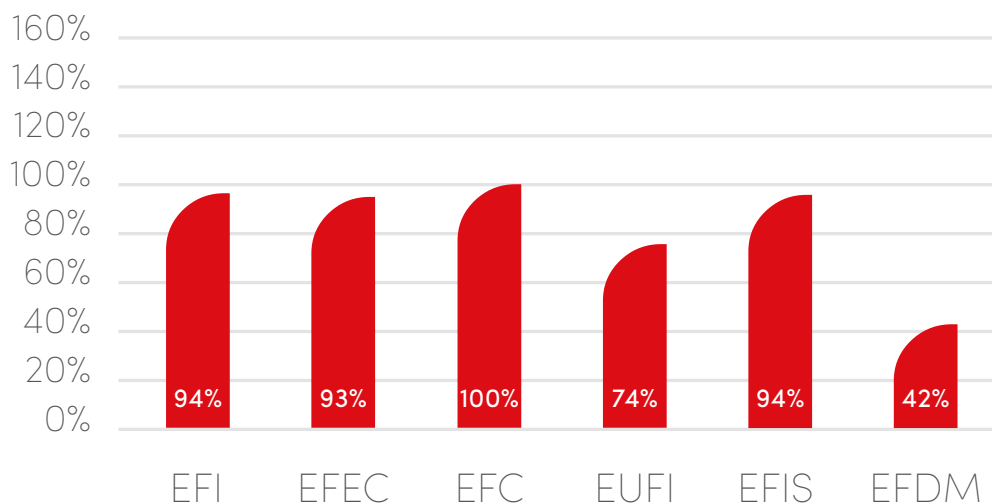


Day 5: **exam**

- There is practical training through Quality, Safety and Environment DOJOs,
- An e-learning tool has been rolled out for problem solving, with coaching available at all subsidiaries.
- Deployment of an indicator to measure the match between the skills possessed and skills required.

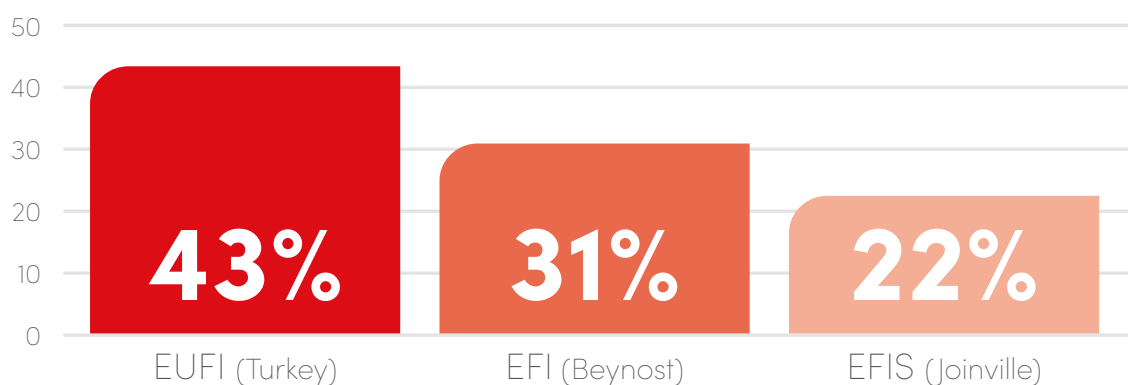
Promotions in Beynost	2015	2016	2017
Progression to executive	1	8	2
Progression to technician	0	2	8
Total	1	10	10

Progress of the training plan in 2019



- Generalise the predictive skills management approach begun in France to all Group sites: AMCT (Anticipated Management of Competencies and Talents) approach.

Employees who have received training relating to adaptation, job retention or skills development in 2017



II.3.7. Childcare systems

- Easy access to childcare systems in France, Turkey and Mexico. In Beynost, we collaborate with the "Crèche Attitude" childcare, to enable parents who need it, to find child care near their workplace.

