

CORPORATE SOCIAL

RESPONSIBILITY REPORT

2023 financial year



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MAKING SUSTAINABLE MOBILITY A REALITY: **OUR COMPANY VISION**



BÉATRICE SCHMIDT
CHIEF EXECUTIVE OFFICER

As the CEO of a family business in the automotive industry, I keep an eye on the extent of our impact on society and the environment.

This year, despite the challenges posed by an economic environment in a state of constant change, we have continued to progress toward our CSR objectives. My ambition is to make the Group a reference in terms of sustainable mobility.

Consistent with this objective, we continue to invest in our pivot strategy, moving to a product range that provides sustainable mobility solutions, particularly for electrified vehicles.

By 2028, we aim to generate 50% of Group turnover from electrified applications.

We also remain committed to reducing our carbon footprint.

I will finish by saying that I remain convinced that these actions only make sense if they run alongside training and action in the communities where we are based, increasing the environmental and social awareness of the women and men who work in our business.

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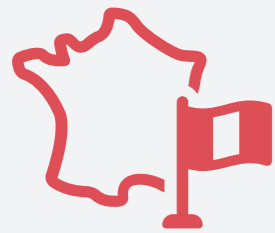
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WHO ARE WE?

AN INDUSTRIAL GROUP COMMITTED TO MOBILITY

For 87 years, EFI Automotive has been supporting the world's leading mobility companies in their main innovation challenges. From the internal combustion engines 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.



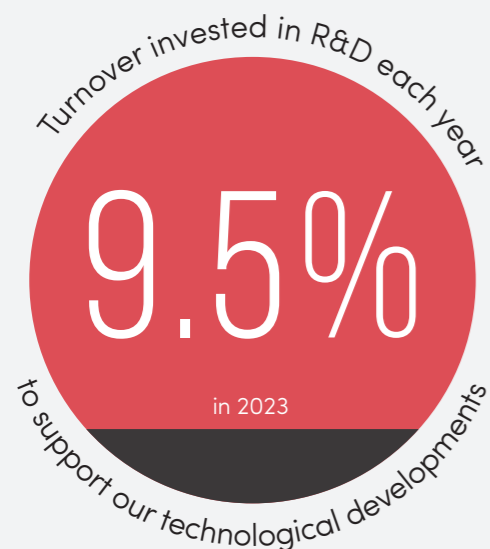
Headquarters in **France**
(Beynost, Lyon)

An independent
company
since

1936



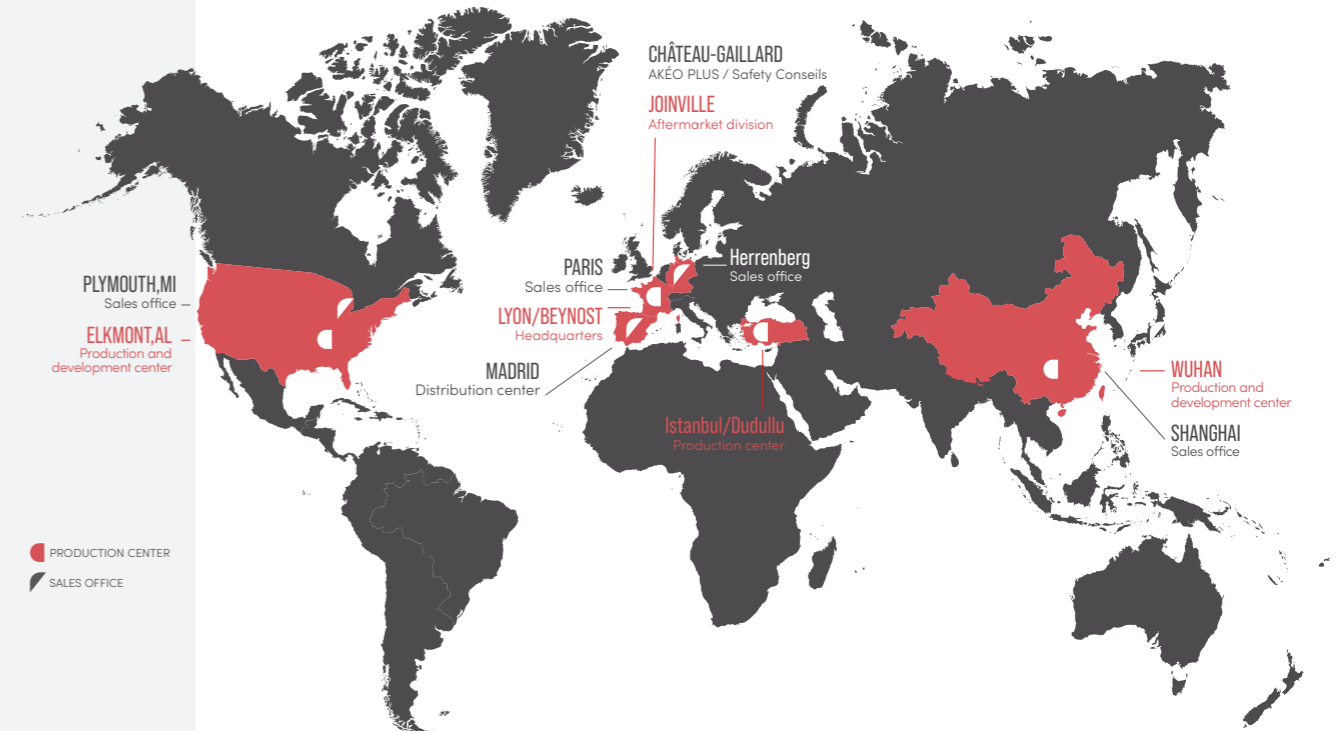
40 years in global industry



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

EFI AROUND THE WORLD

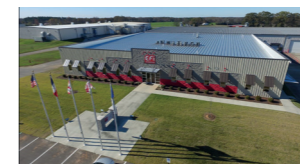


1496*

EMPLOYEES

*Group workforce at the end of 2023

ELKMONT (EFCS)
UNITED STATES (ALABAMA)
126 employees



**CHÂTEAU-GAILLARD
(AKÉO PLUS AND SAFETY CONSEILS)**
FRANCE (AIN)
16 employees



BEYNOST (EFI)
FRANCE (AIN)
627 employees



WUHAN (EFEC)
CHINA (HUBEI)
346 employees



DUDULLU (EUFD)
TURKEY
304 employees



JOINVILLE (EFIS)
FRANCE (HAUTE-MARNE)
77 employees



OUR VOCATION

SOCIAL AND TECHNOLOGICAL COMMITMENT TO SUSTAINABLE AND SMART MOBILITY

Fortified by 90 years of diverse expertise, our company is committed to the long term and is invigorated by our passion for taking on new challenges. We invent and implement the smart mobility solutions of tomorrow, which develops employees’ skills and agility in our organization.

SENSE

EFI has the ability to listen to and anticipate market expectations in order to provide ever more innovative solutions.

BUILD

EFI can rely on its strong skills base and bring together a rich network of employees and external partners to develop robust and competitive solutions for our customers.

DRIVE

EFI is a responsible industrial project that aims to provide long-term value and promote development for all.

OUR VISION

BECOME A REFERENCE PARTNER FOR SUSTAINABLE AND SMART MOBILITY SOLUTIONS

A MANUFACTURER COMMITTED TO SUSTAINABLE MOBILITY...

... that offers solutions that meet everybody’s basic need to travel and that contributes to the development of our ecosystem, having a positive impact on our partners, skilled industrial employment, and the environment.

A RELIABLE BUSINESS PARTNER...

... located close to our customers to better meet their needs, while maintaining the Group’s decision-making and intellectual property center in France.

A COMPETITIVE AND EFFECTIVE COMPANY...

... that confirms its status as leader in the position and speed sensor market and that is a reference supplier of smart mechatronics with a three-part set of expertise: mechanics, electronics, and software.

AN AGILE AND INNOVATIVE PARTNER...

... for our customers that can create the best balance between their needs, our skills, and economic viability.

OUR COMMERCIAL ACTIVITY AND STRATEGIC APPROACH

Our strategic platforms, launched in 2020:



GREENSHIFT
BY EFI AUTOMOTIVE

To offer smart mechatronic solutions for electric transmission systems



DIGIPOS
BY EFI AUTOMOTIVE

To develop our expertise in inductive sensor technology



EFICIENCY
BY EFI AUTOMOTIVE

To offer recognized expertise in magnetic sensor technology



EFIPOWER
BY EFI AUTOMOTIVE

To develop high-power mechatronic modules

2023: EFI INVENT launched to develop subsidiaries that support our diversification
Today, EFI INVENT includes:

- AXANDUS: Industrial startup accelerator in mechatronic engineering
- AKÉO PLUS: Robotics engineering
- EFeCHARGE: Automatic charging solutions for the electric vehicle market

STRATEGIC APPROACH FOR 2025



BUSINESS GROWTH

Long-term customer turnover
Profitability of our products
Industrial strategy across three continents



COMPANY ENVIRONMENTAL AND SOCIETAL RESPONSIBILITY

Community of EFI stakeholders
Reduced carbon footprint
Renovation of company buildings



CULTURE OF INNOVATION & SKILLS DEVELOPMENT

Development of current and future skills
Expertise in our professional fields



PERFORMANCE & OPERATIONAL EXCELLENCE

R&D efficiency
Production performance and quality plan
Organizational development

OUR GOVERNANCE

LEGAL STRUCTURE OF THE GROUP'S LEADERSHIP COMMITTEES

SUPERVISORY BOARD

PATRICK THOLLIN
Chair

BERNARD THOLLIN

LUC MINGUET

DIDIER SEPULCHRE DE CONDÉ


THIERRY FAUGERAS

AUDIT & RISK COMMITTEE


NOMINATION & REMUNERATION COMMITTEE

STRATEGY COMMITTEE

BOARD OF DIRECTORS



BÉATRICE SCHMIDT
Chief Executive Officer



LOUIS VAQUERO
Deputy General Manager

COMEX

EFEC/NAFTA BOARD

EFI/EUROPE BOARD

AKÉO PLUS BOARD

EFIS/AFTERMARKET/DIVERSIFICATION BOARD

EFEC/ASIA BOARD

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.

It must also report to the Supervisory Board on its management.

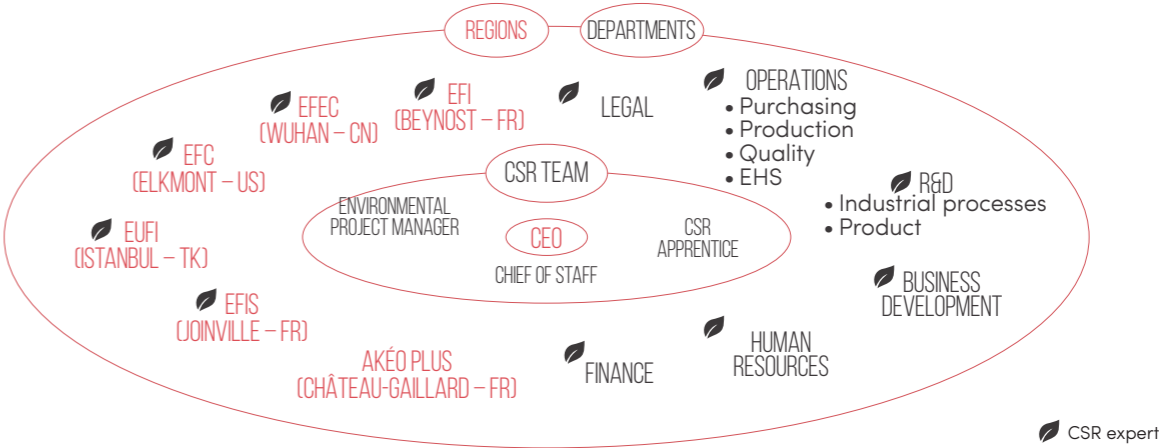
The Supervisory Board's role is to oversee and check the lawfulness and appropriateness of the decisions taken by the Board of Directors, and how they are carried out. It can also act in the decision-making process and in the monitoring of certain areas, such as loans, investments, and purchasing/selling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

OUR CSR GOVERNANCE

We have identified CSR experts who are familiar with our CSR policy and are able to communicate it. They can therefore provide support to coworkers within their department on CSR matters. They also act as intermediaries, informing us about any CSR-related issues that they encounter in their work.



