CORPORATE SOCIAL RESPONSIBILITY REPORT

C S R R E P O R T



EFIAUTOMOTIVE.COM

A RESPONSIBLE INTERNATIONAL INDUSTRIAL GROUP

For 85 years, EFI Automotive has been supporting the world's leading mobility companies in their main innovation challenges. From the electrical engineering of yesterday to the electronic and mechatronic developments of today and tomorrow, we use all our expertise and agility to build lasting partnerships with each individual customer.

- An independent company since 1936
- Headquarters in France (Beynost, Lyon)
- Present in the global manufacturing market for more than 40 years
- 1,676 employees
- 172 engineers and technicians
- 8.4% of turnover invested each year in R&D to support our technological developments

EFI Automotive has located its production facilities as close as possible to its customers across the globe: United States, China, Mexico and Turkey.

EFI AUTOMOTIVE AROUND THE WORLD









EFCO Elkmont - AL - USA 127 employees

EFDM Guadalajara - Mexico 76 employees

EFI Beynost - France 689 employees







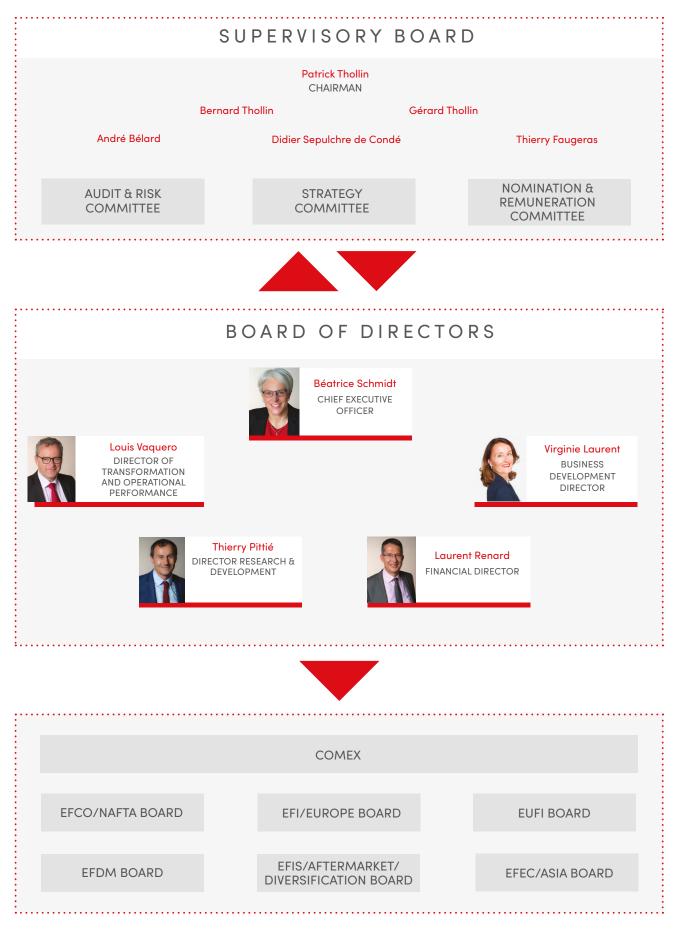
Joinville (EFIS) 69 employees

EUFI Dudullu - Turkey 367 employees

EFEC Wuhan - China 346 employees

+ Electricfil S.A. : 2 employees

OUR GOVERNANCE



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, multiyear budget etc.)

COMEX is the Group's Executive Committee. It is responsible for the overall management and operational control of the strategy approved by the Board of Directors. It controls the development of the Group and ensures smooth operation.

Our vocation

To imagine and realize tomorrow's mobility solutions with success and responsibility. EFI has the ability to listen to and anticipate market expectations in order to provide ever more innovative solutions.

It is an open and harmonious ecosystem, which includes employees, customers, suppliers, partners and the regions in which we operate. Finally, EFI Automotive is a responsible industrial project, which aims to provide value over the long term and promote the fulfillment of all.

Our vision

We aim to become a mobility solutions provider, rather than an automotive component supplier. Between now and 2025, we will grow, doubling our turnover to remain independent, while capitalizing on our identity as a responsible and agile industrialist.

We want to succeed in our repositioning through decarbonized mobility innovations and new platforms.

We want to grow our organization and develop talent to improve our overall performance and our customer experience.

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). EFI 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

EFI 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.



