

THE ESSENTIAL

Connection makers

2019

THE ESSENTIAL

ACOME

 **ACOME**



● Contents

4

Group overview

Founded in 1932, ACOME is a major, specialised provider in the high-tech cable market.

6

Editorial

Jacques de HEERE
Chairman and Chief
Executive Officer of
the ACOME Group.

8

Governance

ACOME management
bodies.

9

Strategy

Implementing the
ACOME 2020 strategic
plan: the spotlight is
on us.

10

Markets

A global presence
on 4 continents with
controlled deployment
in 6 markets.

12

Automotive industry

Supporting the
automotive industry's
transformation with
power and data
transmission cables.

16

Infrastructures and telecom networks

A leading
manufacturer in
the development of
Superfast broadband
networks in France,
ACOME is expanding
internationally.

21

Buildings and transport communication networks

With new connectivity
and increased security
on private networks,
ACOME is paving
the way for smart
buildings and smart
cities.

25

CSR

ACOME's social
responsibility lies at
the heart of its SCOP
status, its values and
its ambitions as a
Group.

●
Our purpose

As a responsible and leading manufacturer, our mission is to provide sustainable solutions for network development.

We work to ensure the company's sustainability by upholding fundamental cooperative values.

●
Our values

Commitment
Excellence
Solidarity
Respect

The French parent company's cooperative governance (SCOP) instils its cooperative values throughout the entire Group.

It is these values which form the basis of a shared and common vision.

ACOME is a French manufacturer specialising in the high-tech cable market. Founded in 1932, the Group operates in four continents.

● **Who are we?**

1,910

employees
(pro-rata average workforce as of 31 December 2019)
Men: **77%**
Women: **23%**

€70m

investments
between 2017 and 2020, including €15.8 million in 2019

€46.9m

Group EBITDA

● **Global presence**

(pro-rata average workforce)

SOUTH AMERICA

5%

79%

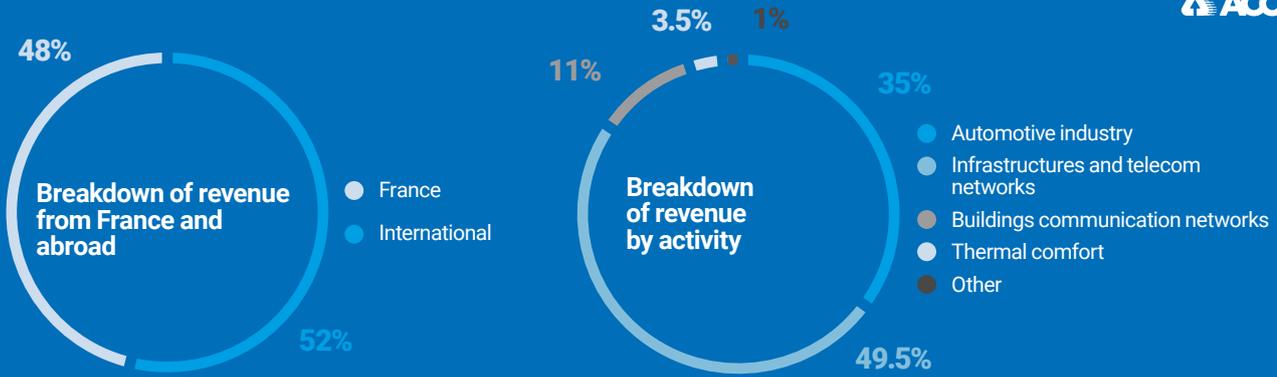
EMEA

(including **72%** from France)

16%

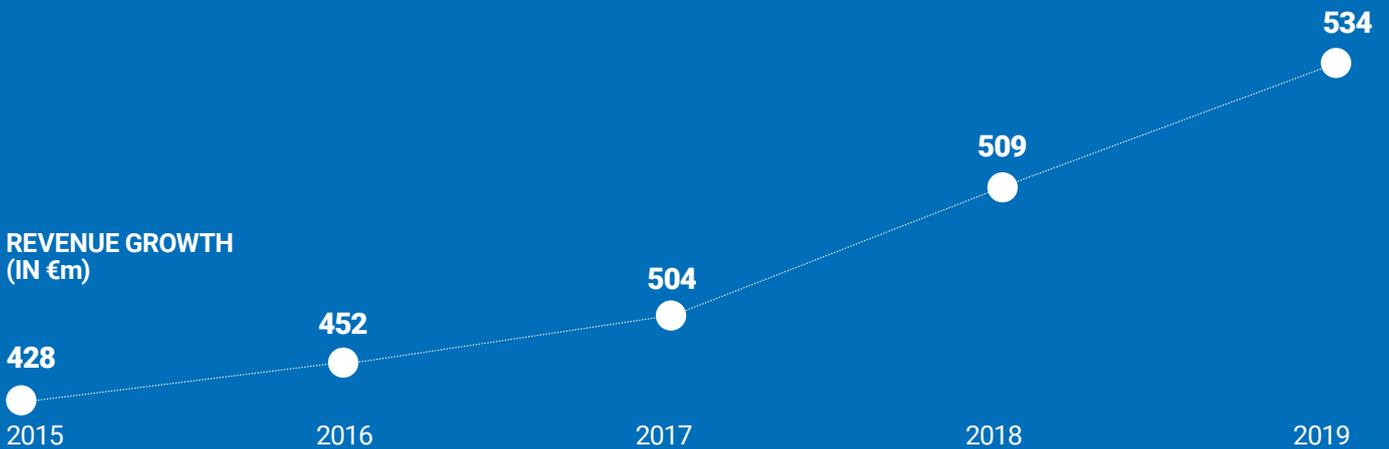
CHINA

**13 FACTORIES
COMMERCIAL OPERATIONS
IN 7 COUNTRIES
11 LOGISTICS PLATFORMS
1 GROUP R&T EXPERTISE CENTRE
2 TECH CENTRES (FRANCE, CHINA)**



Our ambition:

We aim to be an innovative international manufacturer that leads the market in high-tech cabling systems, tubes and accessories for the automotive, telecom and construction industries.



