

Statement of non-financial performance 2019



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1. Reporting methodology for non-financial performance 2019

A CSR approach hardwired into ACOME's DNA

ACOME's corporate social responsibility is central to our status as a "SCOP", our values and our ambitions as a Group. This responsibility is deeply rooted in company strategy and in the everyday actions of the parent company and all its subsidiaries.

We are living in a period of unprecedented change in terms of magnitude and speed. A successful energy and ecological transition is a necessity that we share every day with our customers, our partners and our suppliers. We have to deal with huge challenges and we are conscious of the role that we must play.

In the light of these developments, our approach entails finding solutions to the societal issues that concern us and to which we can provide a targeted and efficient response.

A CSR performance momentum around four priorities

In 2018, the CSR committee performed a materiality analyses. This analysis consists of prioritizing CSR issues according to the risks linked to our activities, the addressed markets, geographical zones covered, the expectations of our stakeholders and our strategic plan.

To successively attain our common ambition of "Becoming an international industrial group, a benchmark in communications cables, tubes and accessories for the automotive, telecoms and building market", our CSR performance revolves around four priority areas:

- **The ACOME model: values and ethics;**
- **The people at the heart of the system;**
- **Reliable, powerful and environmentally-conscious manufacturer;**
- **A responsible supply that is attentive to the needs of our customers and partners.**

This strategy is rooted in our strategic plan, our support for the UN Global Compact and the Global Compact's 17 Sustainable Development Goals (17 SDGs).

The table on the next page clarifies the correspondences

between our CSR pillars and our strategic plan, as well as the 17 sustainable development goals and 10 United Nations principles.

The four pillars represent the priority CSR issues for the Group

These priorities are deployed throughout the Group's branches and divisions. They are supported in particular by:

- Human resources for the "ACOME model: values and ethics";
- Managements of sites for the "Reliable, powerful and environmentally-conscious manufacturer";
- The research and innovation department, as well as the technical divisions of the departments, for the "Responsible offer" pillar;
- Human resources and the quality department, performance and CSR for the "Placing people at the heart of the system" pillar.

We have sought to structure this report according to these four themes, which are the cornerstones of CSR performance.

CSR Governance

The CSR Committee was created in 2006. It is chaired by the Chairman and Chief Executive Officer and comprises 10 members representative of the different Group functions and business lines. It is led by the Group Quality, Performance, and CSR Director. This committee oversees the project management and monitoring of CSR action plans.

Since 2017, the Group's overall CSR performance is managed on the Toovalu collaborative online platform which allows the collection of information from each Group entity and the sharing of results.

| CSR pillar | Pillars / corresponding PS 2020 projects | Correspondence with the United Nations 17 sustainable development goals | Correspondence with the 10 principles of the Global Compact |
|--|---|---|---|
| <i>A reliable, powerful and eco-responsible industrial player</i> | 1. Become a powerful manufacturer | (8) Decent work and economic growth | (1,2) Human Rights (7) Environment (10) Anti-corruption |
| | 4. Strengthen ACOME's operational performance as an international Group | (9) Industry, innovation and infrastructure (7) Affordable and clean energy (13) Climate action | |
| | 8. Guide and successfully complete investments | (6) Clean water and sanitation | |
| <i>A responsible supply that is attentive to the needs of our customers and partners</i> | 2. Drive innovation at the same pace as the market | (8) Decent work and economic growth (12) Responsible consumption and production | (1,2) Human Rights (7,8,9) Environment |
| | 3. Facilitate a dynamic Group-wide sales initiative | (9) Industry, innovation and infrastructure (7) Affordable and clean energy | |
| | 7. Identify growth drivers | (15) Protection of Terrestrial Fauna and Flora (16) Justice and Peace | |
| <i>Place people at the heart of the system</i> | 1. Become a powerful manufacturer | (3) Good health and well-being (4) Quality education | (1,2) Human Rights (3,4,5,6) International labor standards |
| | 6. Successfully deliver the digital challenge | | |
| | 5. Lock in skills and boost managerial guidance | | |
| <i>.The ACOME model: values and ethics</i> | 5. Lock in skills and boost managerial guidance | (10) Reduced inequalities (8) Decent work and economic growth (5) Gender equality (16) Justice and Peace (17) Partnerships for Global Goals | (10) Anti-Corruption (1,2) Human Rights (3,4,5,6) International labor standards |

Methodology

Scope

The scope of this statement of non-financial performance was defined in accordance with the provisions of Articles L.233-1 and L.233-3.

The business scope of the ACOME Group remained unchanged in 2019:

- **ACOME SA:** French sites of Paris and Romagny;
- **Active sales and manufacturing subsidiaries and wholly consolidated subsidiaries**
 - The Chinese industrial sites of Wuhan (Wuhan ACOME Taiping Wire & Cables Ltd) and Xintai (ACOME Xintai Ltd);
 - The Brazilian site of Irati (ACOME do Brasil Ltda);
 - The Moroccan site of Tangiers (ACOME Maroc);
 - The French sites of IDEA OPTICAL in Lannion, Voisins-le-Bretonneux and Cavan;
 - The THERMACOME site at Saint James;
 - And the sales subsidiaries in Italy (ACOME Srl) and Germany (ACOME GmbH).
- **Entities not included in the scope (not concerned by the non-financial performance statement)**
 - The Tunisian subsidiaries (ACOME Négoco SARL and ACOME Tunisie): closure of these subsidiaries has been made official.
 - The ACOME Delivery Centers in Shanghai and Yantai (Shandong province) in China, Tunis (Tunisia), Joita (Romania), São Paulo (Brazil) and Ciudad del Este (Paraguay) managed by subcontracted service providers, the companies THERMAK and OPTERNA AFRICA in which ACOME is a minority shareholder.
 - The ZUHAI Hansen joint venture initiated in 2019, in which ACOME is a shareholder.
 - The Romanian branch, whose closure is underway and expected to be effective in 2020.