OUR VALUES

SHARE STRONG VALUES TO MOVE FORWARD TOGETHER

EFI values are part of our DNA. They are derived from our culture and our history. They guide all our important actions and decisions.

ENTREPRENEURIAL SPIRIT

RESPONSIBILITY

SINCERITY

RESPECT

AGILITY

FOCUS

OUR STAKEHOLDERS

CORPORATE SPHERE

Employees
Social and Economic Committee (CSE)
Partner trade union organizations
Partner associations

INDUSTRIAL AND SCIENTIFIC SPHERES

Group subsidiaries
Schools and universities
Clusters
Professional organizations

PUBLIC SPHERE

Neighboring companies
Public authorities, e.g., Regional Directorates of Environment,
Land Settlement and Housing (DREAL)
Communities
Press and media
Customs authorities

ECONOMIC SPHERE

Shareholders
Banks
Insurance providers
Suppliers
Customers
Nonfinancial rating agency (ECOVADIS)
Service providers

OUR EXTERNAL COMMITMENTS AND STANDARDS

We use recognized external standards to shape and monitor our CSR approach.



GLOBAL COMPACT

EFI has signed the United Nations Global Compact.

This global pact focuses on nine principles, which relate to human rights, the fundamental principles of the International Labour Organization, and environmental responsibility. Today, the United Nation's Sustainable Development Goals (SDGs) are at the heart of our commercial activity and our commitment.



ISO 14001

ISO 14001 is an internationally recognized standard that sets requirements for a system of environmental management. It helps organizations to improve their environmental performance by using resources in a more rational way and reducing waste, which also gives them a competitive advantage and increases stakeholder confidence.



MANIFESTO

FOR AN INDUSTRY WORKING FOR THE ENVIRONMENT

This manifesto was introduced by the city of Lyon. It aims to increase the rate of ecological transition in its industries by working with companies in the region to develop industrial employment locally and to meet the challenges of this transition. EFI has now signed the manifesto, along with 120 other companies in the city.



ECOVADIS

Ecovadis is a platform that rates suppliers' CSR (corporate social responsibility) performance. This agency assesses and ranks companies based on environmental, social, and ethical criteria. Companies use the Ecovadis results to assess and improve their own CSR performance and to make more sustainable purchasing decisions. The platform aims to promote transparency and responsibility in global supply chains.



SUPPLIER ASSURANCE NQC

NQC's Supplier Assurance platform provides a suite of online services to assess the capability and compliance of suppliers in a number of fields, including commercial operations, sustainability, and cybersecurity. The Supplier Assurance Questionnaire is a key component of this platform. It plays a crucial role in managing and checking sustainability issues within supply chains, particularly in the automotive industry.



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ANTOINE BONHOMME
TRANSFORMATION AND CSR MANAGER

By 2028, the EFI Automotive Group aims to generate over half of its turnover from products that contribute to decarbonization and increase sustainable mobility with its reduced environmental impact.

In 2023, our DIGIPOS, GREENSHIFT, and EFIPOWER technology platforms mobilized our resources in support of promising new projects.

Despite the growing number of challenges in the automotive market as it moves toward all-electric, EFI's actions continue to support decarbonization and a more sustainable business model.

Taking purchasing as an example, we have strengthened our supplier management in terms of compliance with the RMI (Responsible Mineral Initiative).

In 2024, we are launching a number of projects. These include one that will bring our operations into compliance with the CSRD (EU directive that standardizes and strengthens corporate sustainability reporting) and another that aims to reduce energy usage, particularly at the Beynost site. Also, EFI values the health of its employees very highly. To reduce psychosocial risks, all of our managers at the Beynost site will receive training.

Decarbonization is neither a constraint nor an opportunity, but an entry requirement that all stakeholders need to accept. It is a societal issue that EFI Group raises more than ever with each of its employees, suppliers, and partners.

1 ECONOMIC FACTORS

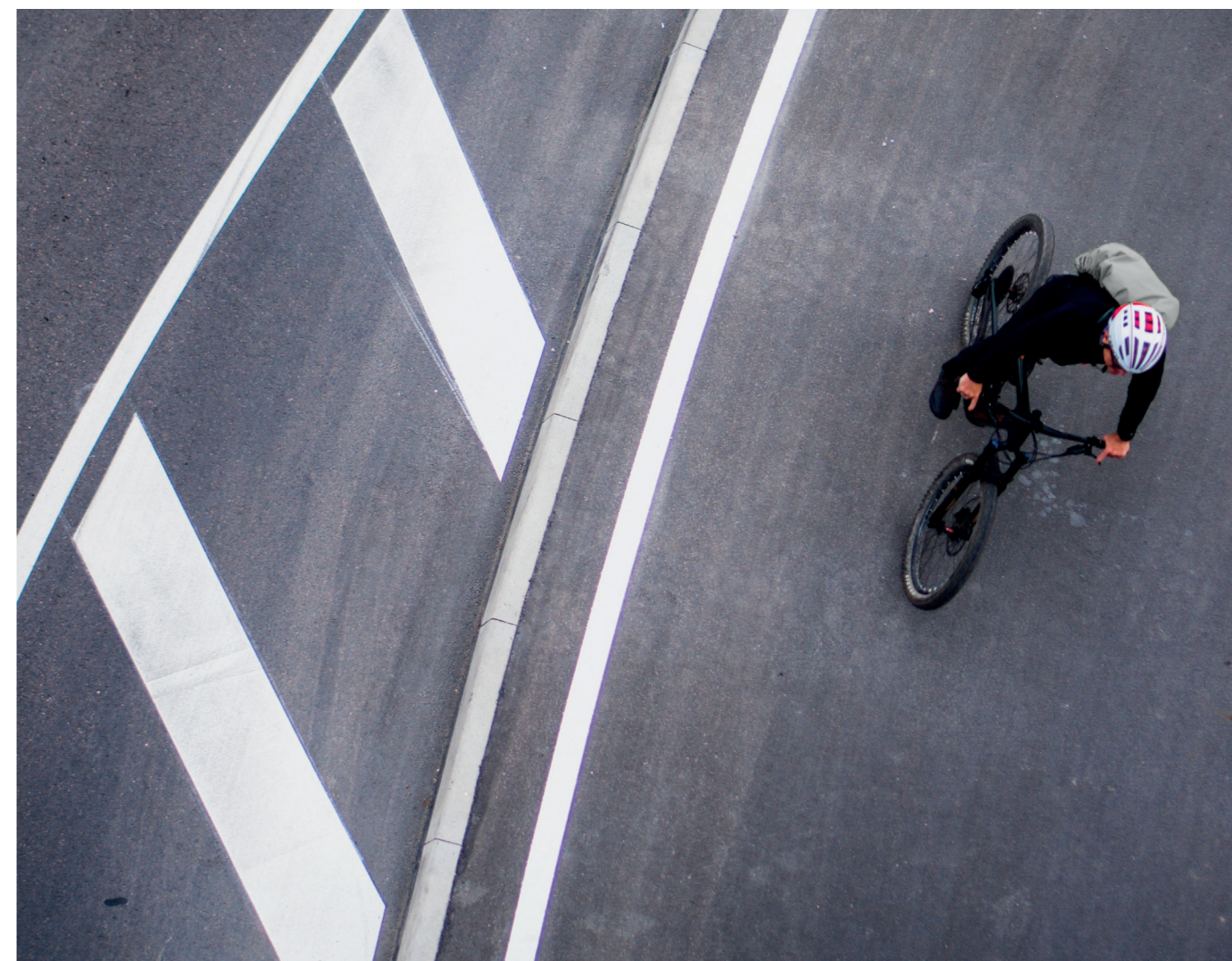
**TRANSFORM OUR ECONOMIC MODEL
TO ACHIEVE SUSTAINABLE MOBILITY**

KEY FIGURES

3 EFI AUTOMOTIVE PLATFORMS DEDICATED
TO APPLICATIONS FOR ELECTRIFIED VEHICLES

50%

OBJECTIVE: 50% OF GROUP TURNOVER TO BE
DERIVED FROM ELECTRIFICATION IN 2028



OUR PRIORITIES FOR 2024



ACCELERATE THE TRANSFORMATION OF
OUR BUSINESS OPERATIONS TOWARD
SUSTAINABLE MOBILITY

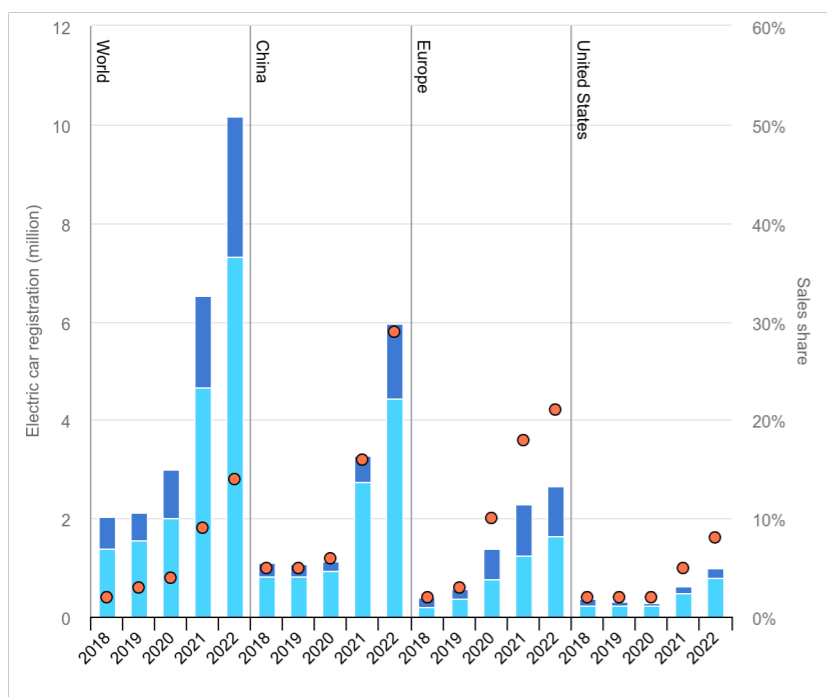
PERCENTAGE OF WORLDWIDE CO₂ EMISSIONS CAUSED BY TRANSPORTATION

30%
IN FRANCE

21%
WORLDWIDE

Based on the IEA scenario for 2020 to 2030, the global market share of electric vehicles (EVs) is forecast to reach 36%. This forecast highlights the growing role of EVs in reducing CO₂ emissions in the transportation sector, in accordance with net zero strategy objectives. The diagram below illustrates the significant trend toward EV adoption in key markets like China and Europe, which shows that we are making progress toward these objectives.

This significant increase in EV market share shows the global commitment to incentivizing policies and the development of the infrastructure required to support the transition to clean and sustainable mobility.



CAR REGISTRATIONS AND MARKET SHARE IN CHINA, THE UNITED STATES AND IN EUROPE 2018–2022

Source: IEA 2023

100% electric
Hybrids
Sales share

Fortified by many decades of expertise in sensor and actuator development for the automotive industry, EFI Automotive has historically been centered around the internal combustion engine. However, accounting for over 30% of CO₂ emissions in France and 21% worldwide, the automotive industry is at a crucial turning point. The transition to electric vehicles has become a strategic priority to reduce the sector's carbon footprint. According to the IEA scenario for 2030, the global market share of electric vehicles could reach 36% by this point.