€534 m

revenue

as of 31 December 2019

52% FROM ABROAD



Jacques de HEERE
Chairman and Chief
Executive Officer of
the ACOME Group

● editorial

What makes ACOME so unique?

ACOME is not just a French manufacturer and specialist in high-tech cabling systems for the telecom and automotive industries but a cooperative and participatory company (French: SCOP) that operates in markets both in France and abroad.

How was 2019 for the ACOME Group?

JACQUES de HEERE: 2019 was a successful year for the Group. Turnover increased by 5%, and our economic performance shows a gross operating surplus, EBITDA, at +13% and a Group net profit of +28% in 2019 thanks to strengthening our positions in our two core sectors: the telecom and automotive industries. It was also a successful year as, at the same time, we managed to accelerate innovation and diversify our product and customer portfolios after a period of significant manufacturing investment.

Telecom industry. Our business is supported by the rollout of Superfast broadband, which has been made possible by significant investment in fibre optics. However, at the end of the year, we had to deal with the repercussions of substantial imports of Chinese optical cables.

We have made our Local Area Network (LAN) cabling solutions more efficient. And the copper cables necessary for this network's continuity of service are still being produced in significant quantities.

Automotive industry. 2019 saw high-tech product innovation really take off. We have developed high-performance power cables for new types of electric vehicles, which respect environmental constraints, and these will be launched in the second half of 2020. Such vehicles are also increasingly connected, and we provide multi-conductor ranges which are unaffected by electromagnetic interference, something which poses a major challenge to the cars of the future. Despite the downturn in the global automotive market, we have successfully transformed our products and diversified our

customer portfolio, attracting French, German and Asian manufacturers. These are successes we can be proud of.

Is the ACOME 2020 strategic plan's implementation in line with your objectives?

J.d.H.: Yes. We are entering the final year of our strategic plan with the conviction that our objectives will be achieved. By completing the sale of our commercial subsidiary Thermacome to the Thermador group, an alliance that creates a French leader of radiant surfaces and heating systems, we have been able to refocus on our telecom and automotive activities.

During the last two strategic plans, more than €100 million was invested in our industrial facilities. ACOME has never before allocated such a substantial sum, but the programme's aim is to upgrade and safeguard the Group's industrial facilities over the coming years. In 2019, investment mainly focused on France, with the creation of two plants in Romagny-Fontenay for the production of optical cables and power cables, and



Superfast broadband networks

ACOME has invested €20 million in a new optical cable factory in Normandy (10,000 m²) to cement its position as leader of Superfast broadband networks. The plant has been operational since April 2019.



“2019 was marked by simultaneous growth in turnover and economic performance. Innovation was stepped up and we continued to invest. It’s been a successful year in more ways than one!”

one in Lannion for our subsidiary Idea Optical.

At the same time, we have continued to make progress with the quality of our products, as can be seen from our improved customer satisfaction rate and the reduction in the waste rate at the Group’s 13 factories. Safety does, however, remain an issue. To tackle the drop in our results, at the end of the year, and with the support of an external partner, we launched a new approach in which all ACOME employees will be trained.

How did the Group perform in the early months of the Coronavirus crisis?

J.d.H.: From January 2020, ACOME was at the very heart of the epidemic, with the gradual and then total containment of Wuhan. Our factories were closed. As the rest of China resumed its economic activity we were able to deliver to our customers located outside Hubei province from our local warehouses, and later, thanks to the strong manufacturing support, from our Romagny-Fontenay plant. In France, from mid-March, we implemented business continuity on a voluntary basis, with production tailored to demand.

Have you found being a cooperative and participatory company (SCOP) and having a long-term vision are strengths in the current situation?

J.d.H.: The ensuing international economic crisis will force us to strongly express our SCOP values as united workers and colleagues, committed to facing new challenges. Thanks to its rigorous management, ACOME has created the conditions that will enable it to come out the other side. And if we are to do so sustainably and preserve our manufacturing jobs, we will have to adapt by improving our added value per person and further improving our efficiency. Being a SCOP should be an asset in this uncertain period, as we are each 100% committed to the future of our company and are not dependent on outside investors. But we will not be able to manage financially unless we fully understand that we will have to work even harder!

Governance

ACOME management bodies

ACOME is the number 1 cooperative and participatory company (French: SCOP) in France. Its directors are elected from among the Shareholders for a period of four years, and it is its cooperative governance that guarantees its long-term strategy.

“It is not about setting your sights on the prize or seeing who can make the most, it’s about being a trusted manufacturing partner for our customers who can count on us to be reliable, provide quality and understand their needs. It is about our ability to serve them.”

Jacques de Heere



THE BOARD OF DIRECTORS

The Board of Directors determines the strategic direction, general policies, investment and research programme and budget. It also has an internal control role. As of 31 December, 2019, the Board of Directors of ACOME SA had 10 members.

Jacques de HEERE,
Chairman and Chief Executive Officer

Jean-Michel ABRAHAM,
Manufacturing Line Manager of the Infrastructure & Telecom Networks Business Unit

Jean-Marc BUSNEL,
Group Industrial Director

Pierre CHAUBEYRE,
Director of the Global Automotive & Systems Business Unit

Anne-Sophie DECOURRIÈRE,
Purchasing Director

Christian EMOND,
Logistics Technician of the Global Automotive & Systems Business Unit

Nathalie GROSSE,
Customer Service Manager, Infrastructures & Telecom Networks Business Unit

Céline LARDEUR,
Copper LAN Production Manager, Building, City & Transport Business Unit

Christelle LARUE-LEMARTINEL,
Supervising Operator of the Infrastructures & Telecom Networks Business Unit

Stéphane SAMSON,
Director of the Infrastructures & Telecom Networks Business Unit

STRATEGIC ORIENTATION COMMITTEE

The Strategic Orientation Committee provides strategic thinking and advice on the Group’s major strategic and technological priorities. It is consulted on the overall coherence of activities, prioritising the various initiatives and on their long-term nature. Meeting four times a year, it comprises six members, chaired by Jacques de Heere.