Reporting period

The gathered data cover the business activity of the entities concerned for the period between January 1 and December 31, 2019.

Data gathering methods

In 2017, we optimized and simplified the way we collect and use CSR indicators. The choice of the Toovalu software, a collaborative web platform dedicated to collecting and managing non-financial reporting, was renewed in 2019. Feedback from the 2017 and 2018 data gathering campaigns has made it possible to improve the efficiency of the process. Several training sessions were held in January 2020 for the various contributors (managers from the commercial and industrial divisions and experts from human resources, health-safety-environment, finance, purchasing, and communication).

The 2019 indicators are based on Article R225-105-1 as subsequently modified by decrees 2016-1138 and 2017-1265 of August 9, 2017.

Once the gathering is completed, the data are validated in three stages: firstly by each subsidiary, secondly at Group level during consolidation, then thirdly, through verification by an independent third-party, Ernst & Young (see the report of the independent third-party on the consolidated social, environmental and societal information).

These non-financial data can be viewed in the form of a CSR performance dashboard (see section 6). The data are also available on the website: <http://intelligence.toovalu.com/>.

Methodological clarifications and limitations

The methodologies applied to some of the social, environmental and societal indicators referred to in Article 225 of the Grenelle 2 law may have limitations in the context of an international group.

- In order to harmonize the notion of employment contract, a common rule was adopted for Chinese (Wuhan and Xintai) sites. For instance, contracts for three or more years are considered as permanent contracts.
- The non-financial indicators (part 6) present the average pro-rated labor force including temporary workers and fixed-term contracts during peak periods. However, apprentices and vocational training contracts are not counted.
- In the event of departures on December 31, 2019, the adopted rule is that the employees present on December

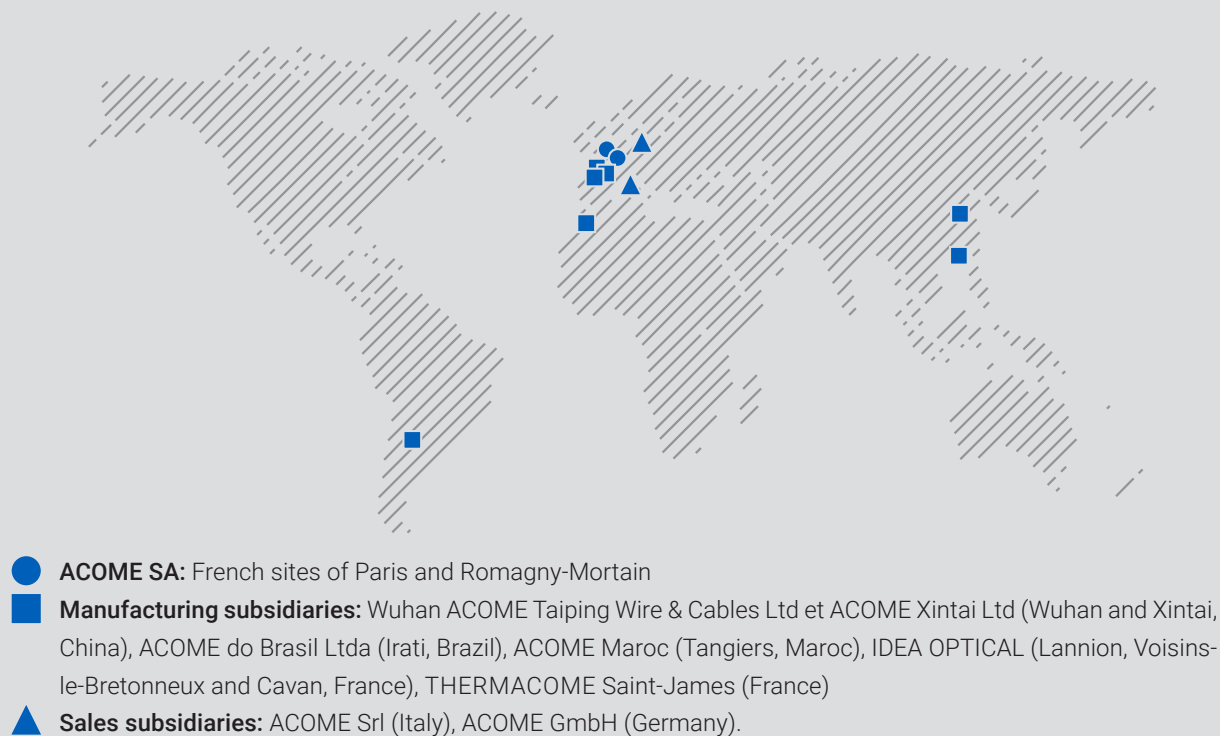
31, 2019, will be counted in departures starting from January 1, 2020.

- Environmental indicators are monitored for manufacturing sites. However, it should be noted that the indicators related to climate change (such as greenhouse gases) are only monitored on French industrial sites, due to different legislation in other countries.
- The environmental indicators are not applicable on

commercial sites or are not currently monitored or are not easily available (for example, the rent of sales subsidiaries include the heating and lighting bill without any clarification as to respective consumptions).

- The Group's business activities are not directly concerned by anti-food wastage actions because the Group does not directly manage food and drinks for its customers and employees.