Bidirectional

crankshaft

position sensor



Camshaft

position

' sensor







Magnetic target





Actuator for thermal management module





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

Parking lock actuators

EFI Automotive Group / 2020 Annual Report - Consolidated Accounts

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Actuators





Guide

lights



panel

Illuminated



Starry sky

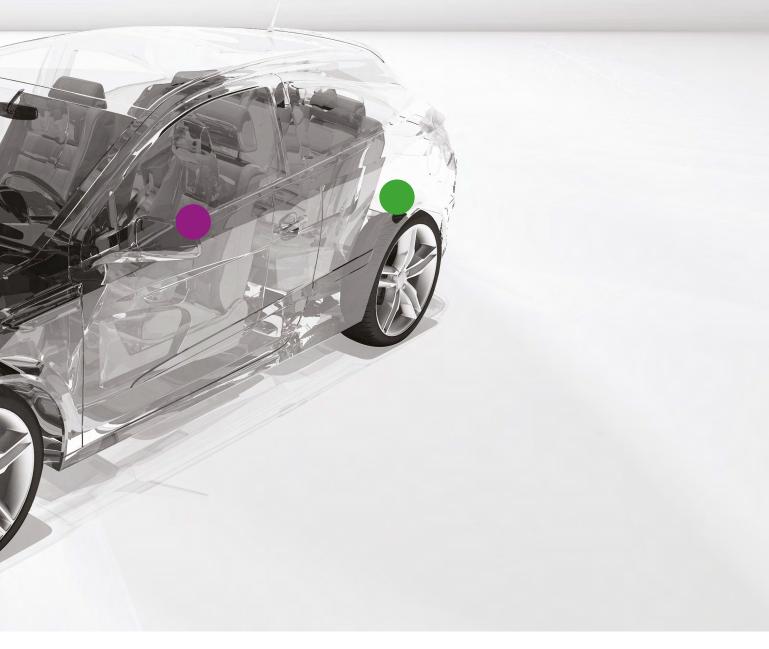






Brake pedal position sensor

Body height sensor





Bidirectional position sensor for e-motor



Camshaft position sensor for e-motor





Camshaft sensor for e-motor

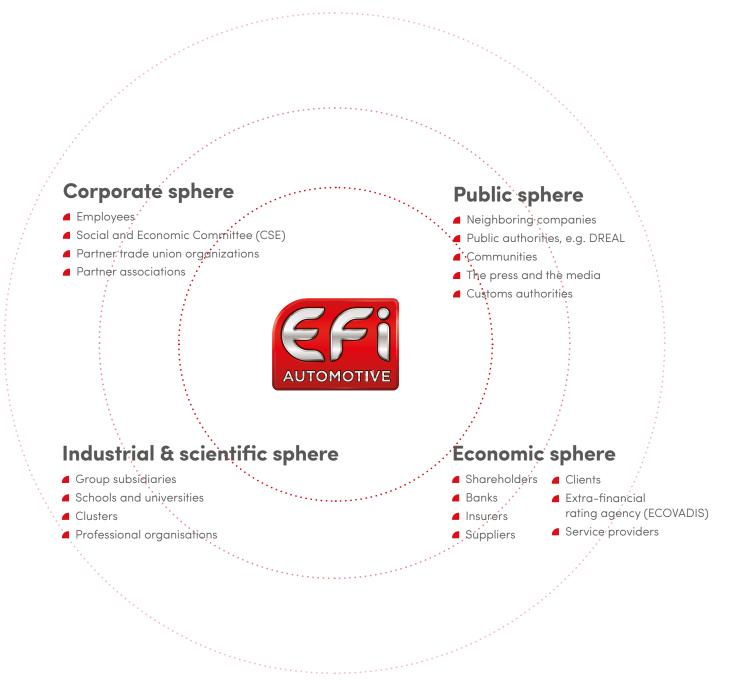
Camshaft

end-of-shaft

for e-motor

OUR STAKEHOLDERS

EFI Automotive has identified 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.

In line with this dynamic, we have strengthened and developed our approach to performance improvement in terms of Corporate Social Responsibility. In order to objectively evaluate this performance, we called the nonfinancial 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 64/100 in 2020. It means our CSR approach is structured and proactive, and that our company shows commitment on our main issues. This approach delivers a determined commitment to the sustainable and ecological development of all our business activities across the globe, both from us and our customers. Thus, ECOVADIS recognises we follow a continuous improvement process on these issues, permitting to consider long term commercial relationships.