- 91% of parents are satisfied with the structure of "Crèche Attitude" in Beynost:



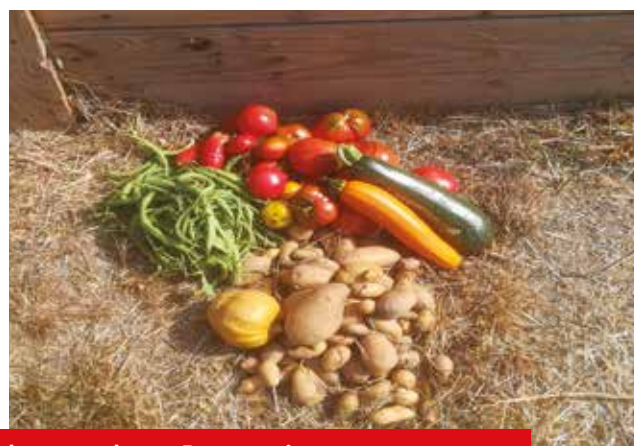
Actions

II.3.8. Well-being

- We take into account our employees' feelings with a satisfaction survey every 2 years, and every year from 2019.
- A social worker is available in Beynost.
- In France, we have signed a Company agreement on quality of life in the workplace, with workshops organised in Beynost:
 - Experiment of a permaculture garden on the site,
 - Seated massage
 - Singing workshop
 - Meditation
 - Qi Gong



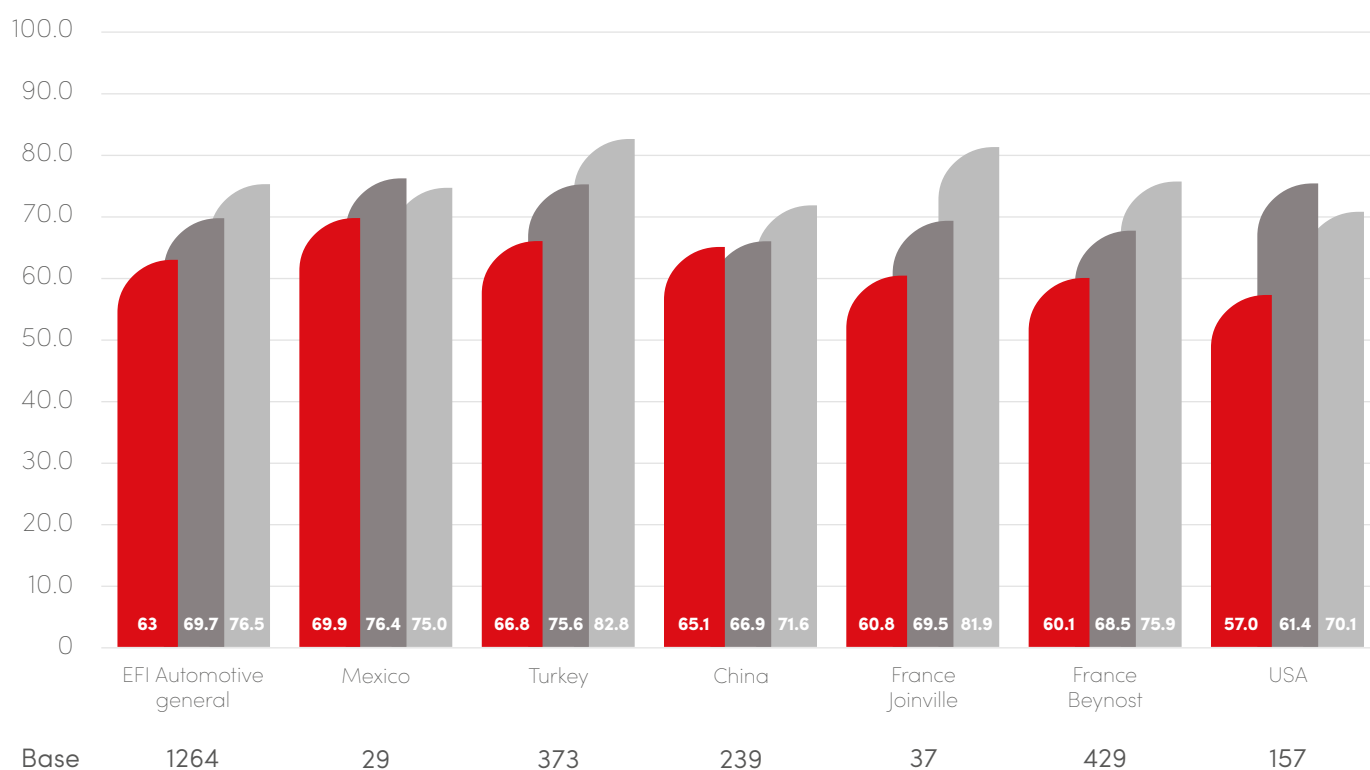
Seated massage at Beynost



Permaculture garden at Beynost site

Number of participants at the Quality of life in the workplace workshops, Beynost 2018				
Outside working hours				
Seated massages	Permaculture	Singing	Meditation	Qi gong
85 in total	15 on average	13 on average	57 in total	16 in total
During working hours				
Food/sleep		Emotional stress		
304 in total		135 in total		