Non-financial reporting scope: consolidated entities



2. The ACOME model: values and ethics

2.1. Shared values

Commitment, excellence, solidarity and respect are mutual values shared by the entire company. In 2019, inspired by its values, the Group implemented a comprehensive Code of Ethics including anti-corruption and harassment alert systems. This Code was presented during interactive meetings that directly concerned nearly 1,100 employees in France. Distribution continues to this day at the subsidiaries.

These values are also the foundation on which collective action is built, driven by a strategy that is built and shared with stakeholders. The strategy is rolled out through programs, projects and action plans that underpin our way of working together.

As a SCOP (Worker Cooperative), ACOME places the company's sustainability and the sustainability of its jobs at the center of its strategies and action plans.

In addition to the General Meeting, all employees are informed of the company's economic performances and the progress of the strategic plan in service meetings or at year-end meetings, directly hosted by the Chairman or by the Director of the different sites.

2.1.1. Coordination of cooperative life and involvement in the life of the company

As a SCOP (Worker Cooperative), ACOME belongs to the French general confederation of cooperative companies and to the Ile-de-France and West regional unions. There is also a full-fledged internal network (cooperative relays) which is mobilized around the ethos coordination of the company. As each ACOME SA employee has the opportunity of becoming an associate, the company provides a cooperative induction program, 12 of which were done in 2019. In 2019, 43 people applied to become associates of ACOME SA. At the annual General Meeting, all associates participate in the renewal of one third of the Board of Directors and vote on the resolutions by applying the principle of corporate democracy: one associate = one vote.

Beyond the structure of the SCOP (Worker Cooperative), the concerted construction and implementation of the strategic plan has served to rally teams since its conception. This fundamental work gives sustainable meaning to the actions and missions of each one by seeking support for key goals. The year 2020 will be partly devoted to the construction of a new strategic plan for 2025.

ACOME's corporate life is also filled with numerous events promoting the acquisition of skills or corporate loyalty. For example, the 15th anniversary of the Wuhan industrial site was celebrated in 2019 in the presence of representative of the Chinese government and the French consulate.

2.1.2. Diversity and equal opportunity

Gender equality

With the agreement on professional equality signed in 2017, ACOME continues its goals of increasing the number of female employees and managers, as the company's labor force is predominantly male due to its industrial history. Thus, two women joined the Management Committee, leading to greater gender equality in the company's first management line.

Similarly, the Board of Directors is also made up of 40% women.

At Group level, the percentage of women in the labor force grows each year by 1% and is close to a quarter of the total population. In 2019, the gender equality index set up by the French government increased by 5 points to 83; ACOME Group employees comprise 445 women (411 in 2018) and 1465 men (1401 in 2018).

Equal opportunity

ACOME SA continues to pursue its policy of maintaining employment. This action is reflected in the search for internal retraining and/or special adaptation of workstations for people with disabilities leading to incapacity. It is completed by internal personal protection arrangements.

2.1.3. Territorial entrenchment

A French company with its historic roots in the Manche region since 1941, ACOME SA is a major player in the region's economic development, with five plants based on 43 hectares in Romagny.

Combining production, research and the Group's central administration, the Normandy site employs more than 1,000 people. Given its statutory and humanitarian involvement in ensuring the sustainability of its corporate project in this territory, ACOME SA also contributes to the indirect employment of at least 3000 people in the local economy and works continuously with the public authorities and organizations (employment agreement, an agreement relating to the availability of voluntary fire fighters, etc.).

ACOME also implements a local economic purchasing and development strategy on its various production sites.

2.2. Business ethics

2.2.1 Fair practices

The Group has an absolute obligation to comply with the laws and regulations of the countries in which it operates. Under no circumstance can the conviction to act in the interest of the company justify, even partially, conduct that is contrary to the provisions of applicable laws and the code of conduct defined by ACOME.

This code, drafted in reference to the Group's support of the ten principles of the UN Global Compact in 2005 and the ethical charter drafted in 2013, guarantees that the Group complies in particular with:

- The principles of the Universal Declaration of Human Rights;
- The fundamental conventions of the International Labor Organization (ILO), especially with respect to the refusal of forced labor and child labor;
- The principles of the UN global Compact.

It confirms that relationships between people are based on the principle of trust, mutual respect and that the Group intends to conduct a fair human resources policy, compliant with the laws while prohibiting, in particular, any discrimination based on unlawful reasons.

Similarly, relations with customers, suppliers and sub-contractors are based on honesty, trust and mutual interest, regardless of their size and their conditions. Commitments with respect to third parties are made by duly authorized employees.

Property rights, confidentiality and protection of privacy are respected, especially through attentive management of personal data.

The Group has set up a warning system, in accordance with French law, that can be used by all Group employees, regardless of their function, status or nature of their employment contract.

These practices are applicable throughout the Group and adapted within the individual establishments. For example, the Wuhan site has implemented a contract signature with its stakeholders (WAT Sunshine).

2.2.2. Responsible purchasing

ACOME operates a responsible purchasing policy. Since 2010, the Group has been educating its suppliers about sustainable development and the CSR policy. It was the first cable manufacturer to propose this approach.

The responsible purchasing policy is based on a requirement that forms an integral part of the ACOME supplier quality specification: a commitment by suppliers to adopt and apply the ten principles of the UN Global Compact and to implement an ISO 14001-compliant environmental management system.