ECOVADIS scores

2018 / 2019 / 2020



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 through all our commitments, we are careful to comply with the regulations in force in the counties in which we operate and to ensure that the strict application of their requirements does not restrict us.

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

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.
- Environmental awareness training for employees through Safety & Environment DOJOs at all production sites.

100% of Group employees are trained on environmental issues



100% of the sites are evaluated on the environmental aspect

100% of our sites are ISO 14001 v. 2015 certified



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

I.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:

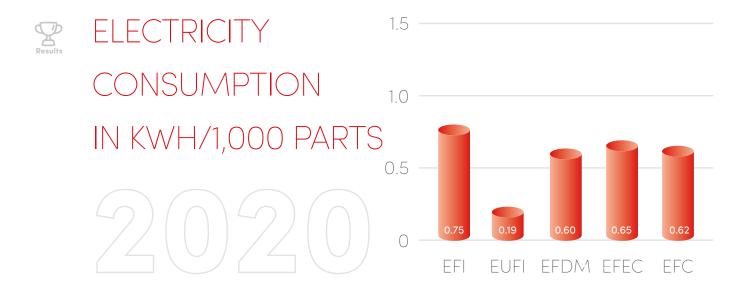
I.1.1. Electricity

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

Fully LED lighting in Turkey and the USA.

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.
- Machines disconnected across the Group at the weekend when not in use.
- LED lights in all new offices and office space in Beynost, and in all buildings in China, Turkey and the USA.





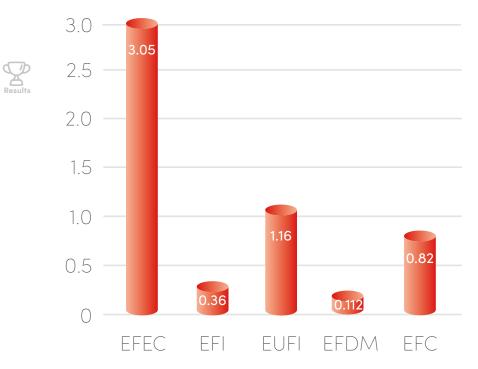
- At the plants in Beynost, switch off the car park lights for 50% of the night.
- In Turkey, turn off the machines at the weekend when they are not in use.
- In Beynost, equip 100% of the lights in common areas with presence detectors progressively as the buildings are renovated (one building per year).
- Reduce electricity consumption/thousand units by 5% at all our sites.
- Expected 20% reduction in electricity consumption in 2021, with the replacement of the PUD A compressor.

I.1.2. Greenhouse gas

- At the Beynost site, we draft a Greenhouse Gas report every four years, and implement 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.
- Waste water generated is monitored 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





- Reduce water consumption at each subsidiary by 3% each year.
- Anticipated reduction of 150,000 m3 of water in 2021, with the replacement of the PUD A compressor.



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.







Non-recycled materials 70%



- 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.

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).



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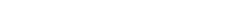
1.2.3. Waste

- 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.











I.2.4. Environmental impacts linked to our activity

- Optimized truck loading before leaving the Beynost and U.S. sites, using road markings to limit transportation.
- 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.



 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.



I.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:





I.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.

II – FOR THE BENEFIT OF A COMMUNITY WHICH DEVELOPS HUMANELY

Our values and managerial expectations are at the heart of our performance

Entrepreneurial spirit and Respect are, more than ever, key values for the EFI Automotive Group.

They reflect our desire to place human qualities and the requirement for best conduct at the heart of our peopleand society-based project. Beyond the common frame of reference and structural framework that they have provided our employees with since their inception, our "Being EFI" and "Managing EFI" programs are key points of employee interaction and sharing.



"Being EFI" is the core program for the Group's values, which shares a common understanding with all new starters across the world, based on concrete examples taken from everyday life and adapted to reflect local cultural characteristics.





"Managing EFI" is the core program of our management culture, built on the principle that motivational management is at the heart of our performance. It has been rolled out across the world and ensures that we have a shared management style, which fosters our sense of belonging, whatever country we operate in. Moreover, we are convinced that common, shared and, above all, fully-embraced management practices promote the well-being of our employees by setting an example for all.



To support the Group's strategic development and to increase our managerial skills as an extension to the BEING EFI and MANAGING EFI programs, we have selected and highlighted a list of five key managerial and strategic skills, as part of the "DRIVE FOR CHANGE" approach:

- Demonstrate managerial courage.
- Focus actions on results.
- Lead and develop our teams.
- Lead change/transformation.
- Move in the right direction in spite of uncertainty.