This forecast confirms the significance of rapid EV adoption, reflected in the trend seen in key markets like China and Europe. This dynamic not only highlights the global commitment to incentivizing policies and infrastructure development, but also the pressing need for companies like EFI Automotive to change and innovate. Professional expertise needs to align with the urgent requirement for sustainability in today's automotive industry.

APPLICATIONS FOR ELECTRIFIED VEHICLES

EFI Automotive offers solutions for electric motors, driver assistance, and in-vehicle electrical energy management. The Group has developed a range of inductive and magnetic sensors to measure the position of electric motors and magnetic solutions for

asynchronous motors (DigiPOS platform). Our electric parking brake actuators automatically lock the parking brake function on electrified vehicles (GreenShift). At the end of 2020, we also launched the EFIPOWER platform to provide a power electronics solution.

	APPLICATIONS	ASSOCIATED BRANDS	PRODUCTS
MOBILITY AND ROBOTICS		 	
ELECTRIC		 	
INTERNAL COMBUSTION ENGINE			

DIVERSIFICATION INTO SOFT AND SMART MOBILITY

Also, diversification away from applications linked to the automotive powertrain sits at the heart of our strategic approach. Projects are now underway within the Group, including hands-free charging solutions for electric vehicles.



EFI is also an active member of the CARA (European cluster for mobility solutions) network, a group that promotes competitiveness in the Lyon region, bringing together manufacturers, transportation companies, and research centers, and that aims to accelerate the development of sustainable mobility.

OUR OBJECTIVES FOR 2024

- Accelerate the transformation of our business operations toward sustainable mobility and continue the transformation of our automotive portfolio toward electrified applications
- Integrate the Group's CSR strategic road map into operations management

ECOVADIS

ECOVADIS IS A LEADING PLATFORM IN CSR PERFORMANCE ASSESSMENT. ITS MISSION IS TO ORCHESTRATE POSITIVE CHANGE IN GLOBAL COMMERCIAL PRACTICES, BY SUPPLYING DEEP ANALYSES AND SUSTAINABILITY SCORES.

Ecovadis aims for its assessments to promote transparency and continuous improvement in terms of environmental, social, and ethical performance in business.

Using a proven method and rigorous assessment criteria, Ecovadis improves collaboration between commercial partners by offering a detailed view of the risks and opportunities linked to sustainability within supply chains. The Ecovadis scorecard concludes this process, using 21 carefully selected indicators to measure each company's performance. These indicators have been carefully split into four key areas: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement.

EFI and Ecovadis have continued their relationship since first working together in 2017. This highlights EFI's deep commitment to continuous CSR performance improvement. EFI scored 55/100 in 2023, which further demonstrates this commitment and reflects the efforts undertaken by the company to incorporate the principles of sustainability into its operations. By drawing on this strategic relationship, EFI not only demonstrates its commitment to ethical and sustainable commercial practices, but also strengthens its market position as a socially responsible company.

CSR PERFORMANCE



2 ENVIRONMENT

CONTROL OUR ENVIRONMENTAL IMPACT

Protecting the environment is a core issue for all stakeholders who need to carry out individual and/or joint actions. National regulations and international initiatives to encourage organizations to engage in the energy transition and to take the path toward a low-carbon strategy are multiplying. In order to achieve the 2°C—and ideally 1.5°C—scenario, businesses are called on to act by taking the necessary measures in the fight against climate change.

EFI Automotive will do its part in the face of this global challenge. We have taken the approach advised by the ADEME (the French Agency for Ecological Transition):

measure—know your starting point—then make reductions, derived from these measurements to prioritize actions based on their true impact.

OUR PRIORITIES FOR 2024

MEASURE

REDUCE

Build a path to carbon reduction

RAISE AWARENESS

Provide training and raise awareness among our employees

KEY FIGURES

98%

OVER 98% OF INDUSTRIAL WASTE
RECYCLED AT OUR SITE IN TURKEY
IN 2023

80%

OVER 80% OF INDUSTRIAL
WASTE RECYCLED ACROSS
ALL OUR GROUP SITES



PIERRE-ANTOINE GUIRONNET
SERVICE APPRENTICE
CSR BEYNOST

An analysis of EFI's latest carbon footprint assessment to carefully assess the company's environmental impact identified scope 3—representing 70% of its total carbon footprint with 18,287 tons CO₂ equivalent—as the priority action area.

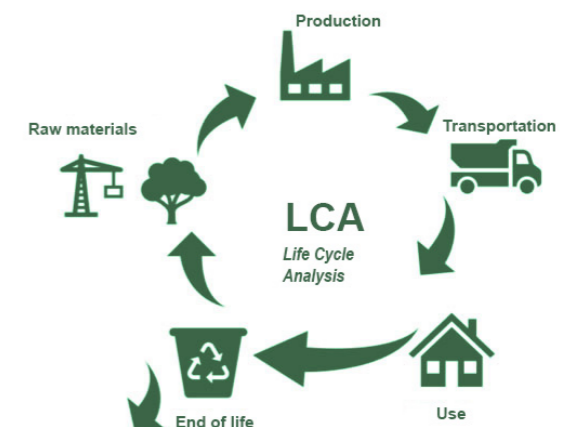
This analysis led to the creation of a targeted action plan that aims to reduce emissions on a long-term basis, without damaging the company's economic activity. The strategy recommended by Greenfish includes adopting a sustainable procurement policy and introducing eco-design, choosing to use materials with a low carbon footprint, such as recycled steel and bioplastic. These actions could reduce emissions by between 1,500 and 3,000 tons CO₂ equivalent.

The idea of eco-design seems like a miracle! However, in practice, what does this process actually involve? To fully embrace eco-design, the first step must be to analyze the product life cycle.

According to ISO 14040, life cycle analysis (LCA) is an in-depth process that aims to assess the environmental impacts throughout the life cycle of a product.

Eco-design stems from this life cycle analysis. This process relies on a deep understanding of the different stages that the product passes through, from design to end of life, to identify where and how to have the most impact on its environmental footprint.

By using eco-design, EFI aims to substitute its current raw materials with sustainable alternatives. This is an effective contribution to the circular economy and the arrival of a more ecological industry. This strategy reflects EFI's commitment to sustainable development and reducing its environmental footprint.



CARBON EMISSIONS

CARBON FOOTPRINT ASSESSMENT

The first scope 1 and 2 carbon footprint assessment was completed around ten years ago in the Group’s French business. Since then, this work has been extended across all our sites.

In 2022, we conducted a new carbon footprint assessment, including all 3 scopes and all the Group’s sites. This allowed us to cover all the stages of the life cycle for our products, from raw material supply to end of life.

CARBON ACCOUNTING METHODOLOGY

SCOPE 1

DIRECT EMISSIONS

Greenhouse gas emissions generated directly by the organization and its activities

For example
Fossil fuel combustion and refrigerant leaks

SCOPE 2

INDIRECT EMISSIONS RELATED TO ENERGY USAGE

Emissions that originate from the consumption of electricity, heat, and steam by the organization

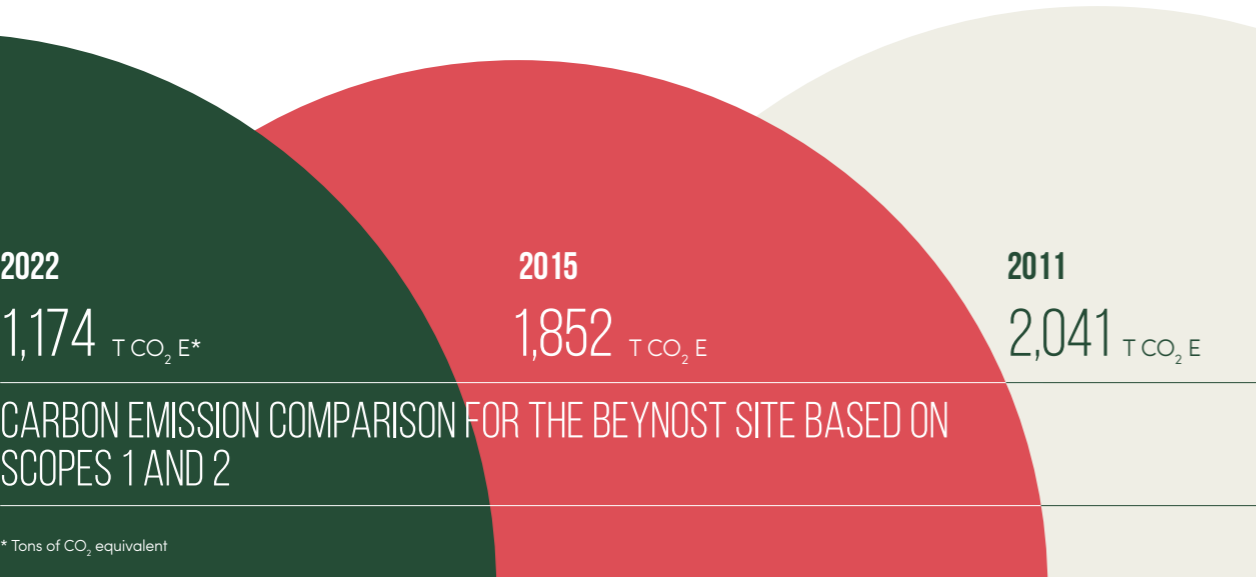
For example
Electricity consumption

SCOPE 3

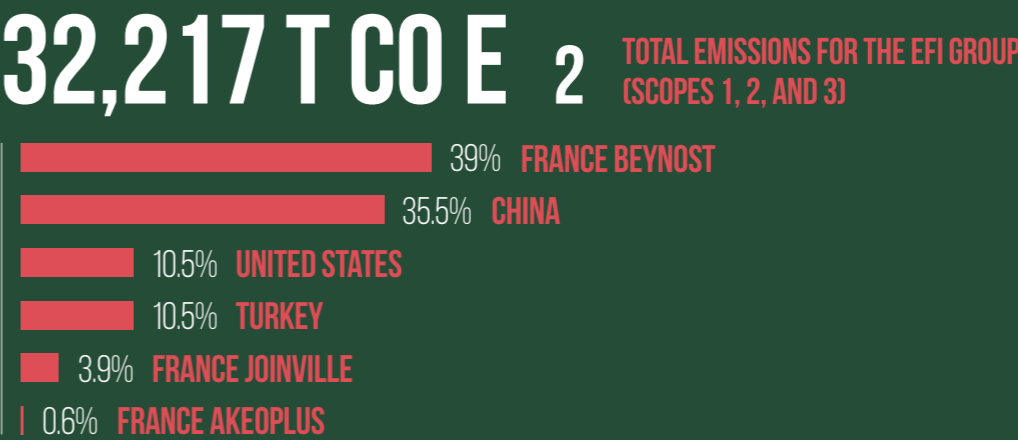
OTHER INDIRECT EMISSIONS

All other indirect emissions that occur in the organization’s upstream or downstream value chain

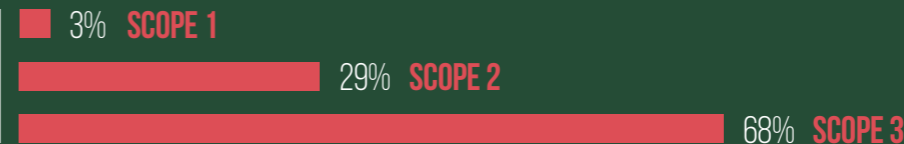
For example
Purchase of raw materials, purchase of services, employee travel, transportation of goods, waste management, and end-product usage and end of life.