ACOME also supports government and industry initiatives to prevent human rights violations, particularly as concerns the mining of "conflict minerals." These minerals can be extracted and sold under violent and abusive conditions under the control of armed groups, with the proceeds being used to finance armed conflicts in the region. As a result, ACOME is committed to operating in a socially responsible manner and expects suppliers throughout the supply chain to provide products and materials from socially responsible sources. ACOME supports an industry-wide approach to addressing these social responsibility issues. In concrete terms, ACOME responds to requests sent by its customers asking it to specify whether its products contain "conflict minerals." We also bolster our efforts through participation in the Automotive Industry Action Group (AIAG) and the Responsible Minerals Initiative (RMI).

All suppliers are then assessed on a monthly basis. The supplier global quality index functions on the criteria of quality, cost, lead times, support and sustainable development. The sustainable development component of the ACOME supplier rating represents 15% of the overall rating. Unchanged since 2010, this measuring standard shows a constant improvement in terms of results achieved.

2.3. Certifications, validation and accreditation

2.3.1. New certifications

In 2019, all certifications awarded to ACOME's various sites were confirmed or renewed. Two new certifications were also successfully attained. With the new certification of ACOME Morocco, all the automotive industrial sites are now ISO 14001 certified. Moreover, thanks to ACOME's and

THERMACOME's certification according to the new NF545 standard, we are now able to use the NF mark on several products.

In 2019, ACOME's initiatives were rewarded on several occasions:

- On November 7, 2019, ACOME Irati received an award from the Secretary of Sustainable Development and Tourism of the State of Parana for its actions related to sustainable development.
- ACOME France was one of 10 winners among the more than 100 suppliers represented at the RTE award ceremony held December 4, 2019, where it earned a trophy in the "Human-centered businesses" category.
- Finally, the Normandy Development Agency (ADN) and the ARIA (Regional Association of Automobile Industries of Normandy) awarded the "Operational Excellence" label to ACOME Romagny for its actions on behalf of the advancement of industrial performance.

2.3.2. **Ecovadis assessment of CSR performance**

ACOME has used the independent, international assessment body Ecovadis to assess its CSR performance since 2012. CSR performance is analyzed according to more than 300 criteria broken down into four topics:

- environmental awareness,
- social aspect,
- business ethics,
- responsible procurement.

In December 2018, ACOME obtained the overall score of 65/100, which placed its CSR performance at an advanced level. ACOME is now part of the top 3% of companies assessed by Ecovadis in the "Manufacture of cables and cabling devices" business sector. For the third consecutive year, ACOME received a gold medal award for its CSR performance.

The certification ACOME sites worldwide

★ **Quality Management**

ISO 9001 version 2015
IATF 16949 version 2016

★ **Environmental management**

ISO 14001 version 2015

★ **Management of health and safety at work**

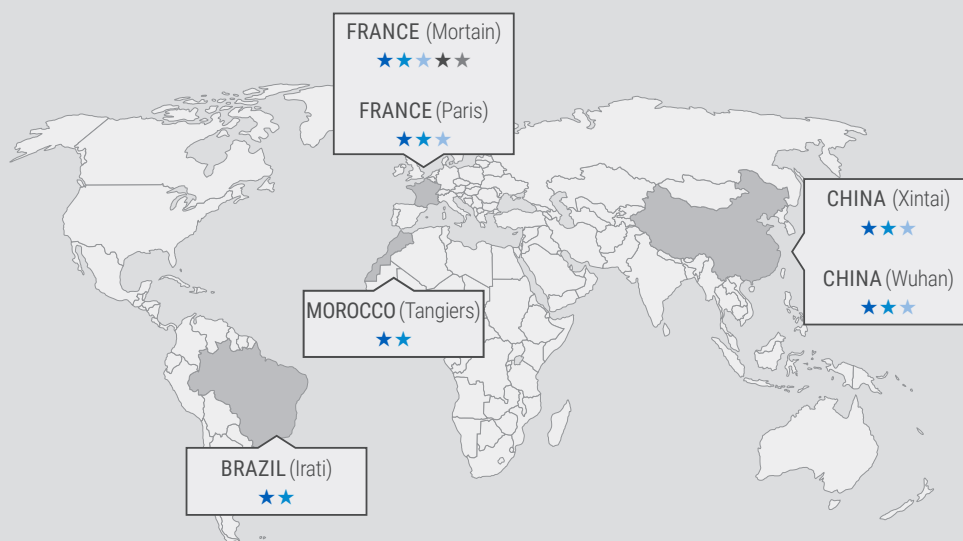
OHSAS 18001 (France)
Safety standard (China)

★ **Cofrac accreditation: fire testing laboratory**

ISO CEI 17025 version 2017

★ **Authorized economic operator**

AEO



2.3.4. Cybersecurity assessment

In connection with the multiplication of information systems attacks all over the world, cybersecurity has become a critical aspect of business management. An assessment of the vulnerability of our information systems to cyber attacks was commissioned by EY in June 2018 for all ACOME Group locations. The findings were shared at the Management Committee and taken into account by the information systems department. A new audit was carried out by EY in Wuhan on Nov. 18, 2019, to measure progress following actions taken. Further audits are planned for 2020.

2.4. Partnerships and corporate philanthropy

At regional level, ACOME SA interacts with more than 25 official bodies in Normandy. Its policy towards the local fabric is determined in particular by support for research and teaching (high schools, regional universities, industrial training centers) and competitiveness centers (plastics in Alençon, the Lannion technological center).

At the national level, ACOME plays a permanent role with professional organizations (ICC, employer unions, industrial development agencies) and regional and national Unions of cooperative companies.

ACOME deploys this approach both in France and in countries where it operates. For example, in Brazil, ACOME is involved with local actors and charities (ANAPCI in Irati). Highly involved in the digital development of territories and access to superfast broadband, ACOME has been participating in numerous awareness raising actions of the industry for more than twenty years now.