AUTOMOTIVE	AGILITY/FL	EXIBILITY ENTREPRENEURIAL SPIRIT	FOCUS	ESPECT RESPONSIBILITY	
DRIVE FOR CHANGE : Core strategic Group competencies					
COMPETENCIES	LEVEL OF DIFFICULTY	DEFINITION	POTENTIAL SKILLS GAP	MISUSE/OVERUTILIZATION	DEVELOPMENT DIFFICULTIES
MANAGERIAL COURAGE / COURAGE MANAGERIAL	••••	Sign what needs to be sized. Gives the relevant people distable feeblack, whether positive or complex, expectivity, and at the right time and includes areas for improvement and a development displaytive for the person. Gives people an understanding of where they are. Disagreement is addressed calify and expendituly, which we become detersive, is not atriat to late difficulty and advance conversations that require ourapy; takes the necessary actions and adapts them to suit the specific situation.	in difficult situations; does not know how to take a firm position; does not communicate information in their possession; does not address problems; is intimidated by those positioned above them in the hierarchy; stays in the background and lets others take the initiative, avoids conflict, not warking to enter into an argument; is afraid of		It is very official to develop managerial courges. Several medium- and even long-term classes are required to generate a positive impact on performance. A bialancid development plan that combines competencies that are easy to develop with competencies that are moderately difficult and difficult to develop must be implemented.
DRIVE FOR RESULTS/ ORIENTATION RESULTATS	••000	Can be occurred on to exceed objections accessfully; consistently and routinely one of the top performens; highly driven by results; pushes themselves and others to obtain results.	Does not dutain results consistently, close not meet deadliner; success time and resources on consequential additions; sources and additions; success resources and consequential additions; sourcessing additions; and dimensionale, collicitative in overcoming restance; takes the bodiness or commitment required to communicate a message; closes not deal with issues obstructings; closes not deal with source obstructings; closes not deal with everything; puts in as little effort as possible to get by.	Is happy to active results at yrv, ood without being concerned about popoly, least, coses, or possibly, anderstands and white. Way have a higher attrition rate in their department/ham due to the pressure for results. May not develop team spirit or celebrate and share success. May be very egocentric.	It is not too difficult to develop a drive for execute. A few short-twm and possibly medium-measures will have a possible migrat on performance. A balanceal development plan that combines competencies that are easy to develop with competencies that are moderately difficult and difficult to develop must be implemented.
LEADING & DEVELOPING PEOPLE DIRICIRE TO FORCE DIRICIRE TO FORCE PERSONNES	••••	Is a good judge of competencies, potential, expertise and other forms of in-house talent, after having rerough time for analysis and to gain both within and couldsel of the comparison: can accurately profet people's capabilities in a wide variety of statutors. Crantes an antopsizer in which people can and want to do their best can motivate many types of people through direct and indirect analysisment of the statutors. The strength of each person and make the best use of them; best use the confidence, delegates, authority to others, encourages tobes to confidence, delegates, authority to other, encourages tobes to confidence, delegates, authority to other, encourages tobes to confidence and and mobility, even if this entails a change of management/department.	vealencess of employees: projutice and stretcypes may play too important a role in their assessments, may rely on models to valuate people that are loo simplisit;, camot make an instant decision a may level fast adjusted for inflai assessments, make valuations and predictions of how people will perform in different circumstances prove to people also and known know to beinly their needs. The people will be also the stretch and the stretch and the people will be also the stretch and the stretch and the stretch people will be also the stretch and the stretch and the stretch authority and is a person who may people do not want to work fore with: may be totaked, have powly addrete mixed and the work fore with: may be totaked, have powly addrete mixed and models or may net work as anothers about professional requirements on all west; may be some with to may be people with and the stretch result in the stretch result in the stretch and the stretch in the stretch result.	opinion about others. May not seek aud in the open to other evidence. May overlaok new starters and people who are quiet and less expressive. Does not build team spirit because of the focus on the individual may be seen as somewhole treats people in the team differently and unfairly, cannot take a difficult position when the situation demands L Can take too long to othain information. May be relutated to assign	It is difficult to manage and develop people. It may be necessary to undertailar a low medium-term messares to have a positive impact on performance. Sometimes more than one medium-term objective is required to notice a positive impact on performance. A based development period to combine composition of the are usey to develop with competinoniss that are moderately difficult and difficult to develop needs to be implemented.
BUILD THE TRANSFORMATION/ CONDURE LA TRANSFORMATION	••••	Has relevant and even creative/innovative ideas that develop and grow the company. Also highlights the ideas of others, has pool judgment about whether ideas and suggestorms will novel knows how to how to solutions from others; can manage brainstorming evencies efficiently, can envisage how possible ideas could become a reality.	cannot identify which ideas will work the best; does not innovate; is not necessarily open to suggestions from others; can be stuck in their	Can get lost in the new and regist the old. Can have a preference for creative people and underestimate those who are less creative. Can go too far in terms of blinking and planning.	Bailding transformation is very difficult to develop. Several medium- and even long-term actions are required in order to have a positive impact or performance. A bailance development plan that combines competencies that are easy to develop with competencies that are moderately difficult and difficult to develop must be implemented.
SENSE OF CHANGE/ AVANCER MALGRE L'INCERTITUDE	••••	Can effectively handle change; can adapt and change gear comfortably, can make decisions and act without having an overview of a situation; is not upset when the situation is comromised; dees not need to linish one action before moving onto another; can comfortably manage risk and uncertainty.	Is not comfortable with change or uncertainty; may underperform in the face of problems with no clear solution or outcome; may prefer costain data over other data, and structure over uncertainty; represent timps to be set and guaranteed; is less efficient and productive in times of ambiguity, closes actions too quicky rung have a strong need to finish tasks; may like to do things the same way every time.	May ovenuse or depend too much on technical knowledge and competencies at the expense of personal, interpersonal, managerial and leadership competencies.	Making sense of change is a difficult competency to develop. Sometimes more than one medium-term objective is required to see a positive impact on performance. A balanced development plan that combines competencies that are easy to develop with competencies that are moderately difficult and difficult to develop needs to be implemented.