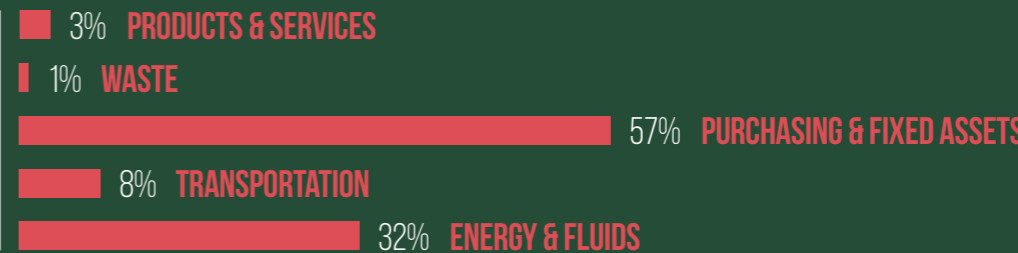
EFI GLOBAL ASSESSMENT – GROUP LEVEL (SCOPES 1, 2, AND 3)



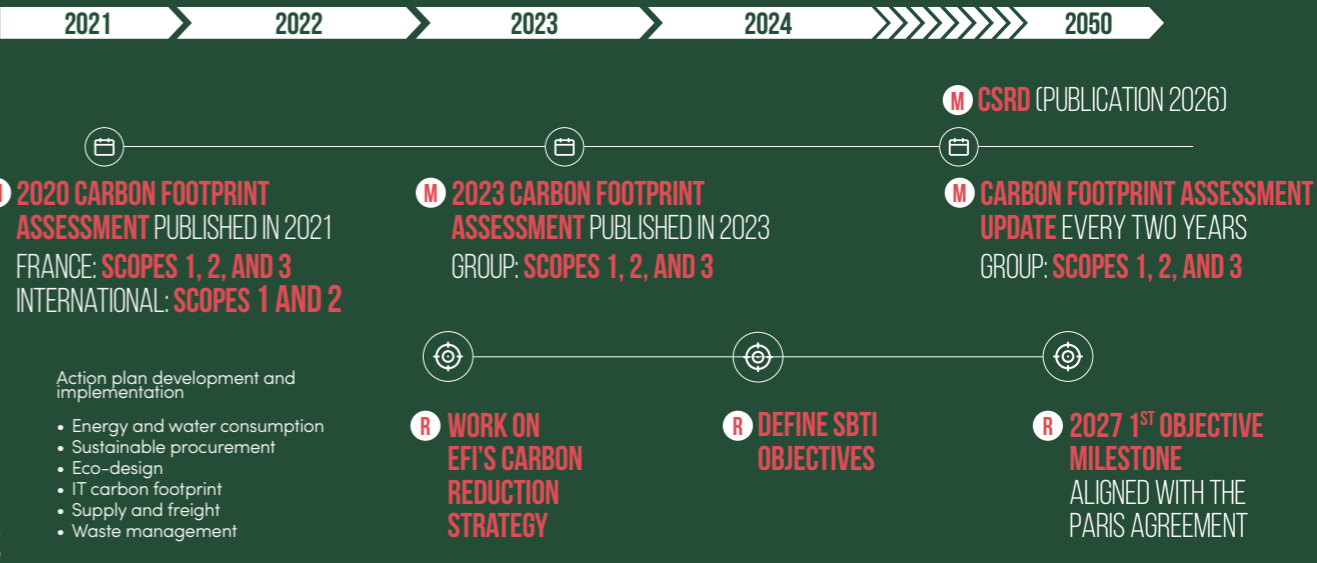
TOTAL EMISSIONS FOR THE GROUP BY SCOPE (SCOPES 1, 2, AND 3)



TOTAL EMISSIONS FOR THE GROUP BY BUSINESS ACTIVITY (SCOPES 1, 2, AND 3)

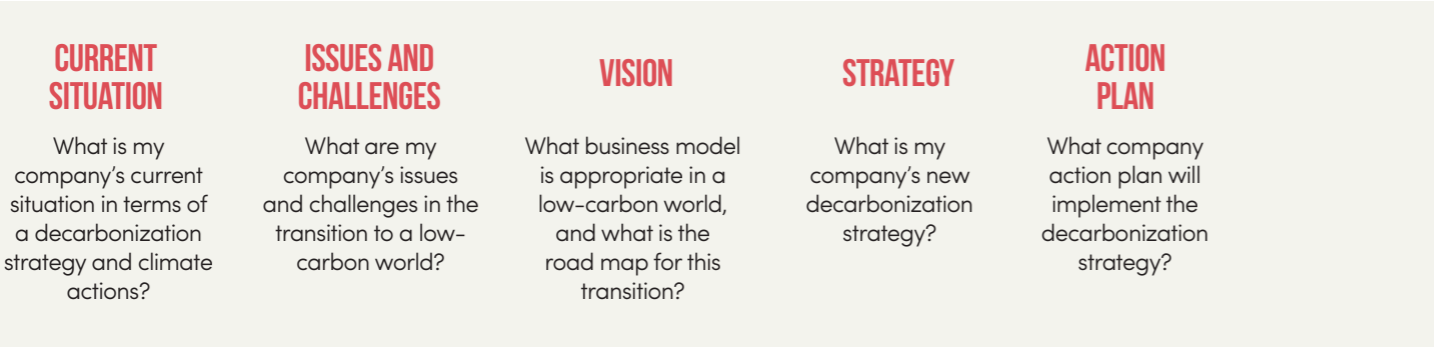


OUR CARBON ROAD MAP: 2021 TO 2050 AND BEYOND



THE PATH TO CO₂ REDUCTION

EFI continues to work on perfecting its carbon accounting. We now understand the extent of our carbon footprint over a wider scope of reference (1, 2, and 3).
We are working on the path to reducing carbon emissions across the Group by following the process shown below. This will enable us to achieve the greenhouse gas emission objectives set out in the Paris Agreement.



“
ALEXANDRE FRANCHINO
IT DEPARTMENT GROUP PMO
BEYNOST

THE IT DEPARTMENT COMMITS TO GREEN COMPUTING:
TANGIBLE ACTIONS TO REDUCE OUR CARBON FOOTPRINT

As part of our commitment to CSR, the IT department took significant action to reduce the carbon footprint of our IT equipment. Aware of the environmental impact of our activity, we have implemented a number of initiatives that aim to extend the life of our equipment and encourage more sustainable solutions.
We have launched a program to extend the life of PCs by changing batteries, screens, and other components. This enables us to add one or two extra years to the life of our computers. This initiative not only contributes to reducing our carbon footprint by restricting the production of electronic waste, but also optimizes our investments and encourages more responsible consumption of resources.
To reduce the environmental impact linked to use of our mobile phone fleet, we have decided to buyback existing devices instead of handing them back to the hire company after two years of usage. Implementing repair contracts and extending the life of these devices by replacing

screens and batteries helps us to minimize our carbon footprint, while also optimizing our costs.
Finally, within the framework of our sustainable procurement policy, we now choose to buy reconditioned mobile phones. This process is part of our desire to promote a circular economy and reduce our environmental impact by giving a second life to existing devices.
We will continue to explore new opportunities to reduce our carbon footprint and promote more responsible practices within our organization.

WATER AND ELECTRICITY CONSUMPTION

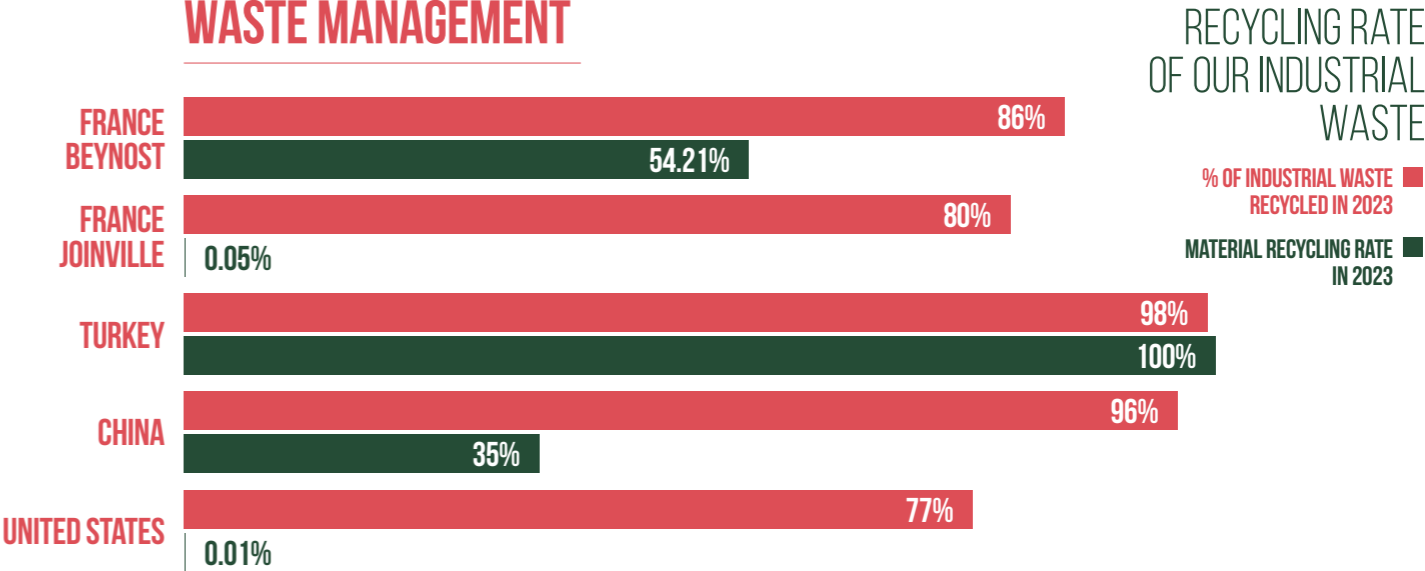
ELECTRICITY CONSUMPTION IN KWH PER PART

	2022	2023
FRANCE BEYNOST	0.719	0.78
FRANCE JOINVILLE	1.96	5.21
TURKEY	0.14075	0.138
CHINA	0.384	0.374
UNITED STATES	0.430105203	0.38

WATER CONSUMPTION IN M³ PER PERSON

	2022	2023
FRANCE BEYNOST	0.84	0.64
FRANCE JOINVILLE	0.34	0.34
TURKEY	1.001	1.03
CHINA	1.84	2.72
UNITED STATES	1.26	0.6

WASTE MANAGEMENT



Our actions in 2023:

- Installation of rainwater collection tanks at our site in Turkey The collected water is used in the product packaging cleaning system.
- Installation of LEDs in the workshops, offices, and outdoor lighting in Wuhan, Dudullu, and Beynost
- Installation of sensor taps in Dudullu
- At the Beynost site:
 - Installation of sensors for the outdoor lighting
 - Outdoor lighting turned off or reoriented at night to reduce pollution in the local area
 - Use of solar-powered Christmas lights

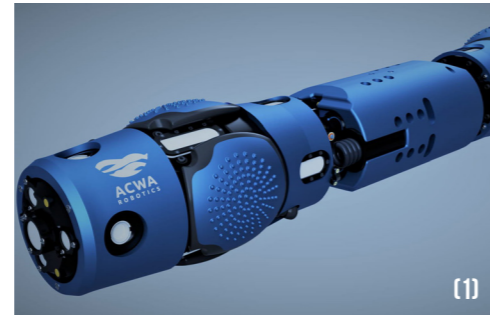
BUSINESS TRAVEL PLAN

EFI is actively participating in the business travel plan promoted by the Miribel and Plateau Commune community. This plan is a set of measures that aims to optimize travel linked to company activities—particularly staff travel—to reduce greenhouse gas emissions and traffic congestion. Objectives:
- Reduce the number of cars
- Encourage soft mobility (bicycle, scooter, walking)
- Improve and/or promote public transportation
- Increase working from home and car sharing
- Increase electric vehicle usage
The mobility plan was launched in 2022. Having carried out an assessment, written objectives and priorities, and set out an action plan in 2023, the next three years will be dedicated to implementing these actions.
In 2023, EFI took its first steps in the process, for example by organizing a campaign to promote car sharing and by taking part in Challenge Mobilité for the first time in June.