Every year, the Group organizes events dedicated to connected mobility. In 2018, the Symposium organized by ACOME in partnership with 3M, the Caisse des Dépôts, Engie, Mov'eo and the Normandy region brought together nearly 200 experts from the telecoms and automotive sectors in San Francisco on the topic of "From data highways to connected mobility".

End-June 2019, ACOME organized the Connected Mobility Form at its industrial site in Normandy. This day allowed 400 professionals from the automotive and telecoms sectors to discuss mobility, infrastructure, and the challenges that 5G represents for cities, buildings, and regional authorities.

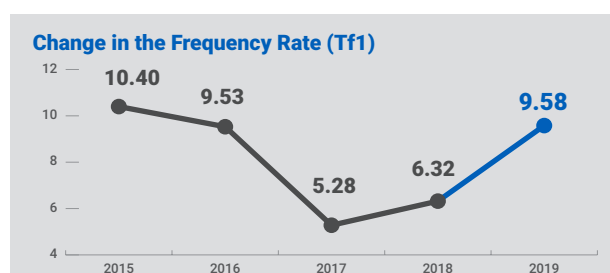
3. Place people at the heart of the system

In accordance with the values of the Group and its status as a SCOP (worker cooperative), ACOME places people at the heart of its concerns.

The Group promotes a concerted strategy (commitment), the expertise of its teams (excellence), quality of life in the workplace (solidarity) and the mitigation of professional risks (respect).

3.1. Workplace safety

Safety results are in decline: 29 lost-time accidents in 2019 compared to 19 in 2018. The frequency rate for the Group thus rises to 9.58, compared to 6.32 in 2018.



Registering 16 accidents, ACOME SA is the Group's largest single contributor to these results.

After ACOME SA's analysis of its accident data, emphasis was placed on prevention of accidents involving manual handling. Several training courses on prevention of musculoskeletal disorders (MSDs) and practice of warm-up exercises have been put in place at industrial sites as part of the onboarding process, primarily in the logistics sectors. At the same time, we are continuing our efforts to integrate ergonomics into the design of workstations.

MSD risk reduction projects have also improved working conditions in production and logistics.

In view of the stagnating results (lost-time accident frequency rate), the Management Committee launched a full-scale investigation with the support of external experts. After analyzing the results, an extensive program was approved by the Management Committee and training courses were launched at the end of 2019. This program will continue into 2020.

3.2. Making ACOME a learning company

To support strategic projects but also to improve trade skill-

ls, the company has invested heavily in vocational training. To this end, over 44,000 hours of training were completed in 2019 in the entire Group.

The policy of increasing staff skills takes place through in-house schools for each sector: professional development of management, worker qualification, reinforcement of engineering and technical skills, etc. This system is completed and improved each year.

In 2019, several new collective and qualifying training actions were implemented. Among them:

- Six-month long "vocational training contracts" (CQPM) for new production line operators (60 people)
- Maintenance school: 10 people took the exam, among which 9 were admitted,
- The Performance School, established for managers and their teams. At the end of this training session in early 2020, the trained employees received the ACOME "Continuous Improvement Expert Level 1" diploma during an annual suggestions and continuous improvement projects ceremony.
- "Formacadre" (manager education), which began in November with Université-Paris-Dauphine (16 people) for a period of 17 months.

In addition to these induction arrangements, ACOME SA offers the opportunity to acquire actual professional experience and obtain the keys to understanding the working world. These apprenticeship opportunities contribute to enhancing the skills of the teams by consolidating our approaches as a learning company and by creating win-win contracts with sponsors.

3.3. Quality of work life

In the light of the radical changes in work life and the lifestyle transformations brought about by digital technology, we are compelled to recognize psychosocial risks. ACOME endeavors to offer satisfactory work conditions and positive work relations.

Task forces or test groups were launched on numerous topics, such as telecommuting in France, rest and eating areas in subsidiaries.

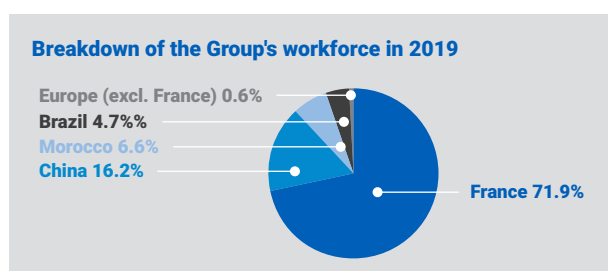
The health, safety and workplace conditions committees are close partners of these initiatives.

Lastly, solidarity with employees who have a seriously ill under-age dependent has been rolled out through the ACOME Solidarité association, created in 2015 and sponsored by the Board of Directors.

3.4. Organization and sustainability of the company

3.4.1. Jobs

The Group's workforce continued to grow in 2019, with an average of 1,910 people employed in 2019, an increase of +5% compared to last year (1,811 people on average in 2018).



ACOME employees are very fond of their company and live exciting professional lives with many career opportunities reflected in the high level of functional mobility within the Group. For example, 91 job position changes and 137 promotions were made in 2019 at ACOME SA. The rate of work attendance (rate of work attendance = 100% – absentee rate), which is greater than 97%, is stable overall across the Group.

3.4.2. Compensation in the Group

The wage policy negotiated in each Group entity takes into account the collective, local and individual constraints (example: the hardship faced by shift workers) while complying with good management rules and taking the Group's other advantages into account.

In France, in the context of the operation of the SCOP (worker cooperative), the company reallocates financial profit to an investment-specific reserve, a special profit-sharing reserve and equity interests held by employees.

Beforehand, a performance incentive agreement provides additional compensation based on negotiated performance indicators.