Taking care of each other, more than a company policy - a life principle:

Protecting our employees: COVID-19 health crisis management

We have adapted all of our safety plans and put in place all the measures needed to best protect our employees throughout the COVID-19 health crisis at all of our sites:

Prevention:

• protective measure campaigns.

- adaptation of all public spaces.
- compliance with social distancing.
- provision of hand gel and masks.
- temperature checks.
- screening campaigns.
- general use of remote working wherever possible (with company support).
- contact case management.
- safety of people at risk/vulnerable people during peak periods.

Organization:

- implementation of a COVID crisis unit.
- implementation of tools for monitoring work at home.
- daily follow-up of contact cases and the contact case trend by our doctors/nurses, in collaboration with the health authorities.
- regular communication through the company networks at all our sites.



Despite the health crisis, we have remained actively engaged in our many commitments and support programs*:



- 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.
- COPARMEX: EFDM joins this automotive cluster in Mexico.
- Limestone County Economic Development Association: EFC membership of this association.







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

- Develop our safety policy and ensure the safety of our employees.
- Preserve the health of our employees.
- Guarantee the respect of Human Rights.
- Develop a good quality of life at work.

II.1. Ensuring employees' safety

Safety forms the basis of our corporate responsibility and is supported by a strict policy deployed 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 ensure the effectiveness of our actions at Group level, the Safety Management System implemented in 2017 is subject to detailed annual reviews and improvements.

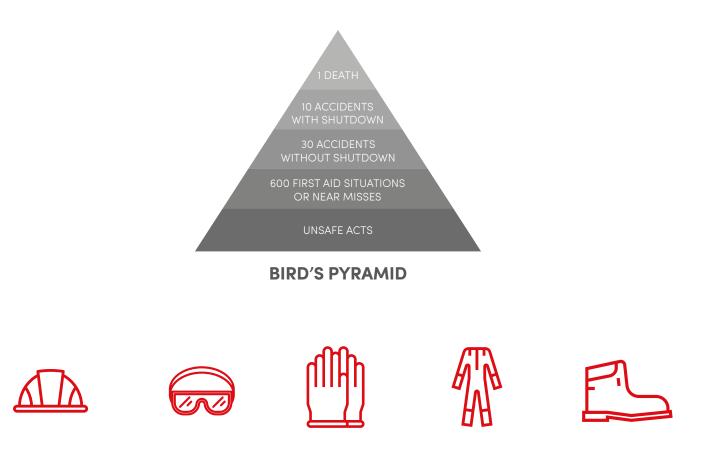
Standard Safety Management System, based on ISO 45001



II.1.1. EFI's workers' safety

- Within the Group, we have appointed representatives in all subsidiaries to ensure the safety of employees:
 - Detailed health and safety risk analysis at all sites.
 - Our "Accident Description Form" allows us to share accident and near-miss situations at each site in real time between subsidiaries.
- We have management and escalation systems in place at all levels, right up to senior management, and operational risk analysis systems to anticipate accidents, and protect 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.