EFI Automotive SLM: "Satisfaction", "Loyalty" and "Motivation"



(Rate of participation in EFIVoice satisfaction survey, from employees at work in 2019)



Halloween costume competition

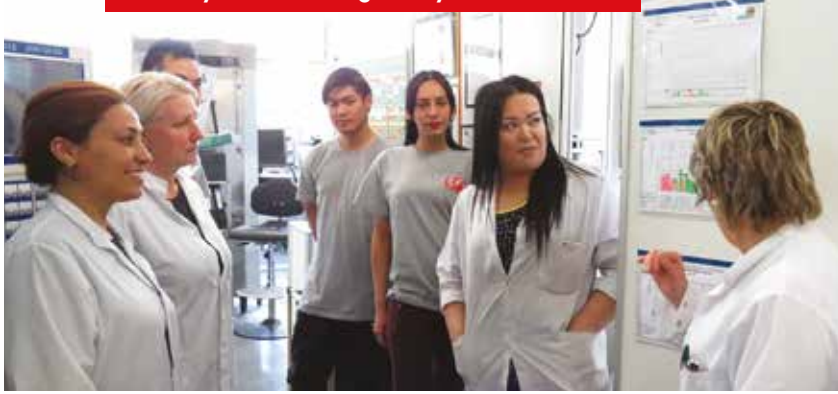


Thanksgiving lunch at the Alabama site



jumper day

Weekly team meeting at Beynost site



- There are discussions every day during daily meetings regarding different issues, such as working conditions, at all subsidiaries,
- In France, there is the option to work from home at some sites, in order to improve the work-life balance.

- QRQC (Quick Response Quality Control) meetings are organised daily at all subsidiaries to discuss quality problems and find solutions together in a place where everyone is free to express themselves.



QRQC meeting (Quick Response Quality Control)



II.3.9. Wages

- We award a salary bonus proportional to the company's performance at all sites.

II.3.10. Partnerships and sponsorships

Promoting a responsible culture is part of the EFL Automotive's values, and the culture of service is part of our mission. That's why we deploy in each site, actions and activities serving the personal, and people in need. We also open up to be part of the local economic fabric, in order to push the innovation and the attraction of new talents. We try to federate around our values, men and women working for EFL Automotive, as well as our stakeholders generally speaking. We are committed to the cohesion of EFL men and women, to the integration of young people, to industrial and scientific development and to welfare in the broader sense.



▲ Integrating young people

EFI commits to ambitious projects bringing young people a future and society, meaning: As a patron of the UCLY (Catholic University of Lyon), EFI directly participated in financing the “Passerelles” project, which was intended to convert the former Saint Paul of Lyon prison into a modern campus able to accommodate several thousands of students in the heart of Lyon.

In addition, through close links with the UCLY for over ten years, EFI has participated in running “think tanks” around religious diversity in business, humanist entrepreneurship and the influence of humanist thinking in the world of industry.

EFI also promotes the integration of young people with internship, apprenticeship or professional insertion agreements, and on 31 December 2017, there were 42 work/study contracts in Beynost and 5 in Joinville.

We also open up the access for young, to international volunteering contracts, enabling them to have a professional mission abroad. On average, 4 young people per year under this contract had the opportunity to exercise their missions in the USA (in Quality, and Plasturgy), and in Mexico (in Industrialisation) for example.

In partnership with schools, EFI regularly opens its doors to pupils and students to let them discover the world of business in France, Turkey and the USA.

In China, there is a Family Day when employees' children visit the business and take part in fun activities together.



In 2019, EFL took part in the Run in Lyon race, in support of the Handi'Cap 2020 project. The project finances a team of disabled and able-bodied sports men and women (one of whom is an EFL employee) who want to reach the top of a 6008-metre-high mountain in Bolivia

■ Global approach to inclusion

As a sponsor of Handicap International, EFL deploys a proactive approach, founded on:

- In 2019 and 2020: roll-out of a field diagnosis approach in each subsidiary of the Group in order to identify the points for improvement to welcome people with disabilities
- Every year: employee participation in the "Sports Together" charity race at the Beynost site

In general, EFL works to support the NGO's actions and improve its internal practices regarding professional insertion and job retention for people with disabilities.