All of these measures are part of an employee savings plan, which allow employees to benefit from matching contributions.

In foreign subsidiaries, additional remunerations calculated on goals exist for a large number of employees.

3.4.3. Employee relations

ACOME SA's negotiated policy organizes the company's life through numerous agreements. Several were signed in 2019, including one on the implementation of teleworking in France; Employee representation was also attached to the establishment of the new Code of Conduct, contributing to the implementation of principles and resources to prevent corruption and harassment throughout the Group.

4. Reliable, powerful and environmentally-conscious manufacturer

4.1. General Policy

ACOME SA and its industrial subsidiaries set out their environmental and energy policies on the basis of the environmental management strategy of each site. Reassessed annually, the text of this policy gives guidelines and targets to be achieved. An environmental improvement action plan taking into account the analysis of risks and opportunities has been implemented for each reporting scope. Their efficiency is reviewed and monitored by the Management Committee of each site and the implementation of this general policy is assessed through ISO 14001 certification. The employees of the different sites are informed of environmental protection issues and eco-friendly actions (waste sorting, water and energy savings, flagging up malfunctions, etc.) by a regular program of internal awareness campaigns. ACOME is also committed locally. An agreement regarding the availability of voluntary firefighters during their working time was implemented with the fire and rescue departmental service (SDIS) of La Manche. At the Mortain industrial site, a program of emergency preparation exercises has been implemented. The last major drill, which took place in June 2018, mobilized vast human and material resources from the fire brigade as well as the company's first-aid workers (SST) and secondary response team members (ESI). Each of our industrial sites is also subject to monitoring and a regulatory control program aligned with the applicable laws and measures in the area of concern.

specifications include a requirement for energy performance, beginning at the design phase of the manufacturing process. Concrete actions to improve our electricity consumption were put in place. For example, at the Romagny plant in 2019, the systematic use of high-efficiency motors on newly installed equipment led to a 10% gain (gain in electricity consumption for motors with a power rating between 1 and 10kW), and the installation of LED light at the Irati site.

In addition to these approaches, ACOME is taking advantage of solutions to enable renewable energy use at its IDEA OPTICAL industrial sites, as well as those of ACOME Xintai and Romagny. In 2019, renewable energy consumption amounted to 2,071 GWh, thanks to the use of wood boilers and heat pumps.

Lastly, we consider that the quest for efficiency, especially with respect to energy use, can be achieved only through day-to-day conduct, both inside and outside the company. That is why in addition to the company's internal measures, ACOME undertakes to raise the awareness of its employees and their family about the impact that they can have on their environment as individuals. Thus, for the second year, ACOME took part in the "Positive Energy Families" initiative. In 2018/2019, voluntary families were able to save 12.4% of energy on average and 5% of water. This campaign should be renewed in 2020/2021, and a study is underway to implement this initiative at the IDEA OPTICAL site in Lannion.

4.2. Discharges and nuisances

The Group's manufacturing processes pose few risks in terms of soil pollution. The few liquid products used (heating and other oils, etc.) are stored in appropriate holding tanks. Similarly, SF6 gas emissions are monitored and our combustion installations are inspected on a regular basis. A follow-up of consumptions (energy, fuel, gas, wood) as well as waste and atmospheric discharges is in place and the analysis is performed during steering committees and management reviews.

4.3. Energy consumption

Energy – the fourth largest cost item for ACOME SA – represents a major challenge. For this reason, new equipment

4.4. Sustainable use of resources

Initiatives to reduce the use of raw materials continued this year. To avoid the excessive use of mains drinking water, the use of process water is encouraged on all of the Group's industrial sites. In 2019, 70% of the Group's water consumption was in

In addition, measures are being taken to improve the efficiency of raw material use – both during product design and during production – and limit the quantities of copper and plastic waste. Action plans on product waste are rolled out locally on the sites and continue to show their effectiveness.

4.5. Fighting climate change and protecting biodiversity

In addition to optimizing the use of resources, ACOME anticipates climate change and contributes to the conservation of biodiversity.

For instance, the Group's manufacturing facilities comprise more than 20 hectares of woodland or wetlands, 16 hectares for the Romagny site alone. These biodiversity rich areas are thus protected.

To help to reduce the environmental footprint of its industrial activity in Normandy, ACOME has introduced a local carbon offset mechanism. Normandie Forêver, an association of which ACOME is one of the founding members, proposes a CO₂ sequestration solution by the reforestation of depleted plots since 2013. This solution also promotes preservation of biodiversity on the lands of Normandy. After various projects, notably in the Eure, Orne, and Auxais departments and in the Manche, a new 2 ha plantation is underway in the Bourberouge forest located a few kilometers from Mortain.

5. A responsible offering attentive to the needs of our customers and partners

The ACOME Group's Research, Innovation, and Development policy aims to respond to the challenges of connected mobility in a responsible and sustainable way, i.e. to optimize connectivity in all places, at all times, and at the speed and latency appropriate to the use, taking into account the environment and well-being. To this end, innovation helps to improve ACOME's environmental competitiveness and performance. Special attention has been paid to reducing waste such as the recycling of raw materials in order to improve the company's environmental footprint and costs. The Group is exploring several avenues:

- Various methods of recycling polymer materials, resulting from the purges inherent in the manufacture of the Group's cables and technologies;
- Use of polymers derived from bio-based materials as alternatives to materials derived from fossil fuels;
- Use of recycled components for incorporation into material formulations;
- IoT (Internet of Things) connectivity solutions for:
 - Improving the efficiency in the delivery of cable to its customers, thereby reducing the number of kilometers traveled and the Group's overall carbon footprint.
 - Reducing waste associated with short lengths through better management of stocks in real time.
 - Promoting collection and recycling of rounds via better knowledge of their condition and location.