INCLUSION OF THE SAFETY MANAGER IN ANY PROCESS MODIFICATION IN EACH SUBSIDIARY. POSSIBLE INCLUSION OF THE OCCUPATIONAL PHYSICIAN AND THE ERGONOMIST FOR THE ADAPTATION OF THE EMPLOYEE'S WORKSTATION, IN BEYNOST. Rollout of a DOJO introduced by Turkey at each subsidiary and with further development planned in the USA and China, in order to train employees in machine usage and safety guidelines, and to raise awareness of safety risks using practical exercises.



Safety DOJO, Beynost



Safety DOJO, Turkey



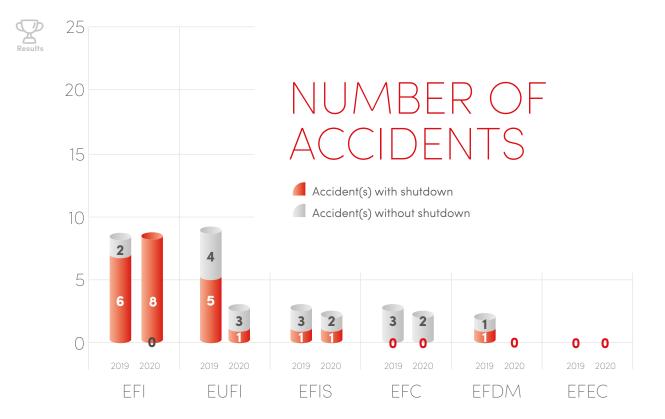


Prevention and management of risks related to the health and safety of employees during business trips, using:



■ 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.



GOALS FOR 2021 IN ALL SUBSIDIARIES



100% of "red" risks handled

100%

of Workplace Accident analyses done in under 15 days

of corrective actions carried out

after a workplace accident Removal of \bigcirc \bigcirc %of "orange" risks

OUR DAILY OBJECTIVE AT ALL SITES:



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:
 - Equipment for all EFI personnel working in workshops, including moulded earplugs, and spiral or arc earplugs for providers and temporary workers.
 - Information leaflets available at the infirmary.

II.2.2. Musculoskeletal 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.
- We use a practice in the USA to understand and reduce/stop the occurrence of MSDs.



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

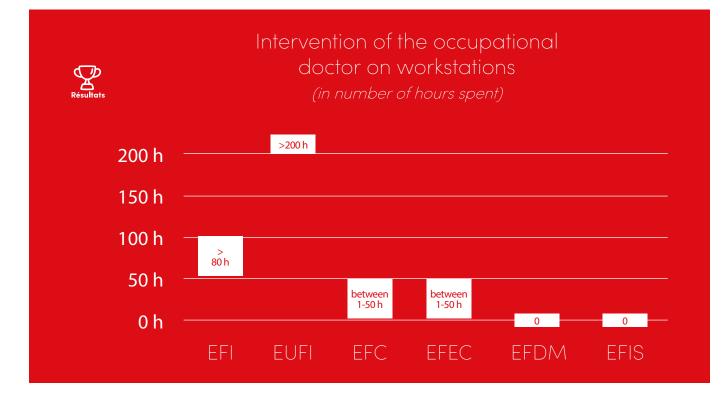
- For risk prevention purposes, we have brought in an ergonomist at Beynost from the machinery design phase; in the event of a declared occupational health condition; and to adapt a workstation for people with disabilities and non disabled people, or after an accident.
- An elevator at Beynost to facilitate access for people with limited mobility.
- Continuation of the TEMOTOKA workshop in Turkey, which aims to ensure that all the equipment necessary for a task is within easy reach of the operator.





II.2.3. General medical follow up

- 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.
- Every year in Turkey, a review of occupational hygiene measures (lighting, thermal comfort, noise, dust, volatile organic matter) is carried out.



II.2.4. Stress



Actions taken to counter stress:





• Organize workshops to address physical stress with an osteopath as soon as possible in Beynost.