Scientific and industrial development

EFI Sciences, the internal school for EFI Automotive training, capitalises on and enriches the technical skills of its employees by guaranteeing high-quality training to achieve operational excellence. As a genuine performance catalyst, we develop modules adapted to our business, organisation and the requirements of our customers. More than just a school, EFI Sciences is the driving force behind the application of our strategy and our competitive development.

In the same vein, EFI France is one of the main member companies in the "Alliance et Territoires" association in the Rhône-Alpes-Auvergne region, bringing together the main companies in the area to develop skills in the region both within and between companies, and to encourage co-development practices and the sharing of expertise. Through this association, the managers at the Beynost site have attended a forum and workshops on agile management methods.

EFI Automotive is also actively engaged in the development of start-ups via its industrial accelerator AXANDUS, which strives to help them as best it can, both technically and industrially, by giving them access to its technologies, particularly in the development of their product and mass production. As a result, EFI Automotive helps to make start-ups stronger and more robust.

Furthermore, EFI Automotive focuses on creating technologies by developing technological building blocks which are used by all its establishments throughout the world for developing the product portfolio. EFI Automotive is outward-looking and possesses a strong value: sincerity. This value enables the company to form solid partnerships with third parties, giving rise to new and innovative technologies.

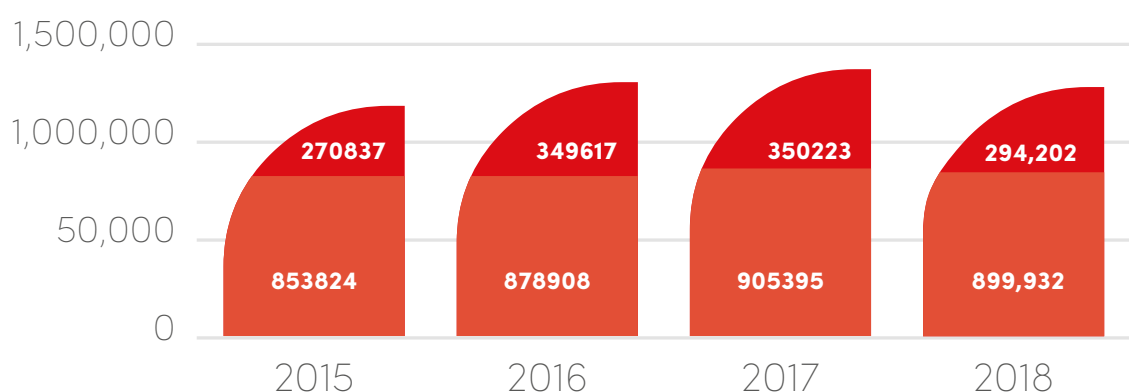


Social assistance in a broad sense

Furthermore, as we place importance on human beings, we give a significant contribution to social projects through our company and through the Enterprise Committee.

The conditions of this contribution, and in particular the donations, are governed by our Anti-corruption conformity guide.

Contribution to social projects in EUR (EFI)



- Payment by the Works Council (accommodation, transport, catering, leisure, holidays)
- Payment by the company (transport, works council, 1% housing, charities)

- Blood donation in France and the USA
- Flu vaccine in France and Turkey
- Stop smoking campaign at Beynost
- Disability awareness in France
- Breast cancer awareness in Turkey

Organised events and campaigns

- Fight against cancer with the "Tulips against cancer" event at Beynost
- Second-hand clothing donation for vulnerable people, in China
- Sponsor of the "Swing under the Stars" music festival in Miribel (France)

Participation in sporting events

- Dragon Boat Races, running and hiking for charities in the USA and France
- "Sport Ensemble" organised by Handicap International at Beynost
- Participation in the 4L Trophy for children in poverty in Morocco, by the sites in France



Employee benefits

- Deliveries of fruit and vegetables at reduced price thanks to participation by the Works Council, in France,
- Access to the Happy Farm where workers can pick fruit and vegetables, in China

Participation in Clusters and associations to strengthen its local network

- FIEV: Equipment Industries Vehicle Federation, of which Patrick Thollin is the Vice-President. Their role is to represent member companies to public authorities and client sectors
- SIA: French Society of Automotive Engineers, promoting the sharing and development of knowledge within the automobile world
- CARA: Supports changes in urban mobility, passenger and goods transport systems
- Elles Bougent: A group aiming to get young female students involved and interested in working in engineering and transport.
- Télémaque: A sponsorship group by business employees for talented young people from disadvantaged backgrounds, to give them access to prestigious schooling



III – A COMPANY WITH ETHICAL PRACTICES

III.1. Sustainable Procurements

In 2018, a new chapter was integrated in our Suppliers Approval Questionnaire. New questions were added, dealing with our suppliers CSR approach, and with the Business Continuity. This is to make sure our suppliers set up necessary means and actions to ensure the continuity of its activities in case of a damage or an event disturbing seriously its normal operation. This

chapter includes questions related to the respect of some standards and requirements by the suppliers.