5.1. Eco-design

During the development phase of new products, ACOME uses eco-design and lifecycle analyses (LCA), where applicable, to promote technological choices and orientations that have the lowest environmental footprint. In place since 2006, this approach is presented for applications, contracts and customers who show an interest.

Between 2009 and end 2019, 82 Product Environmental Profiles (PEPs) were written. These PEPs are then registered with the PEP ECOPASSPORT® association, which certifies their compliance with international rules and standards for a period of five years.

Proactive in this approach, ACOME also organised various communication and information initiatives aimed at raising awareness.

5.2. Eco-responsible product and service offering

In France, the building sector accounts for 44% of energy consumption and nearly 25% of CO₂ emissions. Environmental regulation of this sector is undergoing changes, with entry into force expected in 2020 (RE 2020). It is based on two pillars: on the one hand, the widespread use of positive energy buildings, i.e. buildings that produce more energy than they consume, and on the other, the deployment of low carbon buildings throughout their lifecycle, from design to demolition. This second point implies that building-integrated materials themselves feature – over their entire life cycle – low greenhouse gas emissions, a high degree of recyclability and/or the use of bio-based materials.

Without waiting for the enactment of these laws, ACOME has set up actions on construction projects, developed and promoted products and packaging with low environmental impact. ACOME also invests in innovation to address the new challenges posed by the cabling systems required for tomorrow's electric, hybrid, connected and autonomous vehicles.

Reducing vehicle weight and the size of onboard equipment is one of the greatest challenges facing manufacturers. By perfecting materials, developing lightweight cables and smaller components, ACOME is delivering appropriate responses for reducing the carbon footprint of vehicles, and making its own contribution to meeting this important challenge.

To adapt to the changes of its markets and support the development of its customers, ACOME has also developed an international industrial strategy, by opening sites as close as possible to their own production centers and by optimizing transports and loading of trucks. All projects target the same goal of improving service to customers while optimizing industrial and economic performance in an eco-responsible vision.

6. Non-financial indicators

Labor force information

Consolidated financial statements of
the ACOME Group

| | | | | |
|--|--|------|-------|--|
| Total labor force | Pro-rated average labor force | 2019 | 1,910 | |
| | (PC + FTC & peak season temp employees) | 2018 | 1,811 | |
| | | 2017 | 1,760 | |
| Employee breakdown by gender | Men Men (number in pro-rated average) (PC + FTC & peak season temp employees) | 2019 | 1,465 | |
| | | 2018 | 1,401 | |
| | | 2017 | 1,374 | |
| | Women (number in pro-rated average, PC + FTC & peak season temp employees) | 2019 | 445 | |
| | | 2018 | 411 | |
| | | 2017 | 386 | |
| Employment and inclusion of people with disabilities | Number of people with a disability (on industrial site, either directly or indirectly through outsourcing to specialized organizations) | 2019 | 69 | |
| | | 2018 | 57 | |
| | | 2017 | 51 | |
| Recruitment (number of contracts in the year) | Permanent contracts (> 3 years for China) | 2019 | 123 | |
| | | 2018 | 164 | |
| | | 2017 | 242 | |
| | Fixed term contracts (< 3 years for China) | 2019 | 153 | |
| | | 2018 | 101 | |
| | | 2017 | 54 | |
| Departures (number of contracts in the year) | ACOME staff | 2019 | 218 | |
| | | 2018 | 284 | |
| | | 2017 | 214 | |
| | | 2016 | 135 | |

Training

Consolidated financial statements of the ACOME Group

| | | | | |
|-----------------------------------|--|------|---------------|--|
| Policies implemented for training | Total number of training hours delivered | 2018 | 44,170 | |
| | | 2018 | 47,561 | |
| | | 2017 | 50,316 | |
| | | 2016 | 43,144 | |

Health and safety

Consolidated financial statements of the ACOME Group

| | | | | |
|-------------------|---|------|--------------|--|
| Health and safety | Number of accidents with lost days (ACOME staff) | 2019 | 29 | |
| | | 2018 | 19 | |
| | | 2017 | 15 | |
| | | 2016 | 26 | |
| | Number of lost days after an accident with lost days (ACOME staff) | 2019 | 1 123 | |
| | | 2018 | 483 | |
| | | 2017 | 413 | |
| | Accident frequency rate FR1= (number of workplace accidents with lost days * 1,000,000)/number of hours worked | 2019 | 9.58 | |
| | | 2018 | 6.32 | |
| | | 2017 | 5.28 | |
| | | 2016 | 10 | |
| | Severity rate sr= (number of lost days * 1000)/number of hours worked | 2019 | 0.37 | |
| | | 2018 | 0.16 | |
| | | 2017 | 0.15 | |
| | | 2016 | 0.15 | |