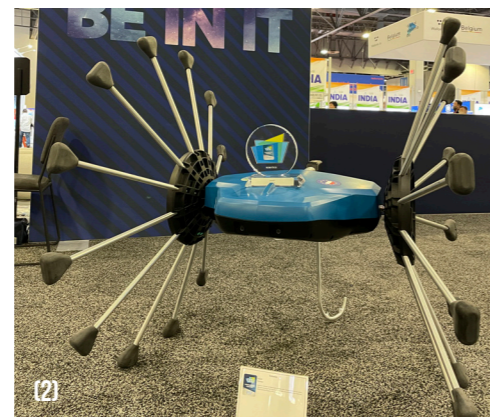
AXANDUS COMMITTED TO SUSTAINABILITY BY SUPPORTING STARTUPS WITH IMPACT

BY SUPPORTING STARTUPS THAT ARE DEVELOPING PRODUCTS WITH A POSITIVE ENVIRONMENTAL AND SOCIAL IMPACT, AXANDUS IS ACTIVELY INVOLVED IN THE PATH TO SUSTAINABILITY.

Acwa Robotics (1) is one of the 150 startups supported by Axandus. It has developed a robot that can map drinking water networks and detect any leaks. By working with Acwa Robotics, Axandus has optimized the design of the robot, reducing costs while ensuring reliability in harsh environments and thereby contributing toward the protection of precious water resources.



Meropy (2) is another startup that has been working with Axandus. It has developed an autonomous robot to map agricultural land. Meropy uses artificial intelligence to identify pests and therefore to offer localized treatment areas. This solution increases environmental protection and sustainability in agriculture. Axandus has used its technical expertise to improve the durability and reliability of the initial prototype, allowing Meropy to complete its first customer deliveries and carry out tests in real-life conditions.



Our final example, Safehear, has developed smart personal protective equipment (PPE) for workers in noisy environments. This PPE filters out environmental noise, allowing workers to communicate via a Bluetooth microphone, without having to remove their ear protectors. Axandus has supported Safehear through the development of an industrial solution as an initial prototype, facilitating delivery to the first pilot sites. By putting its industrial expertise to work and applying efficient redesign methodologies, Axandus helped to bring this innovative solution to the market rapidly and efficiently.

By actively supporting startups, Axandus shows its commitment to sustainability, promoting innovation and the development of solutions with a strong environmental and social impact. These partnerships illustrate Axandus' vision: to be a catalyst in the transition to a more sustainable and inclusive future.



150 STARTUPS SUPPORTED BY AXANDUS
SINCE 2014

3 SOCIAL AND SOCIETAL FACTORS

OUR INDUSTRIAL PROJECT COMMITTED TO CREATING A PEOPLE-CENTERED COMMUNITY

OUR PRIORITIES FOR 2024

- More than ever before, place employee safety at the heart of our priorities
- Continue to promote diversity and inclusion at EFI and more widely in the industry



“



ANNABEL RIGOT-MULLER
GROUP HUMAN RESOURCES DIRECTOR

2023 was the year we prepared for EFI's transformation, structuring the business and signing business agreements to support our CSR policy.

In 2024, our priorities revolve around a dynamic approach to transformation, centered around the organizations and our employees. A safe and secure environment is our foundation for professional fulfillment. The commitment to CSR and security will be strengthened by the design of specific projects aligned with the social and environmental needs of local communities. This responsible positioning aims to reinforce the legitimacy of the company within its communities. Diversity and inclusion will continue to spread through EFI, acting as a catalyst for innovation and boosting creativity.

COMEX stands out due to its balanced diversity: the Group's challenge is to continue to improve the professional equality results, at all levels. Quality social dialog remains key. We will continue what we started in 2023: facilitating

regular open-dialog sessions between the directors and all employees and managers, to discuss concerns, suggestions, and our common goals.

We know that our Group's strength lies in our employees' skills, their commitment, and the expertise that we have always developed. We will deliver targeted training courses to reinforce those expertise that we recognize as being critical to our company performance.

More than ever, our internal communication will be two-way. From top to bottom and from bottom to top, communication of ideas and feedback will be encouraged. Because at EFI Automotive, every voice counts. In summary, 2024 will be a year when people, innovation, and commitment to community will be at the heart of our DNA, moving EFI Automotive rapidly toward a future where sustainable growth and professional success is our everyday reality.

WORKING FOR OUR EMPLOYEES

EMPLOYEE SAFETY

Safety forms the basis of our corporate responsibility. It 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 development of the EFI coworker community.

2023	FRANCE BEYNOST	FRANCE JOINVILLE	UNITED STATES	CHINA	TURKEY
NUMBER OF ACCIDENTS REQUIRING SICK LEAVE (EXCLUDING TEMPORARY STAFF)	15	1	3	1	3
NUMBER OF ACCIDENTS NOT REQUIRING SICK LEAVE (EXCLUDING TEMPORARY STAFF)	7	2	0	0	0
TOTAL	22	3	3	1	3
2022	FRANCE BEYNOST	FRANCE JOINVILLE	UNITED STATES	CHINA	TURKEY
NUMBER OF ACCIDENTS REQUIRING SICK LEAVE (EXCLUDING TEMPORARY STAFF)	4	0	2	0	2
NUMBER OF ACCIDENTS NOT REQUIRING SICK LEAVE (EXCLUDING TEMPORARY STAFF)	0	1	2	0	5
TOTAL	4	1	4	0	7

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 to identify areas for improvement. Our Safety Management System is based on the ISO 45001 standard.

OUR OBJECTIVE AT ALL SITES, EVERY DAY: 0 WORKPLACE ACCIDENTS

EMPLOYEE HEALTH



NOISE
We measure noise levels, provide training, and implement noise prevention measures, for example providing our employees with earplugs.



MUSCULOSKELETAL DISORDERS (MSDS)
We’ve introduced and monitor ergonomic recommendations in our machine design specifications and have published an ergonomics guide to prevent MSDs and occupational diseases.

WORKPLACE CATERING AT EFI BEYNOST VIRAGE À TABLE CERTIFIED SINCE 2022



What is the Virage à table® quality certificate?
The Virage à table certificate is a sector-specific, independent CSR quality standard that highlights responsible ways to cater for employees in a workplace environment. The Virage à table® certificate recognizes concrete results delivered by company catering teams and also provides diners with a quality guarantee. As well as the quality taste of the meals, it also confirms that those who prepare the meals are committed to ensuring they use a sustainable model to create them. The certificate is awarded based on a demanding series of standards, which set the food service on the path to full sustainability—a catering facility that takes into account healthy eating, animal welfare, and the environment.



In 2023, EFI was certified as a Family Friendly Company. This certification recognizes companies that commit to creating a workplace environment that meets the needs of their employees’ families. It is based on an employer audit and employee survey that assess six key levers: family policy, management culture, work structure, employee leave policy, employee services, and specific support.

EFI is very proud of the measures in place to achieve a healthy work-life balance: a workplace daycare center open from Monday to Friday, 7:30 a.m. to 6:30 p.m.; working hour flexibility; parenting book; and the ability to work from home.

MARCH 8, 2023 INTERNATIONAL WOMEN'S DAY

IN WUHAN, CHINA

A gift was given to all women in the company.



IN BEYNOST, FRANCE

Developing women in leadership: a webinar followed by inspiring training to celebrate International Women's Day. Last year, to celebrate International Women's Day on March 8, 2023, we organized a **fascinating webinar led by Sarah Masengo**, from Time for Action. The objective of the event was clear: **to overcome obstacles**: Sarah Masengo addressed the key obstacles that hinder women's attempts to take on leadership roles. Her presentation aimed to fill them with enthusiasm and encourage them to develop their leadership stance. During this webinar, two volunteers shared their experiences and thoughts on the subject. In all, **25 people** took part (21 women and 4 men). Following this event, we provided further women in leadership training, centered on the following areas:

- **Getting to know yourself and what drives you:** Understanding your strengths, values, and what motivates you on a day-to-day basis is key to strengthening your leadership skills.
- **Self-coaching based on the specialties of your leadership style:** Every woman has their own leadership style. Learning how to self-coach based on your specialties is a major asset.
- **Communicating your needs and knowing how to say no:** Leadership also involves knowing how to express your needs and when to say no.
- **Finding a balance between the different areas of life:** Being a leader does not mean you have to sacrifice your personal life. Finding the right balance between work, family, and well-being is essential.

By encouraging our female employees to take up leadership positions, we are contributing to a more balanced and inclusive world. Women in leadership is a strength to nurture, and we are proud to support this process.

OTHER FIGURES AND EMPLOYEE EVENTS

In France:

- Picnic organized for employees at the Beynost site
- New year drinks at Joinville
- Working from home agreements signed for the Joinville site
- IN Joinville, the purchase of eight workstations and equipment with electric height controls. The tables and chairs can be adjusted to suit the user.

In China:

- Visits to employees on sick leave from the site in China
- Four workstations adapted for people with disabilities

In Turkey:

- Ten disabled people employed on a full-time basis

INTERNAL MOBILITY

In 2023, EFI Automotive completed 24 internal moves, which demonstrates the commitment to our employees' professional development.

These examples of mobility within our organization reflect our devotion to encouraging skills and responsibility development.

From industrial management controller to supply schedule manager, from team leader to

production supervisor, and from team leader to quality leader: These career paths are ample proof of our commitment to promotion opportunities and development of internal skills.

These successes in terms of internal mobility illustrate our involvement in career development and the professional well-being of our employees. At EFI Automotive, we are proud to create an environment

where everyone can flourish and progress in their career.

We firmly believe that the personal and professional growth of each individual contributes to the collective success of our company.