This development converges with the approach initiated through the Supplier Code of Conduct, which stipulates that "The Supplier must operate its businesses in an environmentally friendly way and comply with all the applicable laws and regulations in the country

of manufacture or delivery of the products or services concerned. It undertakes to continually minimise the impact of its businesses on the environment."

Our Group is committed to paying more attention to CSR profiles when approving new suppliers in order to be coherent with its own sustainable development approach.





III.1.1. Respect of Human Rights by our suppliers

- We monitor the respect of human rights by our suppliers by having them sign our Supplier Code of Conduct, which binds them contractually and sets out requirements, in particular regarding:
 - A non-discrimination policy,
 - A ban on forced and child labour,
 - A ban on coercion and harassment,
 - Remuneration and working time,
 - The fight against corruption,
 - Solicitation of our supplier to invite its own suppliers to comply with these requirements
- Since 2018, our Code of Conduct has formed part of the contractual documents of 100% of our purchase agreements (Nomination Letter) signed by suppliers.

III.1.2. Suppliers' ethics



- Suppliers approval in the Suppliers Panel, via the Approval Questionnaire validation by the Purchase Service, and the Suppliers Quality Insurance Auditors. It enables to evaluate the supplier according to several criteria. For that purpose, there are simple questions to know for example if the supplier launched a CSR approach.

Our Supplier Code of Conduct also covers these topics:

- Hygiene and safety,
- The fight against corruption,
- Solicitation of our supplier to invite its own suppliers to comply with these requirements



100% OF OUR NEW AND DEVELOPING SUPPLIERS
ARE APPROVED USING THE
NEW APPROVAL QUESTIONNAIRE

III.1.3. Product Quality



- We comply with the quality requirements guaranteed by the Supplier Quality Insurance Manual, which stipulates rules related to product traceability, suppliers' selection criteria, management of expiration dates and supplier certifications
- We provide of an insurance certificate requiring minimum financial guarantees



- 100% of our raw materials and components suppliers are ISO 9001 v.2015 certified as a minimum,
- 40% of our suppliers and 72% of our strategic suppliers were IATF 16949 certified in 2018.



- Encourage more and more of our strategic suppliers to become IATF 16949 certified through the annual evaluation

III.1.4. Recycled materials



- Authorisation is given to our plastic parts suppliers to use 30% of recycled material in new materials, with some exceptions

III.1.5. REACH respect by our suppliers




- The Supplier Approval questionnaire also includes compulsory questions to find out, for example, if the supplier complies with the REACH Regulation (Registration, Evaluation and Authorisation of Chemicals) and its amendments.
- 100% of our European suppliers were asked about their commitment to REACH.

III.1.6. Conflict Minerals Policy



- Solicitation of the Declaration concerning Conflict Minerals, for suppliers of products containing gold. It's then possible to track intermediate suppliers up to the raw material
- In the Supplier Code of Conduct, a paragraph has been added committing the supplier to exercise their duty of care and ensure that their ore imports come exclusively from responsible sources and do not result from conflicts.
- 100% of our suppliers of products containing gold and tin sent us their certification proving that the gold and tin do not originate from conflict zones.
- Ensure our suppliers' declarations are updated on time.

III.2. Business Ethics



As a responsible company, EFI Automotive recognises that it does have competitors and works to implement fair competitive practices. It takes at heart to maintain reliable contractual relationships, to guarantee to its personal and to its co-contractors, that it keeps their information safe. It's also important to promote a social responsibility culture within and outside the company.

Sincerity, internally and with our suppliers, is a strong value of our Group. To set up a mutual confident relationship between all our interlocutors, we develop sensitisation and control means, adapted to our activity.