Jacques de HEERE,
Chairman and Chief Executive Officer

Gabrielle GAUTHEY,
Senior Vice President Carbon Neutrality Businesses at Total

Jacques CHAUVET,
Independent Consultant

Jean-Marc BUSNEL,
ACOME, Group Industrial Director

Pierre CHAUBEYRE,
ACOME, Director of the Global Automotive & Systems Business Unit

Jean-Yves GOBLOT,
ACOME, Director of Strategy, Programmes and Projects.



Gabrielle GAUTHEY
Gabrielle GAUTHEY has been Senior Vice President Carbon Neutrality Businesses at TOTAL since 2019.

A member of ARCEP

(French Regulatory Authority for Electronic Communications and Postal Services) between 2003 and 2008, she was then in charge of Public Affairs at the Alcatel-Lucent Group and Director of Investment and Local Development at Caisse des Dépôts.



Jacques CHAUVET
Jacques CHAUVET joined Renault in 1978 as Chief Economist and has spent his entire career with the French automotive group, working in international

operational positions as Chairman of Dacia in Romania, Oyak-Renault in Turkey, and RTM and Somaca in the Maghreb. After serving as Managing Director of Mov’eo between 2012 and 2015, he is now an independent consultant.

● Strategy

Implementation of the ACOME 2020 strategic plan: the spotlight is on us

ACOME 2020 – the strategic plan drawn up by ACOME for the 2017/2020 period – aims to make the Group an efficient, innovative and international manufacturer; a leading supplier to its automotive and telecom customers. This plan is supported by an investment programme of more than €70 million.

€15.8m

Investment made in 2019

4 STRATEGIC FOCUSES

The infographic is set against a background of a factory floor. It features a central 2x2 grid of colored boxes, each containing a number and a strategic focus. Below this grid is a white box with a summary statement, and at the bottom are three white boxes representing the pillars of ACOME's identity.

<p>1</p> <p>be a powerful manufacturer</p>	<p>2</p> <p>ensure innovation keeps pace with the market</p>
<p>3</p> <p>drive the Group's commercial momentum</p>	<p>4</p> <p>strengthen ACOME's performance in an international setting: focus and responsiveness</p>

This strategy's implementation aligns with the three pillars of the ACOME Group's identity.

- Group performance which guarantees the **growth of ACOME's subsidiaries and jobs in France**
- Preparing the Group for **future generations**: sustaining the company and employment
- Maintaining the **cooperative culture** within the parent company

Markets

A global presence on 4 continents

With a well-established presence in France (Romagny-Fontenay, Manche), ACOME also has a healthy industrial and commercial presence in EMEA, China, Brazil and Morocco and is as close as possible to its major customers.

FRANCE

6 plants on 43 hectares in Romagny-Fontenay, one of the largest integrated manufacturing sites in Europe in the cable industry. 1,060 people.

- Registered office in Paris. 60 people.



CHINA

Wuhan

2 factories specialising in the production of high temperature T3, T4 and XLPE wires and cables and low and high voltage cables for the automotive industry, occupying 8,500 m² in the Chinese automotive capital. 220 people.

Xintai

Industrial site covering 34,000 m² specialising in the production of coaxial cables (radio frequency) and micro-coaxial cables (military applications). 90 people.

Zhuhai

On 8 March, 2019, ACOME and Chinese telecom solutions company Hansen signed a joint venture agreement.

Expansion of the automotive industry and increased marketing of coaxial cables for automotive use (operation of on-board cameras, navigation tools or sensors).



BRAZIL

Production and distribution site for automotive wires and cables to equipment manufacturers based in Brazil and Mercosur. Based in Irati, this plant employs 90 people over 40,000 m².

MOROCCO

A zero-carbon, zero-waste plant opened in 2018, it exclusively produces the wires and cables from the skinny wire ranges designed by ACOME. It employs 130 people at a 17,000 m² site in Tangier.

IDEA OPTICAL

French specialist in the design and manufacture of optical connection and patching equipment. Factory in L'annion (Côtes-d'Armor) and showroom in Guyancourt (Yvelines). 220 people.

OUR LOCATIONS

13 FACTORIES
12 SALES OFFICES
12 LOGISTICS PLATFORMS
1 GROUP R&T EXPERTISE CENTRE
2 TECH CENTRES





Commercial operations in 7 countries

GERMANY

sales office (Ratingen)

ITALY

sales office (Milan)

IRELAND

sales presence

FRANCE

ACOME head office (Paris)

FRANCE

IDEA OPTICAL sales office (Guyancourt)

FRANCE

THERMACOME (Saint James)

CHINA

(Shanghai, Wuhan, Xintai and Beijing)

BRAZIL

sales office (Iratí)

MOROCCO

(Tangier)



11 logistics platforms around the world

Including 7 ACOME Delivery Centres that supplement the logistics capabilities of our manufacturing facilities

EMEA

Romagny-Fontenay (ACOME France)
Tangier (ACOME Morocco)
Tunis (Tunisia)
Joita (Romania)

SOUTH AMERICA

Iratí and Sao Paulo (Brazil),
Paraguay

ASIA

Wuhan Acome-Taiping,
Shanghai, Yantai, ACOME
Xintai.

Controlled deployment in 6 markets



AUTOMOTIVE INDUSTRY

As a specialist in high-tech automotive cables, ACOME applies its know-how to developing complete ranges of cabling systems designed to equip new generations of electric, hybrid, connected and autonomous vehicles.



TELECOM NETWORKS AND FttH

With a presence in the telecom business for nearly 90 years, ACOME has established itself as a leading supplier in the telecom infrastructure markets for passive components (cables and connectivity equipment) to support the transformation of Superfast broadband in France and abroad.



SMART CITY

Drawing on ACOME's expertise in optical telecom network infrastructures, cables and solutions for external networks enable the development of sustainable and scalable infrastructures conducive to the development of the smart city.



SMART BUILDINGS

As a leader in the private networks market and an innovator in the field of industrial cabling, ACOME has developed an entire range of cables and solutions designed to make buildings more connected, economical and able to evolve.