Environmental data

Sustainable use of resources

Consolidated financial statements of the ACOME Group

| | | | | |
|--|--|------|------------|--|
| Water consumption Consolidated data for the ACOME sites | Mains drinking water (m ³) | 2019 | 23,257 | |
| | | 2018 | 16,718 | |
| | | 2017 | 16,460 | |
| | Process water (m ³) | 2019 | 55,199 | |
| | | 2018 | 47,514 | |
| | | 2017 | 37,934 | |
| Consumption of raw materials Consolidated data for the ACOME sites | Quantity of copper waste | 2019 | 1,599 | |
| | | 2018 | 1,911 | |
| | | 2017 | 2,190 | |
| Energy consumption and the use of renewable energy | Electricity (kWh) | 2019 | 61,580,552 | |
| | | 2018 | 61,002,407 | |
| | | 2017 | 65,642,589 | |
| | Renewable energy in KWH Consolidated data for ACOME with the exception of ACOME MAROC and ACOME do BRASIL | 2019 | 2,071,248 | |
| | | 2018 | 4,999,160 | |
| | | 2017 | 5,401,000 | |
| Climate change Consolidated data for ACOME sites with the exception of ACOME XINTAI, ACOME MAROC and ACOME do BRASIL | Quantity of scope 1 greenhouse gas in tons of CO ₂ equivalent (direct emissions) | 2019 | 4,285 | |
| | | 2018 | 3,846 | |
| | | 2017 | 3,642 | |
| | Quantity of scope 2 greenhouse gas in tons of CO ₂ equivalent (indirect energy-related emissions) | 2019 | 8,104 | |
| | | 2018 | 9,234 | |
| | | 2017 | 10,827 | |

Report of the independent third party body on the consolidated non-financial performance statement

Financial Year ended December 31, 2019

To the Shareholders,

In our capacity as an independent third party organization, accredited by COFRAC under number 3-1681 (scope of accreditation available on the website www.cofrac.fr) and member of the network of one of the statutory auditors (hereinafter "entity"), we hereby present our report on the consolidated non-financial performance statement for the year ended December 31, 2019 (hereinafter the "Statement"), presented in the management report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Responsibility of the entity

The Board of Directors is responsible for drawing up a Statement compliant with the legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with respect to these risks and the results of these policies, including key performance indicators.

The Statement has been prepared by applying the procedures of the entity (hereinafter the "Reporting Standards") whose material elements are presented in the Statement.

Independence and quality control

Our independence is defined by the provisions specified in Article L. 822-11-3 of the French Commercial Code and the professional code of Ethics. In addition, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules, and professional doctrine.

Responsibility of the independent third party

On the basis of our work, it is our role to express a substantiated opinion expressing a conclusion of limited assurance:

- the compliance of the Statement with the provisions set out in Article R. 225-105 of the French Commercial Code;
- the accuracy and fairness of the disclosures pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, actions relating to the main risks, hereafter the "Information".

However, it is not our responsibility to express an opinion on the entity's compliance with other applicable legal and regulatory provisions, in particular with regard to the due diligence plan and the fight against corruption and tax evasion, or on the compliance of products and services with applicable regulations.

Nature and scope of work

Our work described below was performed in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional doctrine of the French National Institute of Statutory Auditors relating to this engagement, and the ISAE 30001 international standard:

- we reviewed the entity's activity and the presentation of the main risks;
- we assessed the suitability of the reporting standard in terms of its relevance, completeness, reliability, neutrality, and understandability, taking industry standards into consideration, where appropriate;
- we verified that the Statement covers each category of information provided for in paragraph III of Article L. 225-102-1 with respect to social and environmental matters;
- we verified that the Statement presents the information required by paragraph II or Article R. 225-105 when it is relevant with regard to the main risks and includes, where applicable, an explanation of the reasons for the absence of the information required by paragraph II of paragraph III of Article L. 225-102-1;
- we verified that the Statement presents the business model and a description of the main risks linked to the entity's activity, including,

where relevant and proportionate, the risks created by business relations, its products or services as well as the policies, actions and results including key performance indicators related to the main risks;

- we consulted documentary sources and conducted interviews in order to:
 - assess the process for selecting and validating the main risks as well as the consistency of the results, including the key performance indicators selected, with respect to the main risks and policies presented, and
 - corroborate the qualitative information (actions and results) that we considered most important presented in Appendix 1. For all risks, our work was carried out at the level of the consolidating entity and in a selection of entities listed below: ACOME SA, Idea Optical;
- we verified that the Statement covers the consolidated scope, i.e. all entities included in the scope of consolidation in accordance with Article L. 233-16;
- we reviewed the internal control and risk management procedures implemented by the entity and assessed the process for collecting information to ensure that it is complete and accurate;
- for the key performance indicators and other quantitative results that we considered the most important presented in Appendix 1, we have implemented:
 - analytical procedures consisting in verifying the correct consolidation of collected data and the consistency of their changes;
 - detail tests based on spot checks, consisting of verifying the correct application of definitions and procedures and comparison of data from supporting documents. These procedures were carried out on a selection of the contributing entities listed above and cover between 67% and 69% of the consolidated data selected for these tests (67% of the workforce, 69% of energy consumption);
- we assessed the overall consistency of the Statement with our knowledge of all the entities included in the scope of consolidation.

We consider that the procedures that we applied on the basis of our professional judgment were sufficient to provide a limited assurance; any higher level of assurance would have required more extensive verification work.

Means and resources

Our work was carried out by a team of three people between November 2019 and March 2020 over a total period of seven weeks.

We conducted four interviews with the persons responsible for preparing the Statement, representing the Human Resources Department, the HSE Department, and the Research Department.

Conclusion

Our audit did not detect any material misstatement likely to challenge the fact that the consolidated non-financial performance statement is compliant with the applicable regulatory provisions and that the Information, taken as a whole, is fairly presented in accordance with the Reporting standard.

Comments

Without questioning the conclusion expressed above and in accordance with the provisions of Article A.225-3 of the French Commercial Code, we have the following comments to make:

- The greenhouse gas emissions data presented in the report does not cover all sites. This is specifically indicated in the methodological note and in Chapter 6 “Non-financial indicators” of the Statement.

Paris-La Défense, April 15, 2020,

Independent Third Party Organization EY & Associés
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