Besides, each employee is required to help protect the knowledge and expertise of the company. They refrain from disclosing confidential information to which they have access (studies, research, projects, organisation and direction of the Group, etc.) to other members of staff who are not authorised to hold these details or to third parties. Likewise, our customers' data and our data are protected and their access is limited to the persons involved. For this purpose, we set up several guarantees



III.2.1. Fight against corruption and conflict of interests

- The appointment of a Compliance Manager and an internal auditor as part of the Legal and Risk Management department.
- We have set up a whistle-blower alert system with an email address (compliance@efiautomotive.com) for the reporting of any reprehensible behaviour to the Group President, the Legal and Risk Management Manager and to the Compliance Manager.
- We sanction wrongdoers in accordance with adapted disciplinary procedures and in accordance with the Labour Code, coordinated by the Human Resources department.
- We guarantee the protection of the whistle-blower with the User guide for an apparatus for professional whistle-blowing and receiving whistle-blowing reports in accordance with French legislation.
- This alert is regulated by the User guide for an apparatus for professional whistle-blowing and receiving whistle-blowing reports in accordance with French legislation.
- We are raising awareness about the fight against corruption and conflicts of interest through:
 - The Combatting Corruption Compliance Guide attached to the Internal Regulations,
 - Accompanied by an Internal Anti-Corruption Control Standard, explaining precisely when to act, what to do and how, and what limits not to exceed
 - A face-to-face meeting with the principal executives in the USA and Chine and by videoconferencing with Mexico, ensured by our internal auditor
- Finalisation of e-learning training on the prevention of corruption, amongst employees with an email address.



- Launch of e-learning training at the start of 2020, and increased meetings for associates most at risk of corruption.

III.2.2. Fight against fraud



- We are raising awareness about fraud in the Combatting Corruption Compliance Guide attached to the Internal Regulations.
- We use the User guide for an apparatus for professional whistle-blowing and receiving whistle-blowing reports to report fraudulent practices.
- We communicate every external fraudulent case detected (president, bank or other fraud) throughout the Group to raise awareness among the population in question of risks and good practices, continuously and across the Group.



III.2.3. Fight against money laundering

- We fulfil our obligations towards our partners and especially our banks
- We fulfil our obligations to declare regarding the beneficial owners (direct and/or indirect holding of more than 25% of the capital and/or voting rights and/or the exercise by all means of a power of control by the beneficial owner on the declaring company)
- We use the User guide for an apparatus for professional whistle-blowing and receiving whistle-blowing reports to report fraudulent practices.



III.2.4. Fair competition

- Prevention of anticompetitive practices with a policy formulated in the Suppliers' Code of Conduct, that suppliers, providers or any other co-contractors, must systematically sign. Before each conclusion of contract, the appreciation of risk is mostly done by the Legal department, in collaboration with commercials, products managers in charge of building partnerships, and the Partnerships and external growth Director.
- We have signed a Personal Commitment Letter regarding compliance with competition rules by every employee of every society participating in an event in 2016 that brought together several suppliers to exchange economic information on the topic of improving quality and costs as part of the manufacture of mechatronic modules.