RAIL

For decades, ACOME has designed, developed and produced signalling cables intended for deployment along tracks or in tunnels as well as cabling systems for stations. It has vast experience in inter-city transport and urban rail transport both in Europe and the rest of the world.



ELECTRICITY TRANSMISSION

ACOME is a leading supplier of power and control cables for transformer and transmission substations and underground fibre optic cables for energy management. These products are developed jointly with RTE, a subsidiary of EDF.

Automotive industry

“We are experiencing a real revolution in an industry of excellence”

What major changes are being seen in the automotive world? PIERRE CHAUBEYRE:

The share of electric and hybrid cars is expected to make up 33% of global automotive sales in 2025 and 51% in 2030 (Boston Consulting Group study, January 2020). Vehicles are also becoming increasingly connected, equipped with on-board technologies that are all driving aids, and which will ultimately make it possible to achieve complete autonomy.

How is ACOME meeting these challenges?

P.C.: We are experiencing a real revolution in an industry of excellence, and we are actively preparing for these major changes. Since 2016, they have formed part of our ACOME 2020 strategic plan, which places research, innovation and development at the heart of our priorities. For ACOME, this change in the automotive industry represents a real opportunity which we want to seize in order to generate growth. Indeed, the added

value or operational safety that will be required from the wiring system of an electric or hybrid vehicle, or even an autonomous vehicle, are far beyond what the wiring currently provides in a combustion engine vehicle. It is thanks to its capacity for innovation that ACOME will be able to meet the new requirements of car manufacturers and produce new ranges of high value-added cables.

What are ACOME's strengths?

P.C.: ACOME is relatively small scale in the automotive industry, but we have historically built recognition at the technical level that we aim to sustain. In particular, we have the advantage of involving materials specialists who enable us to provide innovative responses to manufacturers' specifications. In this spirit, we are increasingly exploring co-engineering and partnerships. Furthermore, we have also established an organisation that favours customer proximity, both commercial and technical.



Pierre CHAUBEYRE
Director of the Global Automotive & Systems Business Unit

2019 Fact File

5 production sites

France (Romagny-Fontenay) / Brazil (Iratí) / China (2 plants in Wuhan) / Morocco (Tangier)

10 logistics platforms

Sales offices

France, Germany, China, Brazil, Morocco

Revenue

35% of Group turnover

Market segments

- ▶ Mono-conductor wires
- ▶ Power cables
- ▶ Multi-conductor cables
- ▶ Coaxial cables



New manufacturing workshop
making power cables with E-layer technology for electric and hybrid vehicles in Romagny-Fontenay.

A SECTOR UNDERGOING PROFOUND CHANGE

The automotive world is currently experiencing two significant evolutions. The first being the electric vehicle, bringing with it new standards and specifications, which necessitates the design of new types of cables. And the second is the autonomous vehicle, requiring an Ethernet-type data transmission network inside the vehicle. Consequently, automotive manufacturers are facing new technical challenges that affect the technical cable specifications produced by ACOME.

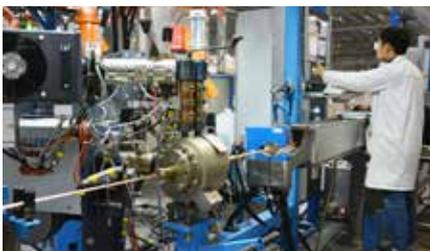
A DOUBLE CHALLENGE

ACOME's challenge is therefore twofold: to be able to develop power cables that fit within the specific constraints of new electric and hybrid vehicles; and to design solutions that will address the extensive use of data cables in connected and autonomous vehicles. To overcome these challenges, partnerships are being established with manufacturers and equipment suppliers who require the Group's know-how on the design of electrical and data network architectures. ACOME has proven expertise in high-tech automotive and telecom cables, and the two divisions are working together on these new technologies.

WHAT MANUFACTURING CHANGES WILL BE SEEN?

These new market expectations have an impact on both development and manufacturing. The significant increase in the amount of wiring in vehicles goes hand in hand with an increase in weight (although reducing weight is a challenge for the sector) but also with an increased need for reliability and safety, while also considering financial implications. To reduce labour costs, there is a strong movement in the industry towards automating the manufacture of automotive wiring across the entire value chain. Another trend is to integrate functionalities (connectors, electronics) into cables: security requirements reinforce the system approach. The convergence of these two approaches, which directly affects major equipment manufacturers (TIER 1), may be favourable to ACOME and enable it to move forward in the value chain. Finally, reducing weight and volume and aiming to recycle components are at the heart of the design.

New production lines
making power cables in Wuhan, China, for Chinese automotive customers.



Automotive industry

At the heart of connected transport

By successfully launching new ranges of power cables and data transmission cables ACOME becomes a leading provider in the automotive industry.



700,000

VEHICLES
fitted by ACOME
in Morocco

MANUFACTURING INVESTMENT AND COMPETITIVENESS

Keeping production in France is fundamental for ACOME, which has been based in Fontenay-Romagny since the mid-20th century. It is an operational, social and economic choice that, in an ultra-competitive international environment, guides the Group's strategy.

To maintain a strong automotive business at its historic site, ACOME has chosen high-tech and competitive capabilities. Significant investments have been made to introduce new technologies dedicated to electric and hybrid vehicles: a workshop has been created dedicated to the production of power cables where the new E-Layer range is produced. The site's competitiveness also relies on creating synergy with the ACOME plant in Morocco, which serves automotive customers in the EMEA region.

ACOME is also working to continuously modernise its production facilities in order to adapt them to today's manufacturing approach, characterised by a wide variety of products and new technologies. The aim is to move from a mass

production approach to a small series approach under the best conditions.

STRENGTHENING POSITIONS IN CHINA

A very buoyant market for electric and connected vehicles, China represents a strategic market for ACOME, which has had a manufacturing presence there for 15 years, and in 2019, power cable production began in Wuhan. To strengthen its positioning in the connected transport markets, ACOME has signed a partnership with Chinese company Hansen to expand the coaxial cables market for the automotive industry (cables associated with image transmission from cameras, radars and lidars).