INTERNAL TRAINING

In 2023, we relaunched **EFISCIENTES with the team of EFI Trainers**. We carefully assessed the teaching skills of the volunteers during recruitment interviews. Our objective was to give our employees the professional qualities required to deliver training courses internally. These trainers took part in a **comprehensive training course**, centered on the following elements:

- Building a stimulating training pathway
- Delivering memorable training with impact

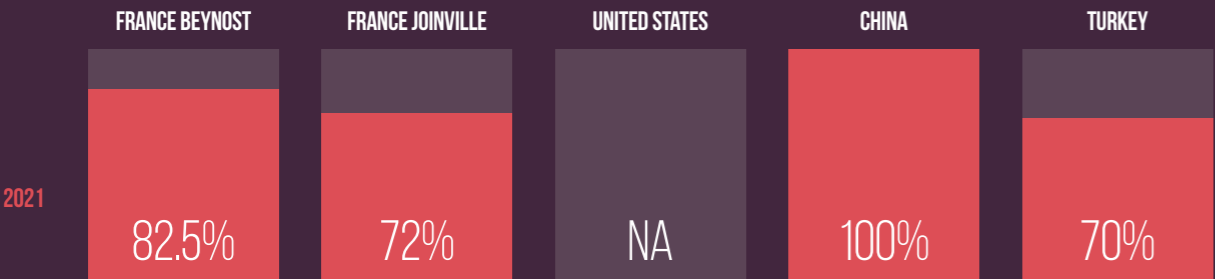
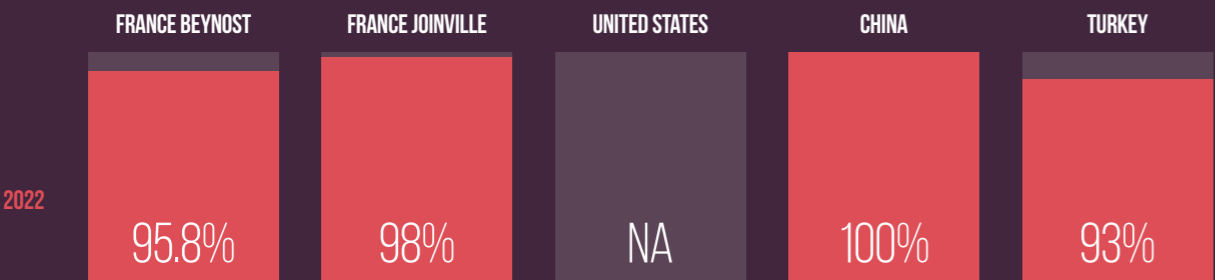
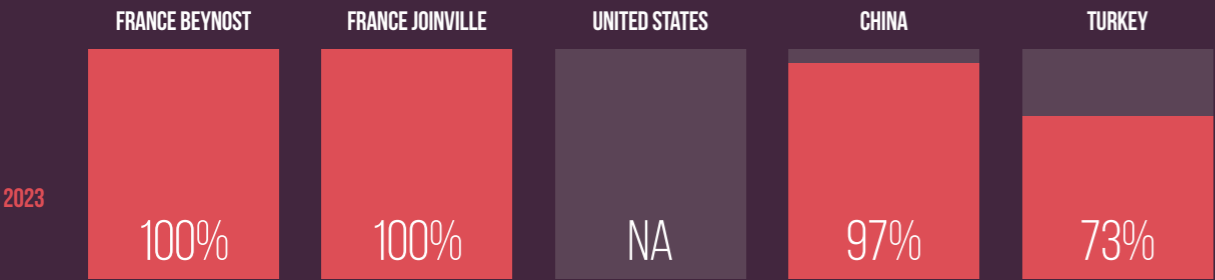
- Supporting and assessing learners

- Role play: They learnt how to present and bring to life the start of their training course

In total, **eleven employees received this training**. Internal training is a way to ensure we make the most of our internal human resources, supporting their personal development.



TRAINING PLAN PROGRESS



Our key training actions in 2023:

- 30% of Joinville employees received training in 2023
- Beynost:
 - › 119 people received compliance training
 - › 28 personal development training courses (stress management, self-confidence, active listening for more effective communication, using and perfecting your interview techniques, public speaking, managing change, team leader support, women in leadership, women in leadership webinar, become a tutor, individual coaching, etc.)
 - › 30 management training courses
 - › 25 participants in the women in leadership webinar, followed by further training for ten women
 - › 124 employees followed the EFI orientation program
 - › In total, 527 people received training 2023 (509 in 2022, 638 in 2021)

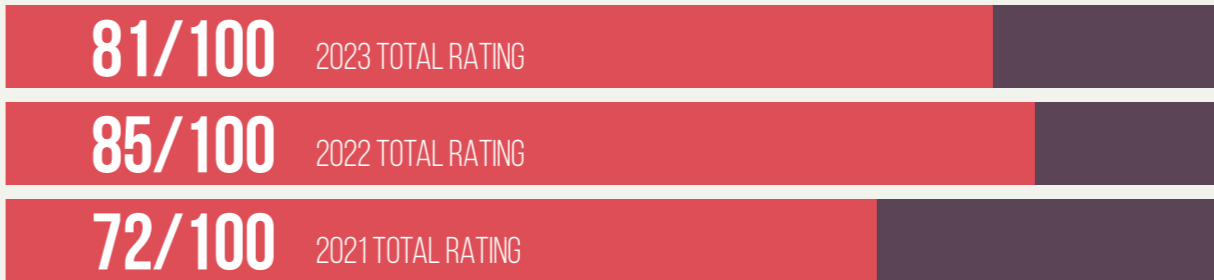
TRAINING BUDGET 2023



GENDER EQUALITY

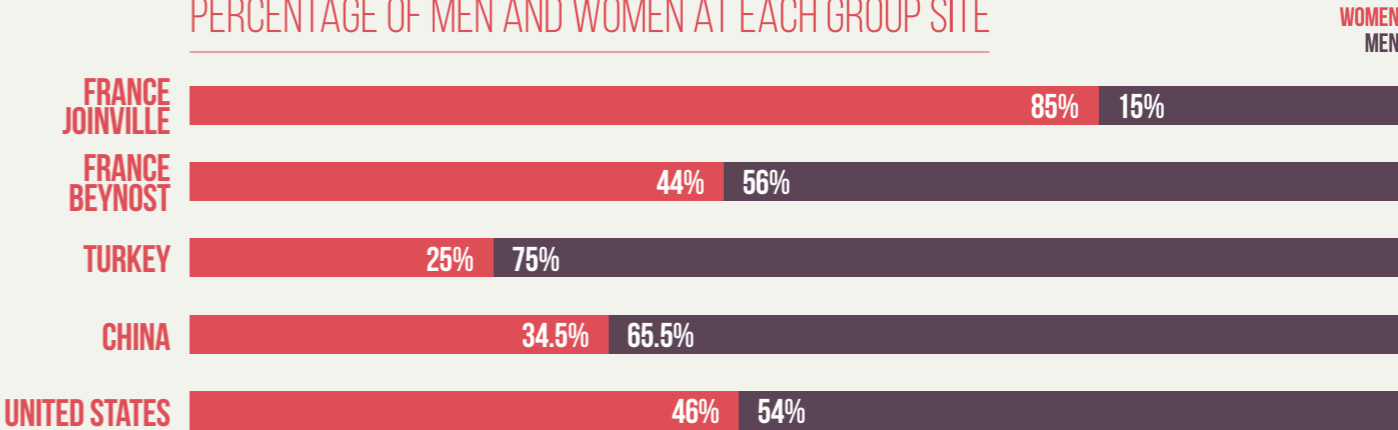
Gender equality index 2021–2023 (EFI)

The workplace gender equality index is calculated using five indicators: the pay gap, the difference in individual merit rise allocations, the difference in the distribution of promotions, the number of employees awarded a pay rise after returning from maternity leave, and the equality of the ten highest salaries.



EFI has implemented the management of a workplace equality agreement in Beynost that demonstrates our desire to confirm the principle of workplace gender equality as a right and a means of building collective enrichment, social cohesion, and economic efficiency for businesses.

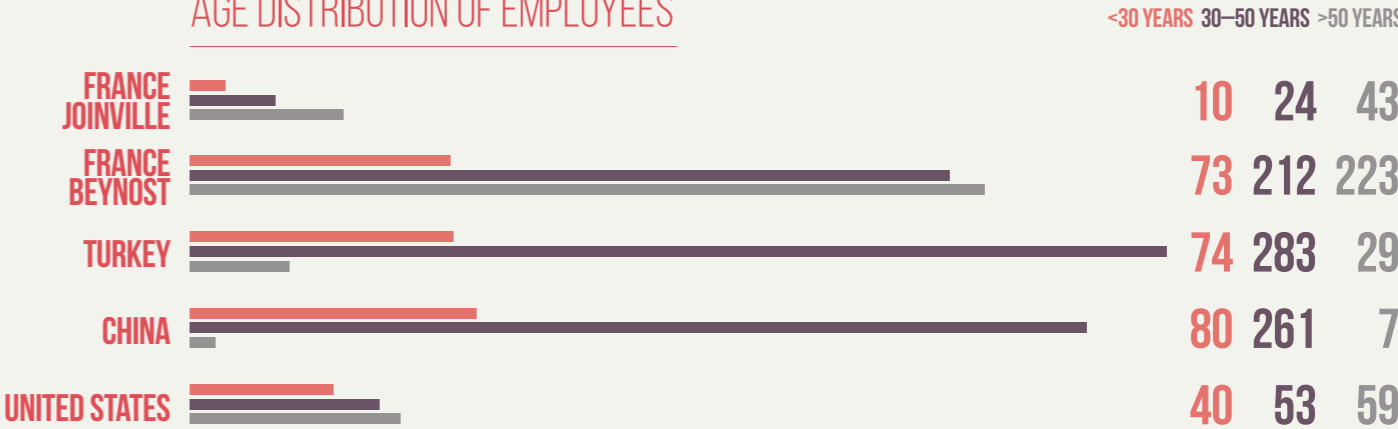
PERCENTAGE OF MEN AND WOMEN AT EACH GROUP SITE



75% OF SITE OPERATION DIRECTORS ARE WOMEN

40% OF COMEX MEMBERS ARE WOMEN

AGE DISTRIBUTION OF EMPLOYEES



COMMITMENT TO THE AREAS IN WHICH WE ARE BASED

Our caring ethos is part of EFI's DNA. This approach is not just at work within the business. It is also evident in the relationships that we nurture in the areas that surround our sites. Our values unite the people who work for EFI Automotive and our stakeholders, in the broadest sense of the word. We are committed to the creation of cohesive EFI teams of men and women, the integration of young people, industrial and scientific development, and welfare in wider society.

INCLUSION, PARTNERSHIPS, AND SPONSORSHIPS

Integrating young people

We are committed to promoting the professional integration of young people. We bring young people into our business through internships, apprenticeships, and professional training contracts.

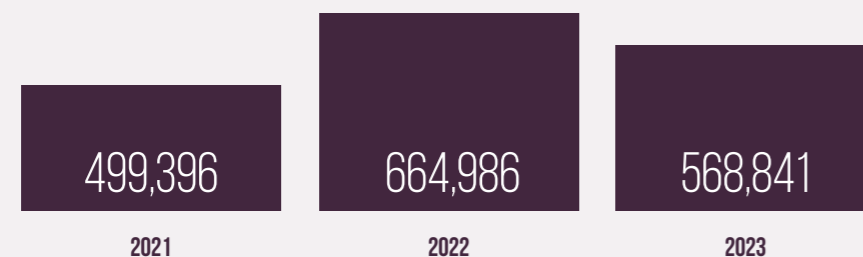
We also offer young people access to international voluntary business (VIE) contracts, giving them the opportunity to take on a professional overseas mission.

In partnership with schools and universities, EFI regularly opens its doors to students to give them exposure to the business world, particularly in France, Turkey, and the United States.

Inclusion for all

EFI has a proactive approach to disability inclusion. Since 2019, each of the Group subsidiaries has been working on a local assessment process to identify how it can better adapt to support people with disabilities. For example, in China, EFEC works with local associations to help integrate people with disabilities.

CONTRIBUTION TO SOCIAL PROJECTS (€)



OUR ACTIONS TO SUPPORT STUDENTS

- In China, seven apprentices/trainees were taken on.
- In the United States, two apprentices/trainees were taken on.
- In Joinville, France, five apprentices/trainees were taken on. The site has a partnership with the Reims packaging school PFE ESIR.
- In Beynost, France, eight professional training contracts and 52 apprenticeship contracts were signed. Three industrial site visits were organized for local schools, and 17 industry shows were attended.
- A lesson about corporate social responsibility (CSR) was organized at ECAM La Salle that presented students with a case study to enable them to explore CSR challenges in industry. This initiative gave students an understanding of the principles of sustainability and social responsibility required in business strategy and also highlighted the challenges of balancing economic, ethical, and environmental issues. While the students benefited from being taught by experienced professionals, this interaction was just as beneficial to the EFI team, who discovered new approaches to CSR.
- In Turkey, 15 apprentices/trainees were taken on. The site runs a trainee program with the Yalova University Polymer.