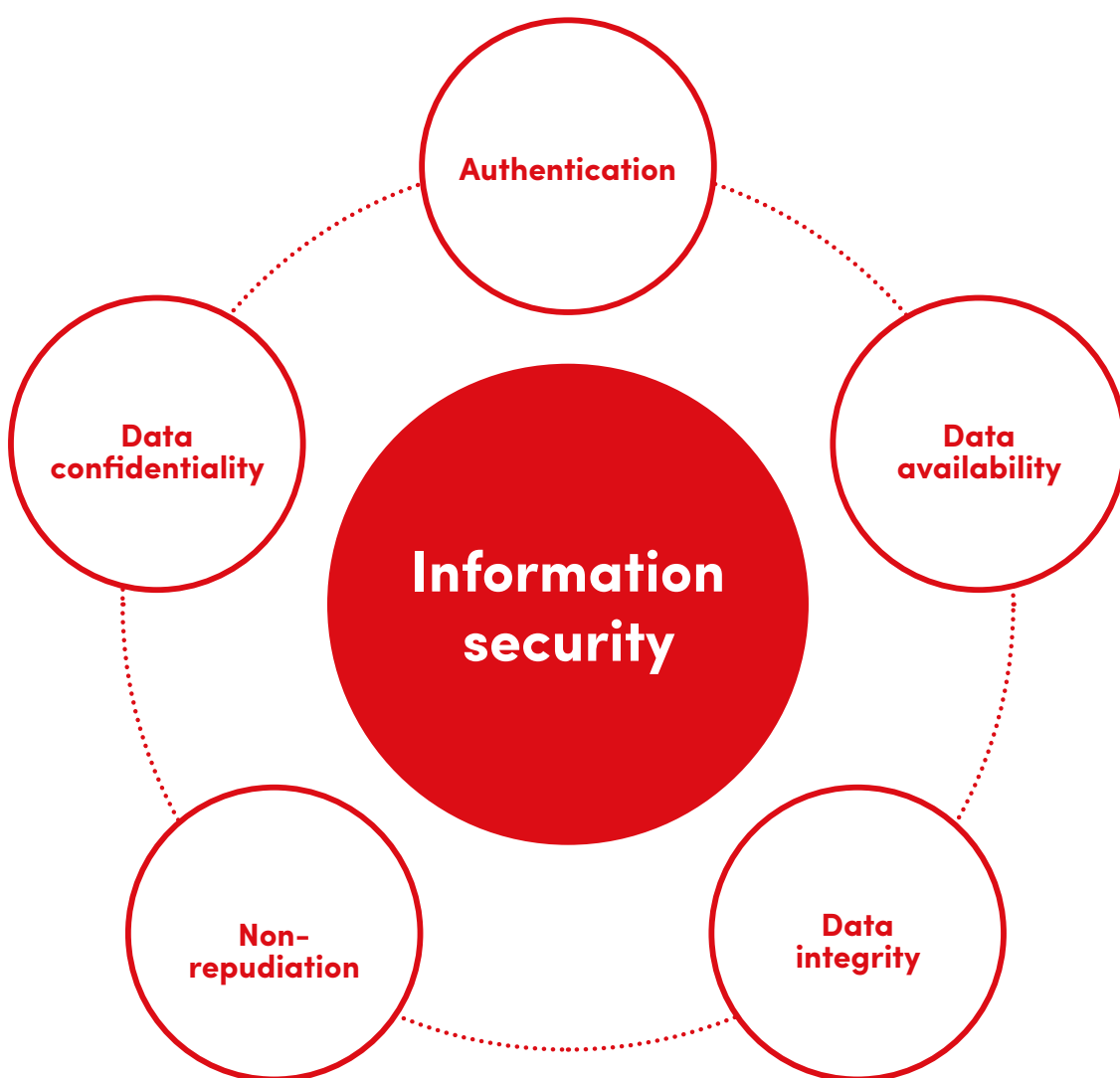
III.2.5. Protection of identity and Non-retaliation

- Protection of identity and non-retaliation by the signature of the Suppliers' Code of Conduct, that commits the supplier not to launch retaliation against its employees. The supplier is encouraged to inform the EFI's compliance officer in case of an observed irregularity, via the dedicated mailbox.
- We protect the whistle-blower's identity based on the User guide for an apparatus for professional whistle-blowing and receiving whistle-blowing reports



III.2.6. RGD and Information security

- Current workshop to be compliant with the RGD Regulation (General Regulation on Data Protection), managed by our Compliance Manager. This workshop includes all the stakeholders within the company who tend to treat confidential data. In our approach, we are supported by a reputed external council and expert in this area.
- We are raising awareness about information security with periodic information as employees arrive, on EFI Voice, in EFI Mag with news on the topic, and by email and SnapComms, which is an application on all professional computers enabling communication about a security issue in case of an emergency.



Authentication: only authorised persons have access to the resources

Availability ensures access to a service or resources

Integrity ensures data are what they should be

Non-repudiation ensures a transaction cannot be denied

Confidentiality ensures that only the authorised persons have access to the resources exchanged



- Regular audits planning, such as the “trainee audit” with an external person, trying to catch data on our network, without the access. According to our observations, corrective action plans are set up. There is also the “external attack” audit, which consists in trying to obtain privileged rights without previous information, from the internet.
- We consult the Confidentiality Guide, available to each employee, to know the information technology confidentiality rules
- We have set out a new password management policy, in force since September 2018,
- We comply with the Charter on the use of information and communication systems by every employee or external natural person who intends to use the information and communication system in order to help keep it secure, and application of the Information System Security Policy as amended in the Internal Regulations, which describes the means and organisations put in place to meet the Group’s IT security objectives.

INFORMATION PROCESSING THROUGH A POLICY INSPIRED BY THE ISO 27001 STANDARD ON INFORMATION SECURITY MANAGEMENT



- Broadcast IT security segments on screens located in company common areas by 2019.
- Launch a Data Security Project which will allow the company’s non-structured data governance to be set up.

III.2.7. Export controls and economic sanctions



- The Compliance Manager, in collaboration with our Customs Service, follows up International Regulations regarding exportation and embargo and compliance with these regulations.