... AND IN GERMANY

With its premium car manufacturers adopting an ambitious strategy on electric, hybrid and connected vehicles, Germany represents a key market for ACOME.

In 2019, the sales and technical team was strengthened by initiating a co-engineering approach with one of these high level players, giving ACOME recognition as an expert supplier.



The ACOME Morocco plant, inaugurated in Tangier in March 2018, has found its cruising speed and is tackling new technical and business challenges

As evidence of its strong manufacturing performance, the Group's Moroccan plant doubled its production of wires and cables in 2019. It produces the "skinny wires" range, an innovative range of very thin wires (0.13 mm² to 0.22 mm²) made of copper alloy with a PVC or PP insulator, and now supplies around fifteen countries worldwide. The skinny wire range is in fact experiencing growing demand in Eastern Europe and China. Designed in line with the Group's standards of manufacturing excellence, zero carbon and zero emissions into the natural environment, the Moroccan plant reinforces ACOME's commitment to the environment.

The quality and environmental management system is IATF and ISO 14001 v2015 certified for all ACOME automotive manufacturing sites.

Recognised by the automotive industry around the world, IATF 16949 certification is essential to operating in this market. Compliance of quality management systems (IATF 16949 standard – 2016 version) was certified in 2019 for the Paris and Romagny-Fontenay, ACOME Morocco and Wuhan sites (China). The Tangier plant also obtained its first ISO 14001 certification. All of the Group's automotive sites now have an IATF and ISO 14001 v2015 certified management system.

With its new E-layer technology, available in 3 ranges - Ultra Flex, Flex and Access - ACOME is revolutionising the power cable market, which is essential to the future of transport.

Developed and patented by ACOME, E-Layer technology provides automotive manufacturers with custom-designed power cables* to meet the low- and high-voltage requirements of hybrid and electric vehicles. 100% silicone-free, these power cables are fitted with a cross-linked polyethylene (XLPE) sheath. Furthermore, the E-Layer technology provides flexibility which is comparable to silicone, a key feature in vehicles. Given the current growth of the electromobility market, rethinking waste and superior quality to provide the very best in terms of quality and performance is a sign of ACOME's adaptability and its clear understanding of the issues at stake. Following the necessary investments, the production workshops creating these innovative cables in France and China were opened.

From coaxial cables to the automotive catalogue

Suited to signal transmissions, particularly video signals, which can influence the passenger compartment and engine behaviour, coaxial cables have their place in a vehicle. In March 2019, ACOME signed a partnership agreement with Hansen, a Chinese equipment manufacturer, for the production of coaxial cables, meaning ACOME has added a fourth range of products to its catalogue.



ACOME locates the production of its high-tech cables as close as possible to its major customers



Infrastructures and telecom networks

“We bring value to new infrastructures”

What major developments are driving telecom infrastructures?

STÉPHANE SAMSON: We are entering a decade that will see a considerable increase in the volume of data exchanged, both on fixed and mobile networks, thanks to the increase in transmission speed and the reduction in latency times. New uses will emerge, be it in industry, gaming, e-health, autonomous cars, etc. Ensuring this increase in capacity is one of the major challenges. New networks must be designed and built to serve several decades while facing both the environmental challenge, which is crucial for operators, and sustainability.

How does ACOME respond to these challenges?

S.S.: Our role as a manufacturer is to produce the kilometres of optical cables needed to build these new infrastructures and to guarantee their performance. It is also necessary to anticipate the operating phase of these networks. This means working

today on interconnection boxes, technician access to street cabinets, reducing the cross-section of cables or adapting to different installation techniques, etc.

This is a real challenge in the design of our products. But by meeting the optimisation needs of network operators in France and abroad, ACOME provides value to infrastructures.

How does ACOME differentiate itself in its markets?

S.S.: One reason ACOME stands out is that it is involved in both fixed and mobile networks. We invested in our industrial facilities until we built one of the finest factories in Western Europe. The production capacity we have at Romagny-Fontenay enables us to support France's Superfast broadband plan and, of course, 5G. It puts us in a good position to capture a significant market share in countries such as Great Britain and Germany where the rollout of Superfast broadband is still in its start-up phase.



Stéphane SAMSON

Director of the Infrastructures & Telecom Networks Business Unit

2019 Fact File

3 manufacturing sites

France (Romagny-Fontenay and Lannion), China (Xintai)

6 sales offices/sales presence

Paris, Italy, Ireland, Germany, Shanghai, Beijing

Revenue

49.5% of Group turnover

Market segments

- ▶ optical and FttH telecom networks
- ▶ copper telecom networks
- ▶ mobile telecom networks



New factory
(10,000 m²) operational since April 2019 and dedicated to optical infrastructure networks on the Romagny-Fontenay industrial site.

ENSURING THE QUALITY OF NEW INFRASTRUCTURES

In 2019, a record 4.8 million additional fibre-connected premises were achieved. Despite this excellent result, which covers the first half of France's Superfast broadband plan, sales of French-made optical cables fell in the 4th quarter of 2019 for the first time since 2011, due to substantial imports from China and South Korea (source SYCABEL). The issue of the quality of the cables installed in our regions is cause of concern because infrastructures are assets with a life cycle spanning several decades. ACOME is renowned for its excellent products and its high standards are supported by processes that guarantee the compliance of its products at all times. The technical standards defined by ARCEP (French Regulatory Authority for Electronic Communications and Postal Services) which aim to ensure the sustainability of new networks are respected and often even exceeded. The challenge: for these networks to be able, over time, to accept more wavelengths and therefore to transport greater capacities than those that we know or can imagine today.

CHALLENGES FOR ACOME

As the leading supplier to operators across the country, ACOME has adapted its manufacturing facilities to a production peak that is expected to last until 2022/2023. These production capacities are encouraging the Group to step up its international development and find opportunities for growth in other European countries. Aware of its role in optimising the installation and operating costs of these networks, ACOME supports operators by designing and developing new ranges of connection products both for France and for export (microcables, blowable cables, overhead cables, etc.).