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

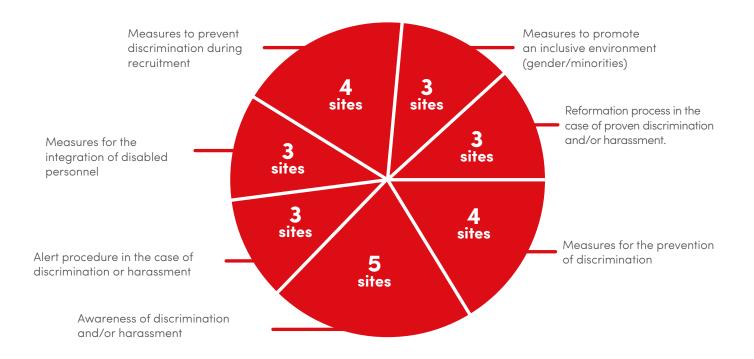
The Group's companies, along with their employees, undertake to comply with and promote international law on human rights. This is based on the Fundamental Human Rights and regulations set by the International Labour Organisation.

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 discrimination

۲ د Actions • 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.



II.3.2. Gender equality



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

GENDER EQUALITY INDEX 2020 (EFI)

- Pay gap between M and F: 5.1% in favour of women.
- Rate of increase between M and F: not calculated due to lack of increase in 2020.
- Difference in promotion rates between M and F: 1.4% in favour of men.
- Percentage of employees receiving a raise within one year of returning from maternity leave: not calculated as no raises in 2020.
- A Number of employees of underrepresented gender in the top 10 earners: 2 (men are over represented).
- OVERALL SCORE: The 2020 ratio is **54/65**; the score is not statistically significant this year.



- 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

- Piloting in France of a strenuous work agreement, a generation contract and a strategic workforce planning agreement (GPEC).
- Option in France to offer reduced working hours (RTT) to employees. supporting loved ones through the disease.
- 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.



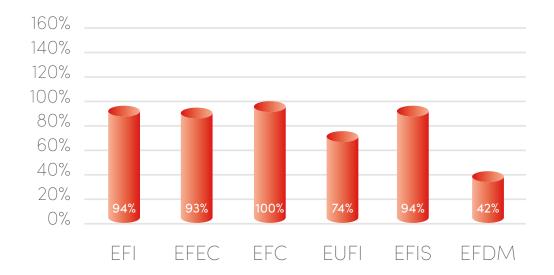
II.3.5. International Labour Organization standards and obligations respect

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.
- Practical training is available through the Quality, Safety and Environment DOJO (155 employees trained in Turkey in 2020).
- An e-learning tool for problem solving, which includes a training program, has been rolled out across all subsidiaries.
- Deployment of an indicator to measure the match between the skills possessed and skills required.

• Operators can improve their skills to technician level with training, a case study and an exam in China, and with a diploma in France:



Progress of the training plan in 2019 (data not relevant for 2020 due to COVID)

II.3.7. Childcare systems

- Easy access to childcare systems in France and Turkey.
- At Beynost, we work together with "Crèche Attitude", which allows parents who require it to have access to childcare close to their place of work.
- 91% of parents are satisfied with the structure of "Crèche Attitude" in Beynost.
- In Turkey, a "baby diaper" subsidy was introduced from birth for the first six months. This subject was discussed with the UNIK (workers' representatives).
- In addition, 22 "childbirth grants" were paid in 2020, and three people extended their maternity leave (beyond the statutory requirement).
- In the United States, a Flexible Spending Account has been introduced for childcare. It is included in the benefit package offered by EFC.



II.3.8. Well-being

- Employee feelings are taken into account using a satisfaction survey completed every two years, and every year since 2019.
- A social worker is available in Beynost.
- A Company Agreement on the Quality of Life at Work has been signed.





II.3.9. Wages

Company performance-related bonus granted at all sites, according to the company results.

II.3.10. Partnerships and sponsorships

Promoting a responsible culture is part of EFI 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 EFI Automotive, as well as our stakeholders generally speaking. We are committed to the cohesion of EFI 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.



Every year, EFI also encourages the integration of young people through internship, apprenticeship or professional training contracts (more than 40 contracts in 2020 at Beynost and 13 in Turkey).

We also open up the access for young, to international volunteering contracts, enabling them to have a professional mission abroad. On average, four young people per year have the opportunity to work in the United States (in Quality and Plastics) and in Mexico (in Industrialization) as part of the VIE International Internship Program.

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, EFEC develops partnerships with local universities to train young talent.

In the United States, EFC is an educational partner of Elkmont High School. It is also a sponsor of the Elkmont High School baseball team for 2020.

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



In Turkey, during a team-building exercise to develop resource management, time management and creativity skills, six teams of eight people assembled bicycles against the clock to be given to children in need.