OUR ACTIONS TO SUPPORT LOCAL COMMUNITIES

In the United States:

- The Elkmont site bought T-shirts for all its employees to mark Pink Out October (1), and the most sporty amongst them took part in Liz Hurley Run for Breast Cancer (2).
- Employees at Elkmont donated warm clothing to retirement homes.

In France:

- In addition to collecting donations for a sports association, the Joinville site sponsored a team in the 4L Trophy (3).

In Turkey:

- The Dudullu social committee launched a pet food donation campaign to support the volunteers who look after animals in rescue centers. Nearly 300 kg of cat and dog food was collected as part of this campaign, all donated by employees at the site.
- The committee also arranged a Hope Café with donations collected for a children's cancer fund. The company gave each employee a cookie, and those who wanted to could buy a coffee or another treat (4).
- The site in Turkey made a donation to support employees who were newly taken on by the Contemporary Life Support Association.
- Following the earthquake in Turkey on February 6, 2023, the EFI Group and its employees wanted to do something for those affected. They decided to unite by collecting donations for the victims of this tragic event. Using donations to the Children Wearing Happiness association, a play area was opened for children who had recently moved to the village of Hatay Serinyol (5).



ECONOMIC, INDUSTRIAL, AND SCIENTIFIC DEVELOPMENT



EFI Automotive is also actively engaged in the development of startups via its industrial accelerator AXANDUS, which strives to support them 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 startups stronger and more robust. Since 2018, the teams at Axandus have been working closely with the teams at EFIS, Joinville, to offer industrial production to nonautomotive startups.



EFI is a founding member of Le French POC based in Miribel, which helps industrial startups to create a proof of concept for industrial products, such as mechatronics, Internet of Things (IoT) components, sensors, and actuators. The objective of Le French POC is to work productively to support regional reindustrialization.



EFI Automotive was one of the first companies in the Rhône-Alpes-Auvergne region to become a member of the Alliance et Territoires 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.



EFI is a member of CARA (European cluster for mobility solutions), a group that promotes competitiveness and aims to support the sustainable transformation of passenger and goods transportation systems.



FIEV is a professional trade association for all types of automotive solution providers, including OEMs and garage equipment manufacturers. EFI is a member of the association and of the Board.



La ruche industrielle is an initiative based in Lyon that brings together businesses, institutions, and other local bodies. Members aim to collaborate in order to promote innovation and sustainable development in the industrial sector.

Also, in China, EFI Automotive is developing partnerships and collaborative agreements with universities in Wuhan for product development, patent, and license development, and benchmarking tools and methods, in line with industry needs. In 2020, this work contributed to Hubei Provincial Government's decision to nominate the Wuhan site as a high-tech and scientific development business.

Finally, in the United States, EFI Automotive is a member and also a sponsor of the Limestone County Economic Development Association (bronze level).

4 BUSINESS ETHICS AND SUSTAINABLE PROCUREMENT

SHARE AND ENSURE COMPLIANCE WITH BUSINESS ETHICS

AND PROMOTE SOCIETAL RESPONSIBILITY THROUGH OUR SUPPLIER SELECTION

OUR PRIORITIES FOR 2024

Establish an enduring compliance and business ethics culture by continuing to roll out and organize our dedicated governance bodies, by continuing to make employees aware of their responsibilities (e.g., signing the compliance letter), and by using the audit process and KPI monitoring to ensure we have an efficient compliance and business ethics process

Continue our training actions with four training courses per year, using a shorter format to ensure all targeted employees are brought together and trained

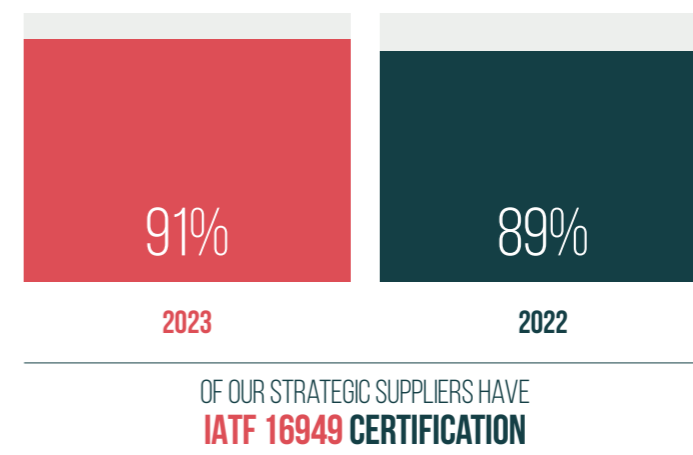
Expand internal use of our digital tools (Contractech, Docusign, e-stamp, etc.) to support the compliant application of our procedures

KEY FIGURES



100%
OF OUR EUROPEAN SUPPLIERS HAVE BEEN
ASKED ABOUT THEIR COMMITMENT
TO REACH
(REGISTRATION, EVALUATION,
AND AUTHORISATION OF CHEMICALS)

100%
OF OUR SUPPLIERS OF RAW MATERIALS
AND COMPONENTS ARE AT LEAST
ISO 9001 CERTIFIED



SUSTAINABLE PROCUREMENT

The revision of our supplier approval questionnaire marked the opening of a new chapter that affected the business continuity plans of our suppliers, security, and the environment. The intention was to make sure our suppliers set up the necessary means and actions to guarantee the recovery and continuity of their business activities in case of damage or an event that seriously disrupts their normal operation. This chapter includes questions related to our suppliers and their respect of current standards and requirements, and their

commitment to the CSR process. This development converges with the approach initiated through the Supplier Code of Conduct, which stipulates that “The Supplier must operate its businesses in a way that respects the environment 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 minimize the impact of its businesses on the environment.”

Our Group is committed to paying more attention to CSR profiles when approving new suppliers for coherence with its own sustainable development approach.

RESPECT OF HUMAN RIGHTS BY SUPPLIERS

We monitor our suppliers’ respect for human rights. We require them to sign our Supplier Code of Conduct, which is contractually binding and sets out requirements, particularly regarding:

- **Nondiscrimination policy**
- **Prohibition of forced and child labor**
- **Prohibition of coercion and harassment**
- **Remuneration and working time**
- **The fight against corruption**
- **Their request to their own suppliers that they comply with these requirements**

Since 2018, our Code of Conduct has been included in the contractual documents of all of our purchase agreements (Nomination letter) signed by suppliers.

SUPPLIERS’ ETHICS

All of our new suppliers are approved according to the new approval questionnaire, and all of our potential suppliers are selected using the Supplier Code of Conduct included in the purchase contract. A few years ago, we implemented a monitoring tool to study and prevent the financial risks of supplier corruption (depending on their commercial activity, their country of operation, and their shareholders and managers). This tool identifies the financial health of suppliers, as well as any sanctions or exposure due to corruption or bad press. This tool is applied to all of the Group’s strategic suppliers.

SUPPLIER COMPLIANCE WITH REACH REGULATION

The supplier approval questionnaire also includes questions that require the supplier to confirm, for example, that they comply with the REACH regulation (Registration, Evaluation, and Authorisation of Chemicals) and its amendments. All our European suppliers have been asked about their commitment to REACH.

CONFLICT MINERALS POLICY

Our customers are increasingly asking for a CMRT. This demonstrates a growing awareness of the ethical challenges in the supply chain. In response to this, we have added a clause to our Supplier Code of Conduct that commits our partners to ensure that their ore imports come from responsible sources. In 2023, we partnered with an expert to evaluate our suppliers, thereby providing our customers with guaranteed traceability in ore processing. We are currently rolling this process out around the world, confirming our commitment to responsible and transparent practices.

ECOVADIS

The appearance of CSR standards like Ecovadis are evidence of the growing importance of sustainable practices in business. When we assess our strategic suppliers, we include their Ecovadis score. In this way, we aim to guarantee that our partners are aligned with our CSR values. This indicator provides a full assessment of the environmental, social, and ethical practices of each supplier, supporting more enlightened supply decisions and continuous improvement within our supplier ecosystem.

BUSINESS ETHICS

As a responsible company, EFI Automotive recognizes the existence of its competitors and works to implement fair competitive practices.

The company commits to maintaining reliable contractual relationships, guaranteeing the safety of its own data and that of its employees and third-party contractors, and promoting a socially responsible culture within and outside the company.

Sincerity, internally and with our suppliers, is a strong value of our Group. To establish relationships based on mutual trust with all our points of contact, we are developing training and control methods that suit our business.

This area is managed by EFI’s Legal and Risk Management department, including compliance, internal controls, and internal audit. This makes these topics increasingly important across the whole organization, particularly through the implementation of a road map that is updated each year and validated at the highest level of management. Training and supporting our employees and partners in best practices is at the heart of this road map. Materials dedicated to each of the topics mentioned above are therefore provided so that the applicable rules are fully understood and respected.

CONFIDENTIALITY AND COMPANY DATA PROTECTION

It is every employee’s duty to help protect the knowledge and expertise of the company and the entire EFI Automotive Group. Every employee must refrain from disclosing the confidential information to which they have access (studies, research, projects, organization, and direction of the Group, etc.) to other members of staff who are not authorized to hold these details or to third parties. Likewise, the data that we hold—both ours and our customers’—is protected, and access to this data is handled on a need-to-know basis. To achieve this, we have implemented a number of assurances:

FIGHT AGAINST CORRUPTION AND CONFLICTS OF INTEREST

To maintain good business ethics, EFI has implemented a whistleblower report form, which can be submitted by email (compliance@efiautomotive.com), to bring any improper conduct to the attention of the Group’s CEO, the Group Legal and Risk Management Director, and the Compliance Manager. Those found at fault will be sanctioned according to the appropriate disciplinary procedures in compliance with French labor laws, under the direction of the HR department, if the wrongful events that are reported are proven. We have implemented a user guide about the whistleblowing system and how to handle whistleblowing reports to help with reporting fraudulent practices. We always communicate all examples of fraud (such as impersonation of the CEO and bank account fraud) that are uncovered outside of EFI to raise awareness across the Group of risks and best practices. Also, this reporting system is now attached to the Internal Regulations and has been highlighted to employees to give them a better understanding of their rights in this area.

MONEY LAUNDERING

We absolutely must comply with our obligations toward our partners, including our banks. We fulfil our declaration obligations 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 any means of the power of control by the beneficial owner over the declaring company).

FAIR COMPETITION

EFI has introduced preventive measures regarding anticompetitive practices, which are included in a policy within the Supplier Code of Conduct, which suppliers, service providers, and any other third-party contractors must systematically sign. Before any contract is concluded, a risk assessment is completed by the Legal and Risk Management department in collaboration with sales representatives and product managers in charge of building partnerships.

We have also released awareness training on this subject to collectively strengthen our level of vigilance.

PROTECTION OF IDENTITY AND NON-RETALIATION

We guarantee protection of identity and non-retaliation through the Supplier Code of Conduct, and also guarantee protection of identity for whistleblowers as set out in the user guide on the whistleblowing system and how to handle whistleblowing reports.

GDPR AND INFORMATION SECURITY

Our Compliance Manager, from the Legal and Risk Management team, is leading the process to bring our work practices in line with GDPR (General Data Protection Regulation). This includes all stakeholders within the business that handle confidential and/or personal data.