SUCCESSFUL MANUFACTURING PROJECTS

To meet the rapidly growing demand for optical fibre and connection solutions, ACOME has significantly increased its production capacity and invested €20 million in a new optical plant in Normandy. The Group is thus strengthening its market leadership in Superfast broadband networks. This new plant makes it possible to increase production capacity by 50% in order to respond to the increase in demand and optical fibre rollouts in Europe: optical fibre-to-the-subscriber connections, 5G challenges, establishing new data centres, etc. With 10 million kilometres of wired optical fibre that can be shipped from the Normandy site by 2020, ACOME is delivering on its manufacturing and quality commitments. To cope with its very strong growth (turnover multiplied by four in four years), IDEA OPTICAL has relocated to a new, larger site. Since its relocation to Lannion, the subsidiary, which manufactures two out of three street cabinets in France, has broken all its records for products shipped.

New IDEA OPTICAL factory
specialising in the design and integration of optical connection and patching equipment in Lannion since August 2019.



● Infrastructures and telecom networks



The new optical cabling plant has increased ACOME production capacity by 50% to meet the growing demand for optical fibre as it is rolled out in Europe.

10 million kilometres of wired fibre optics. Optical cabling production capacity for the ACOME Normandy site by 2020

A leading manufacturer in the evolution of Superfast broadband networks

While France remains the most dynamic optical fibre market in Europe, ACOME is preparing its international expansion in the FttH and 5G infrastructure market.

PRODUCING PRODUCTS IN FRANCE WITH HIGH TECHNOLOGICAL ADDED VALUE

France's Superfast broadband plan is now being rolled out in medium- and low-populated areas. Public initiative networks, initiated by local authorities to provide FttH to the entire French population, are spearheading this. For ACOME, this rollout period generates intense activity. The Group, which is involved with both passive components (cabling solutions) and active components (optical connection and patching equipment), is responding to this by continuing to increase its production capacity of "drop" cables for connecting fibre optic subscribers and street cabinets (IDEA OPTICAL).

With production based in France, ACOME is in a position to respond to any challenges regarding quality, performance

and the sustainability of new infrastructures whenever they may arise.

SUPPORTING OPTICAL FIBRE ROLLOUT IN FRANCE THROUGH INNOVATION

Building such a network is expensive and any innovation that is cost-effective for operators is to be preferred. Idea Optical has set up a workshop dedicated to the manufacture of pre-connected optical heads in response to operator demand. Delivering turnkey heads, with 144 unit fibres already welded to the transmission cable, saves installation workers time and simplifies rollout on the ground. After more than two years of research and development, ACOME teams were able to experiment with connected cable drums designed in partnership with IoT designer and manufacturer start-up, RF Track.



New “drop” workshop
for connecting subscribers
to fibre optics

Geolocation and information on the quantity of optical cable available contribute to improving stock management and equipment traceability. The same partner is working with IDEA OPTICAL to design a smart street cabinet that could limit the deterioration of the equipment required by an increasing number of technicians. By listening to operators and their challenges, ACOME is demonstrating through these innovations that it is a leading partner in the development of FttH and 5G infrastructures.

PAVING THE WAY FOR INTERNATIONAL GROWTH OPPORTUNITIES

As a leader in the French market, ACOME is anticipating the completion of the Superfast broadband plan in France and aiming to become an international telecom networks provider. With already a few hundred thousand kilometres of wired optical fibre shipped, Africa is a growing market. In 2019, the Group also consolidated its leading positions in Ireland. For the past four years, it has provided Eircom with aerial telecom cables specially designed to withstand the strong winds that sweep the island.

The development of new ranges adapted to the regulatory constraints or technical specificities of these two countries has already begun. Prototypes of overhead cables meeting UK standards have been tested in the laboratory. Flexible conductor solutions, resulting from a collaboration between the telecom and automotive divisions, will also make it possible to address the markets where wiring is implemented in blow-through lines.

Building on this expertise in France and beyond, ACOME intends to consolidate its positions in new countries. Opportunities for international growth should be Great Britain and Germany in particular, which are in turn rolling out an FttH strategy.

ACOME
is the 3rd largest optical fibre
manufacturer in Europe



Buildings and transport communication networks

“Buildings are becoming increasingly connected and intelligent”

What changes are happening in the building industry, particularly in the tertiary sector?

JEAN-MARC PARET: The shift is centring around energy and digital networks. Buildings, like our society, are becoming increasingly connected. They are also increasingly insulated and therefore impervious to waves, which means that 4G and 5G signals must be reproduced inside buildings, particularly with distributed antenna systems (DAS). One of the other highlights in the tertiary sector is the convergence of IP-based networks. New needs are emerging, linked to the development of connected devices and technical building management. Power over Ethernet (PoE) technology – data cables capable of transmitting energy – is evolving and is a significant response to environmental issues. These technologies that constitute the smart building also have their place in the smart city.

How is ACOME meeting these challenges?

J-M.P.: ACOME has long been known for its role in private networks and has been a pioneer in smart buildings

by providing innovative architectures and products for more than ten years. In a rapidly changing market, there are many challenges to be overcome. To better understand and anticipate these structural changes, we have launched an innovation study "Cabling 2025" with the R&T teams. We are working on DAS (distributed antenna systems), which meet the needs for network coverage inside buildings and offer high capacity in response to the explosion of current and future needs such as 5G. Our solution based on coaxial cables is operational.

What are ACOME's strengths?

J-M.P.: Our industrial facilities are large and mainly located in France for these products, which is an advantage in terms of geographical proximity to our markets. ACOME offers a wide range of products for fixed and mobile networks: coaxial cables, copper and optical LAN cables and optical fibre. We combine innovation and service quality to offer high added value solutions that cater for new needs.