At the end of the day, the assembled bicycles were handed over to the children, to the great surprise of those taking part. The day was a success from all points of view: team motivation, happy children and pride for the EFI employees who took part in a wonderful community project.





Global approach to inclusion

As a sponsor of Handicap International, EFI 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: Beynost employees take part in the charity run "Sport Ensemble" (Sport Together) or a walk.

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

In China, EFEC works with local associations for the integration of people with disabilities (four people with disabilities recruited in China in 2020).



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 highquality 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 Automotive is one of the first companies in the Rhône-Alpes-Auvergne region to become a member of the "Alliance et Territories" association. This group brings 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.

In addition, in China, EFI Automotive is developing partnerships and collaborative agreements with universities in Wuhan in regard to product development, patent and license development, and benchmarking tools and methods, in line with the needs of the industry.

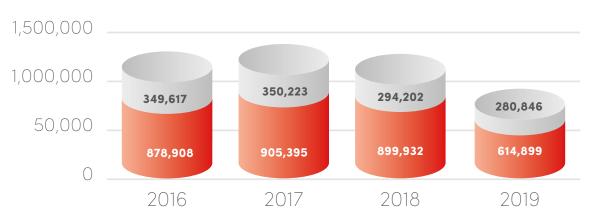
In return, EFEC was nominated by the Hubei Provincial Government in 2020 as a high-tech and scientific development enterprise.

Finally, in the United States, in addition to being a member, EFI Automotive sponsors the Limestone County Economic Development Association (bronze level).

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 euros (EFI)

Payment by the Works Council (accommodation, transport, catering, leisure, holidays)

Payments by the company (transport, social and economic committee (CSE), 1% housing loan, charities)

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 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

ALL OF OUR NEW SUPPLIERS ARE APPROVED BY THE NEW APPROVAL QUESTIONNAIRE, AND ALL OF OUR POTENTIAL SUPPLIERS ARE SELECTED USING THE SUPPLIER'S CODE OF CONDUCT INTEGRATED INTO THE PURCHASE CONTRACT

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.
- In 2021, 86% of our strategic suppliers are IATF 16949 certified, and 60% of our strategic suppliers are ISO14001 certified.
- The "IATF" criterion is part of our annual evaluation to encourage our strategic suppliers to become IATF 16949 certified.

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.



Results

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Actions

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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 cocontractors, 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 key executives in the USA and China subsidiaries, and video conference with Mexico, handled 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

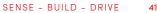
- We fulfil our obligations towards our partners and especially our banks.
- We fulfil our obligations to declare regarding the beneficial owners (direct and/or indirect holding) of more than 25% of the capital and/or voting rights and/or the exercise by all means of a power of control by the beneficial 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.









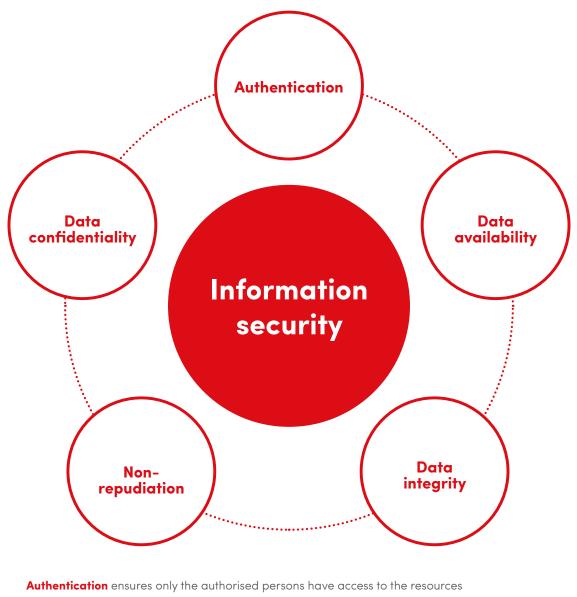
III.2.5. Protection of identity and Non-retaliation

- 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. RGPD and Information security



- Current workshop to be compliant with the RGPD 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.
- Raising awareness about information security with regular information communicated when employees start, in EFI Voice, by email and through SnapComms, which is an application on all company computers that can deliver communication about a security issue in case of an emergency.



Availability ensures access to a service or resources

Integrity ensures data is what it 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.
- There is a password management policy in place.
- 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

- IT security information news bulletins are broadcast on screens located in company communal areas.
- Remote connection has been made secure as part of COVID-related actions in 2020.



Objective

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.





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