EMPLOYEE COMMITMENT TO COMPLIANCE

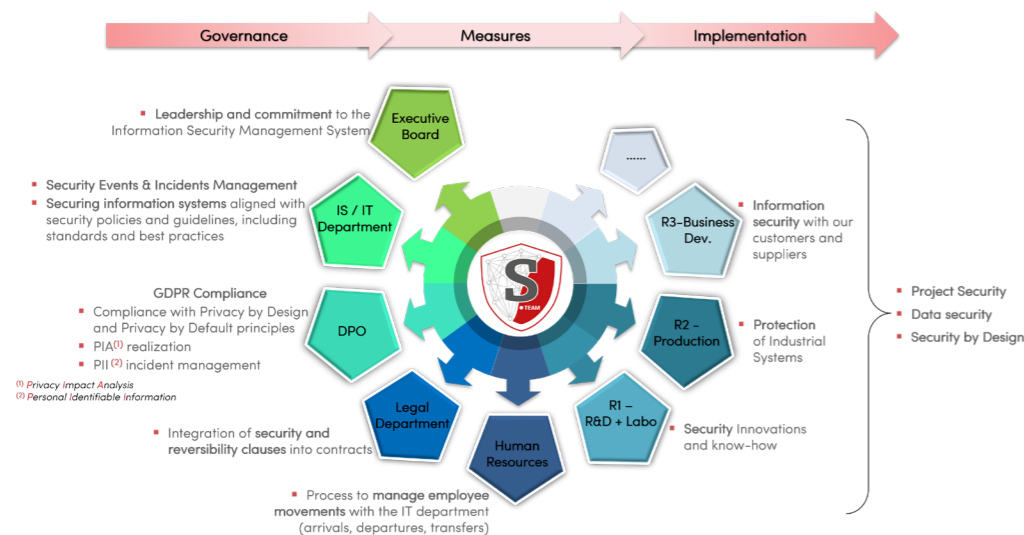
We have also equipped ourselves with a comprehensive body of documents that take into account our internal characteristics and the compliance rules that the Group supports and promotes. Based on issuing compliance letters to a wide audience (COMEX members, Board of Directors, General Managers, Site Directors, Group Account Managers, Key Account Managers, Process Managers, etc.), this project makes employees aware of their responsibility to comply with relevant EFI Automotive Group internal processes and helps to monitor this compliance. The Group hopes to embed a strong and lasting compliance culture by choosing this audience to sign these compliance letters.

INFORMATION SECURITY WITHIN EFI AUTOMOTIVE GROUP

EFI Automotive Group is duty bound to safeguard its information assets against all deliberate and accidental incidents relating to confidentiality, integrity, and availability. This is vital in order to protect itself, to maintain employee trust, and to offer an even safer and more reliable service to its customers.

Information asset security incorporates the technical, organizational, legal, and human resources required to guarantee and maintain a good level of security that is both suitable and consistent.

The EFI Automotive Group has approached this by making information security part of its culture and values. This means that, within their area of responsibility, every employee has a role to play in protecting the Group's information assets.



To achieve this, EFI Automotive Group has defined the following security principles (extract from the EFI Automotive Group General Information Security Policy):

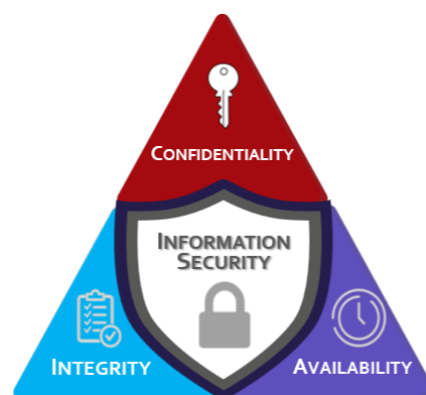
- Information security is in accordance with the laws, regulations, and best practice.
- Information security risk management is legally compliant, aligned with EFI Automotive Group strategic objectives, and proportionate.
- The limitation of impacts on information security is secured via prevention and detection actions, as well as a process developed and applied to manage incidents and crisis situations.
- The management of sensitive information is handled via the implementation of the information classification policy.
- The application of information security through an information security management system (ISMS) is progressive and pragmatic.

THE ISMS (INFORMATION SECURITY MANAGEMENT SYSTEM)

ISMS challenges

The information security management system is built to face the following challenges (extract from the General Information Security Policy):

- The requirement for confidentiality regarding sensitive information owned by EFI Automotive Group
- The need to process data so that it remains complete and accurate to ensure its integrity
- The need for information availability, regardless of its nature and format
- Compliance with current legislation and regulations, such as protection of personal data and protection of confidential information assets (trade secrets) Due to EFI Automotive Group's confidentiality and nondisclosure obligations, accountability must be ensured through a system that tracks access and actions.



ISO 27001 certification

The EFI Automotive Group information security management system was developed to comply with ISO 27001. The Group ISMS is awaiting certification for its application at the Group headquarters in Beynost, with the initial audit planned for early 2024.

TISAX label

Based predominantly on the ISMS for the information security section, the EFI Automotive Group is completing the certification process for its manufacturing sites.

- Site in Beynost, France: certification forecast for early 2024
- Site in Turkey: preparing for certification in late 2024

ISMS performance

Performance is monitored by an audit program and controls to measure the efficiency of the security measures, improve the system, and maintain the required security level, thereby responding to the challenges and adhering to the principles of information security.

The ISMS audits are conducted by an independent external body. Technical audits test and can therefore lead to improvements in the information system security and cybersecurity.

EMPLOYEE INVOLVEMENT

Every employee has an essential, everyday information security role: to comply with the Use of Information Systems and Communications Charter. This charter, attached to the Internal Regulations, describes the rights and responsibilities of every employee, to make their contribution to the protection of EFI Automotive Group's information assets.

The awareness training program also contributes to this protection by increasing employee knowledge and vigilance.

OPERATING SECURITY AND SAFETY

We have created a safety committee (ASPICE TISAX Cyber Safety Committee [CATS]). This committee gives additional support to local industry departments and ensures that our commercial activity complies with safety requirements in light of the technological transformation in the automotive industry, the inclusion of new functions in our applications, and the introduction of new regulations.

Its main objectives are to ensure the completion of risk assessments, improve our ability to prevent cyberattacks by implementing new safety standards, develop our skills, and build all of these elements into a training approach for company teams so that we can respond more efficiently to our customers' expectations and the regulations.



EXPORT CONTROLS AND ECONOMIC SANCTIONS

We are a certified Authorized Economic Operator (AEO), which strengthens the customs control protection level and certifies that the company fulfils certain criteria:

- Compliance with customs and tax legislation
- Satisfactory solvency
- Efficient commercial records and transportation records management system, allowing appropriate customs control
- Monitoring of and compliance with International Regulations regarding exportation and embargo, managed by the Compliance Manager in collaboration with our Customs department

INTELLECTUAL PROPERTY AND COUNTERFEIT PARTS

We safeguard intellectual property with good brand 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 combat counterfeiting with the signing of a Confidentiality Agreement when we present our products to people outside of our company. We work closely with a law firm specializing in Intellectual Property to protect and defend our active intellectual property (patents, registered trademarks, etc.). We have a marketing department that handles, among other things, technology and business opportunity monitoring.

COMMITTED TO EXCELLENCE: DELIVERING ETHICAL, RESPONSIBLE BEHAVIOR THROUGH OUR STRUCTURED COMPLIANCE PROCESS

In 2023, our commitment to corporate social responsibility (CSR) took a decisive step forward as we strengthened our compliance and business ethics actions.

It is our awareness of the importance of complying with legal and ethical standards that led us to take significant measures to guarantee responsible behavior at every level of our organization.

We wrote and launched our Compliance Management Manual, which was instrumental in delivering these measures. It defines and lists our activities in terms of compliance and business ethics. It also gives a detailed presentation of our governance, as well as the roles and responsibilities for all our stakeholders (employees, Board of Directors, Compliance Board, Compliance Officer, and site compliance leads).

As part of our governance structure, we have appointed four site compliance leads within our subsidiaries. They are responsible for the effective implementation of compliance policies and procedures at a local level. These experts play a key role in raising awareness among the employees in their area, monitoring risks, and ensuring compliance with local legal and ethical requirements. They regularly report back to the Compliance Officer.

As part of how we manage our compliance and business ethics actions, we have created a comprehensive road map, validated by the Board of Directors and detailing the activities rolled out during the year on a quarterly basis. In addition, the Compliance Officer and the site compliance leads completed a quarterly activity summary. In each region, this was presented to the Compliance Board to generate opinions and recommendations regarding the actions taking place.

Regular employee training promotes a culture of ethical behavior and supports improved efficiency in the company's compliance actions. Based on this rationale, we have continued to train our employees in compliance issues (a group of around 250 people), launching two compulsory training modules in the year: the first called "information security and protection of your private life" and the second called "competition law around the world." Employees who completed these compliance modules and the module tests received certificates of module completion.

Finally, we have increased the management control of our compliance and business ethics actions. The new KPI dashboard presented monthly at COMEX is at the heart of this. It is how we closely monitor our performance and the continuous improvement of our practices to secure sustainable and efficient compliance.

This structured process proves our resolute commitment to excellence and responsibility in all our activities.

We are certain that our commitment to compliance and business ethics will help to strengthen the confidence that our stakeholders have in us and safeguard our company longevity.

Compliance is everybody's business!



VICTOR OGIER
JUNIOR LEGAL COUNSEL
IN CHINESE LAW ON A VIE
CONTRACT IN WUHAN

WHAT HAVE BEEN YOUR MAIN TASKS IN THE FIRST YEAR OF YOUR INTERNATIONAL VOLUNTARY BUSINESS (VIE) CONTRACT IN WUHAN?

We started by defining a legal framework for the use of company stamps, which is crucial in China. Then, we began training staff in business development, compliance, and competition in this rapidly developing country, with its unique culture. These initiatives have been essential to establish practices that are in accordance with and suitable for the local culture, while adhering to international standards.

WHAT ARE COMPANY STAMPS USED FOR IN CHINA, AND WHAT MEASURES HAVE BEEN TAKEN TO MANAGE THEM EFFICIENTLY?

In China, company stamps play a decisive role in validating documents, even more so than signatures. When a document is stamped, the company is committed. To ensure that these stamps are managed appropriately, we have implemented a detailed regulation. This regulation includes the provision of an exhaustive register covering each company stamp usage type,

including details of the person in charge and when the stamp is used. Also, we secure the stamps in safes with restricted access controlled by hierarchical authorization. We have provided training on these rules so that everyone knows and understands the process. We have also explained how to apply company stamps online, including for pay stubs.

HOW DO YOU APPROACH COMPLIANCE AND CULTURAL AWARENESS TRAINING WITHIN OUR SUBSIDIARY IN CHINA?

We incorporate local practices in our approach, while complying with international compliance standards. We have created a training course program that lasts three months. It covers various areas of compliance and aspects of local culture. Every member of staff—whether managerial or non-managerial—has taken part in these sessions to ensure a consistent and deep understanding of compliance standards. We addressed critical subjects in detail, like confidentiality, conflict of interest, and corruption. Also, we emphasized whistleblower protection to create an environment in which issues can be reported without fear of retaliation.



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

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

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

AKÉO PLUS
769, Rue de la Outarde
F – 01500 Château-Gaillard
Tel. +33 (0)4 74 35 60 72



EFI AUTOMOTIVE
Fichtenbergstrasse 3
D – 71083 Herrenberg
Tel. +49 171 352 1344



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



ELECTRICFIL CORPORATION
NORTH AMERICAN
18831 Carters Circle
Elkmont, AL 35620, USA
Tel. +1 256 732 4044

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



EFI AUTOMOTIVE
ACCESSORIES SYSTEMS
(WUHAN) CO., LTD
Wuhan Economic & Tech.
Development Zone,
No.60, South Quanli Road,
Wuhan, 430056 Hubei, China
Tel. +86 27 842 949 43 & 4931

SHANGHAI OFFICE
Room 201, Building B, Jiuxing
Hongqiao Business Center,
Minhang District, Shanghai



contact@efiautomotive.com – Tel.: +33 4 72 01 34 34
77 Allée des Grandes Combes – ZI Ouest Beynost
F – 01708 Miribel Cedex – FRANCE

EFIAUTOMOTIVE.COM