Jean-Marc PARET
Director of the Building,
City & Transport
Business Unit

2019 Fact File

2 production sites

France (Romagny-Fontenay), China (Xintai)

2 sales subsidiaries

(Italy, Germany)

Revenue

11% of Group turnover

Market segments

- ▶ Smart buildings
- ▶ Smart buildings and smart city
- ▶ Rail
- ▶ Electricity transmission



A MARKET BURSTING WITH TECHNOLOGY

The private networks market is undergoing more radical changes than ever before. In office buildings, the increase in wireless communications is seeing a decrease in the number of wall sockets. Traditional copper cabling is also competing with optical solutions such as FttO (Fiber to the Outlet) and, in particular, passive optical local area networks (POLAN). At the same time, new needs are emerging driven by the development of Power over Ethernet (POE), especially for smart lighting. Reducing the environmental impact of networks is a major challenge in smart building.

PREPARING FOR CHANGING PRIVATE NETWORKS

In new tertiary buildings, connectivity, or even hyperconnectivity, is essential. Smart buildings must be able to provide the services not just of today but also of tomorrow if they are to adapt to business demands and manage space in the best possible way. With the support of fibre optics, network IP (Internet Protocol) convergence, which allows voice, data and images to circulate over the same network, is accelerating. New mobile applications are emerging in the building sector on which ACOME is focusing, particularly on DAS. Copper LAN cables, the main source of sales for the division, is now in decline. ACOME is preparing for this transition and is focusing in particular on developing POE applications for technical building management.

BECOMING A SMART-X PLAYER

At the heart of tomorrow's smart cities, Smart-X networks are being developed in all areas – the most well-known being smart grids that enable the intelligent management of electricity distribution. With the goal of making an impact on the data economy, ACOME first aims to move from supplying cables to providing integrated solutions for network connection points.

READY FOR GRAND PARIS

Control Command activity in the rail industry, which is equally long-standing, is marked by strong growth in maintenance investments at SNCF. Having supplied high-speed rail projects, ACOME is ready to respond to the opportunities offered by the Grand Paris project.



Copper LAN manufacturing workshop
at the Romagny-Fontenay site



Buildings and transport communication networks

New connectivity and increased security on private networks

As the French market leader for tertiary and residential cabling, ACOME innovates with high-tech products that also meet the expectations of the most demanding European markets. Key strength: customer proximity.

ACOME has its own **Cofrac-accredited fire testing laboratory** at the Romagny-Fontenay manufacturing site.



+ 2,000

products have been CPR approved in the various areas of application

FIRE PERFORMANCE: A MAJOR CHALLENGE

Since 2015, ACOME has been preparing to implement the mandatory Construction Product Regulations (CPR) for all cables launched since July 1st, 2017. With its own Cofrac-certified fire testing laboratory, it was able to test all its products before submitting them for the designated laboratory test, ensuring it would be fully compliant with these regulations. More than 2,000 ACOME products have thus obtained CPR certification in the various areas of application.

But ACOME does not stop there and continues to work on developing the most appropriate materials to manage cable fire resistance in environments with the most stringent safety conditions, such as public access buildings, high-rise buildings, energy production centres and rail tunnels.

In 2019, ACOME developed two innovative ranges: FireProtect for use in building construction; and FireProtect+ for use in rail operations.

These two ranges meet the highest Euroclasses already required in certain domestic markets, such as the United Kingdom, Belgium and Spain. The Group is also anticipating that regulations may tighten in France in the coming years. ACOME is ready to respond to demand prompted by Grand Paris.

The development of these cables, which have a high thermal potential, requires a great deal of control over materials and processes, particularly in terms of sheathing, to reconcile fire performance and product competitiveness.

EXPORTING QUALITY TO EUROPE

In the optical and copper LAN private networks sector, ACOME generates 50% of its sales internationally. With quality requirements similar to those in France, its main markets are found in Germany, Italy and the Benelux countries, and the Group can rely on its sales presence in these target countries.



Hemera Building: the complete smart office building solution

The convergence of all applications (from telephony to IT, including technical building management and 5G) towards IP is one of the smart building's major challenges. In response, ACOME has developed Hemera Building, an innovative, scalable and open optical cabling solution for smart buildings and campuses. Its deployment is compatible with Power Over Ethernet (POE). This solution was successfully installed during the renovation of the Kosmo building, which houses the headquarters of Dior Parfums in Neuilly-sur-Seine.

Grade 2 and 3 TV cables for residential use

Anticipating the implementation on 1st January 2020 of the XP C 93531-16 and XP C 93531-17 standards, ACOME was the first in France to offer grade 2 TV and grade 3 TV cables on the residential market. These twisted pair star cables are used to transmit telephone communications, digital data and television (by satellite and cable networks) in the home, much like the tertiary sector. Simplifying residential cabling, they accept a rate of 1Gbit/s for grade 2 TV and 10 Gbit/s for grade 3 TV. These are a new range for ACOME which continues to refine the design of these cables. The new grade 3 TV cable marketed since April 2019 has a 17% lower carbon impact than the previous range.

Power over Ethernet: first applications in the tertiary sector

Still little developed in Europe, Power over Ethernet (POE), in other words the ability to simultaneously transmit energy and data over an Ethernet cable, is gradually emerging. In the smart building or smart city, applications such as LED lighting, surveillance cameras, sensors or technical building management tools, traditionally powered by electrical cables, can now be connected by data, copper or optical cables. ACOME has developed this know-how and supplied F/UTP Ethernet cables carrying up to 90 Watts for a major construction project in the Paris region. A first in Europe.



CSR

A CSR approach rooted in our SCOP status



Ethics and commitment
The same values are shared across all Group sites

A MODEL OF CORPORATE DEMOCRACY

As a major stakeholder in the social and solidarity economy in France, ACOME is the country's largest cooperative and participatory company (French: SCOP). The SCOP is a model of corporate democracy. Each employee is encouraged, after one year of employment, to become a partner in the company. They can then exercise their right to vote at the general meeting according to the "1 person = 1 vote" principle, regardless of the number of shares they hold. This means each person is a stakeholder in the strategy they help to co-construct and collectively they monitor the company's long-term future. The Group's regional presence in its Normandy home is one of the hallmarks of ACOME's identity. A pillar of regional economic development, the Romagny-Fontenay industrial site

ACOME's social responsibility lies at the heart of our SCOP status, our values and our ambitions as a Group.

employs more than 1,350 people and contributes to the indirect employment of 4,000 people in the area.