We are a certified Authorised Economic Operator (AEO), enabling the customs control protection level. to be strengthened and certifying that the company fulfils certain criteria:

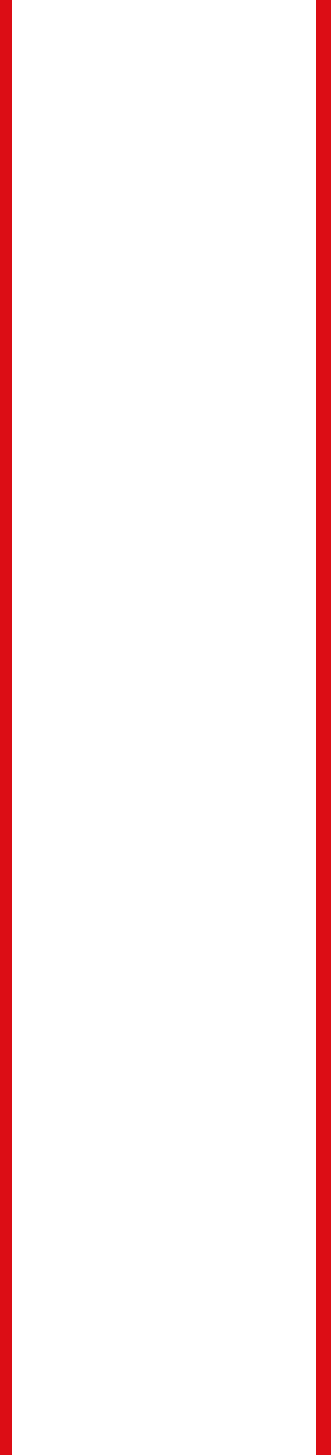
- Compliance with customs and tax legislation
- Satisfying financial solvency
- Efficient commercial records and transport records management system, allowing appropriate customs control

III.2.8. Intellectual property and counterfeit parts



- We safeguard intellectual property with good brands portfolio management and patent portfolio management, and with the introduction of Intellectual Property clauses in all contractual documents (General Terms and Conditions of Purchase, General Terms and Conditions of Business, General Terms and Conditions of Parts Sales etc.).
- We fight against counterfeiting with the signature of a Confidentiality Agreement during the presentation of our products outside of the company.
- We work closely with a law firm specialising in Intellectual Property, to protect and defend our active intellectual property (patents, registered trademarks etc.). We have a marketing department which handles, amongst other things, technology surveillance and business opportunities.





**Electricfil Automotive**

77, allée des Grandes Combes
ZI Ouest Beynost
F – 01708 Miribel Cedex
Tél. +33 (0)4 72 01 34 34

EFI Automotive

15 rue du Château
92250 La Garenne-Colombes
(Paris) – France
Tél. +33 (0)1 57 68 83 39

Electricfil Service

1 rue de l'Industrie
Parc d'Activités du Rongeant
F – 52300 Joinville
Tél. +33 (0)3 25 94 01 86

**EFI Automotive**

Fichtenbergstrasse 3
Harbigstrasse 45/1
D – 71083 Herrenberg
Tel. +49 171 352 1344

**Electricfil Ünifil Otomotiv**

Dudullu Organize Sanayi Bölgesi
3, Cadde N° 11
34776 Y. Dudullu, Istanbul,
Turkey
Tel. +90 (0)216 528 1800

**Electricfil Corporation
North American Headquarters**

18831 Carters Circle
Elkmont, AL 35620, USA
Tel. +1 256 732 4044

**Electricfil Corporation
Applications Development
Center**

Andover Business Park
47091 Five Mile Road
Plymouth, MI 48170, USA
Tel. +1 734 425 2774

**Electricfil de México
Guadalajara Facility
Condominio Industrial**

Siglo 21
Av. Siglo 21 #50-103
Sta. Cruz de Las Flores
Tlajomulco de Zúñiga,
45 640 Jalisco, Mexico

**Electricfil Engine
Components**

Wuhan Economic & Tech.
Development Zone,
No.60, South Quanli Road, Wu-
han, 430056 Hubei, China
Tel. +86 27 842 949 43 & 4931



EFI Automotive – KK Seric
701B Nihonbashi 1-chome
Mitsui Building,
1-4-1, Nihonbashi Chuo-ku,
Tokyo 103-0027, Japan
Tel. +81 03-3510-2040

EFI AUTOMOTIVE
77 Allée des Grandes Combes
ZI Ouest Beynost
F – 01708 Miribel Cedex
FRANCE

contact@efiautomotive.com
+33 4 72 01 34 34
www.efiautomotive.com