BRINGING COOPERATIVE VALUES TO LIFE

ACOME is deeply committed to its alternative business model, which has guaranteed its sustainability for more than 85 years. Within the company, a network of cooperative liaisons focuses on the coordination of cooperative life. In 2019, 50 people applied to become ACOME SA associates; an initiative supported by a cooperative pathway and passport designed to give meaning to cooperative member status and develop the features of the SCOP. If the French and foreign subsidiaries do not fall under the same legal system, the parent company's values and the importance of individuals are still widely shared.

RELATIONSHIP ETHICS

The values of commitment, excellence, solidarity and respect constitute a shared and common vision. Driven by these values and in reference to the Group's adherence to the ten principles of the UN's National Pact, ACOME strengthened its policy and issued a comprehensive Code of Conduct, Ethics and Anti-Corruption in 2019. This applies to all companies in all countries and includes an anti-corruption and harassment alert system.



What if the world of the future already existed in today's world? In a manifesto published in April 2020, the cooperative members state their participatory model is based on collective success and the sustainability of employment.



4 CSR PRIORITIES

To achieve its goal of "Being an innovative international manufacturing group that leads the market in communication cables, tubes and accessories for the automotive, telecom and construction sectors", ACOME's CSR performance revolves around four priority areas:

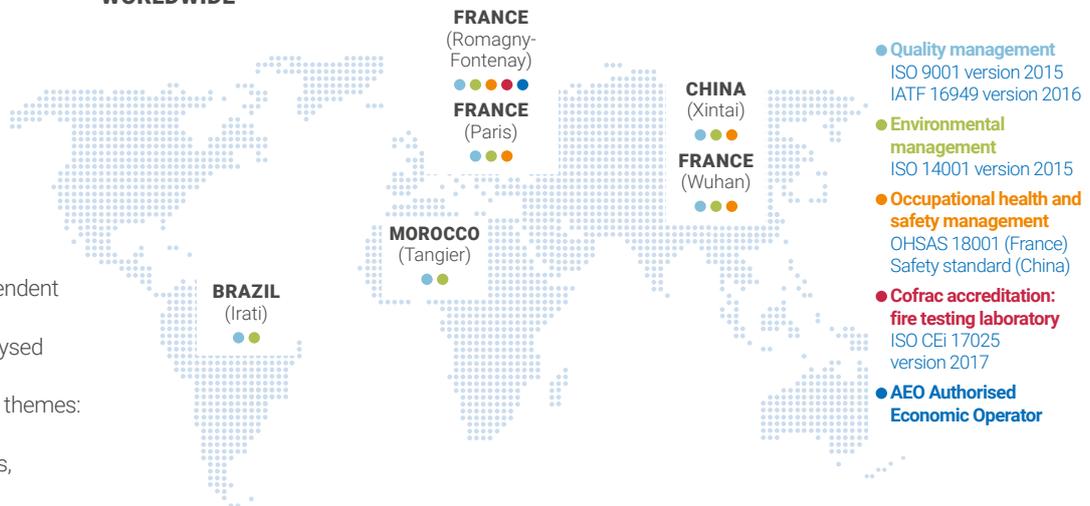
A reliable, efficient and environmentally-friendly manufacturer (supported by site management).

A responsible approach that listens to our customers and partners (supported by the research and innovation department and the divisions' technical services).

Putting people at the heart of the system (supported by the Human Resources and Performance, Quality and CSR departments).

The ACOME model: values and ethics (supported by Human Resources).

ACOME FACTORY CERTIFICATIONS WORLDWIDE



"GOLD" CSR PERFORMANCE

Since 2012, ACOME has used EcoVadis, an independent CSR rating platform. CSR performance is analysed according to more than 300 criteria divided into 4 themes:

- ▶ environment,
- ▶ labour and human rights,
- ▶ ethics,
- ▶ sustainable procurement.

In December 2018, ACOME achieved an overall score of 65/100, which puts ACOME's CSR performance at an advanced level. ACOME is now one of the top 3% of companies assessed by Ecovadis in the "Manufacture of cables and cabling devices" sector. ACOME was awarded a gold medal for its CSR performance for the third consecutive year.

RENEWED CERTIFICATIONS

In 2019, all ACOME site certifications were upheld or renewed. Two new certifications were successfully completed:

- ▶ with the new ACOME Morocco certification all automotive manufacturing sites are now ISO 14001 certified.
- ▶ thanks to the certification of ACOME and THERMACOME according to the new NF 545 standard, the NF mark can now be affixed to several types of tubes.

The Romagny-Fontenay testing laboratory has been accredited since December 2018 in line with the latest COFRAC 17025v2017 requirement.

RECOGNITION

- ▶ In Brazil, ACOME Irati received an award from the Secretary of Sustainable Development and Tourism of the State of Parana for its sustainable development actions.
- ▶ ACOME France was recognised by RTE in the "People at the heart of companies" category at

the supplier awards ceremony attended by more than a hundred suppliers.

- ▶ The continuous improvement policy implemented with the aim of strengthening the industrial performance of the Romagny-Fontenay plant has been awarded the "EXC'Op" label (operational excellence), awarded by PSA, the Normandy Development Agency and the Normandy Regional Association of Automotive Industries.

CSR

People at the heart of the company

A COMPANY THAT RECRUITS AND DEVELOPS TALENT

ACOME is continuously increasing its workforce on all four continents. The Group's workforce averaged 1,910 in 2019, up 5% on 2018. ACOME employees have a deep attachment to their company and enjoy careers rich in varied experiences.

Automotive wiring manufacturing site in Tangier, Morocco.



ACOME performance rests on the commitment of its 2,000 employees who share a person-centred corporate culture in every country they operate.

This is demonstrated by the high level of functional mobility within the Group. For example, within the company, 91 job changes and 137 promotions took place in 2019 in France.

TRAINING AS A GROWTH DRIVER

As a technology company operating in sectors with high expectations for innovation, ACOME has made developing skills and acquiring new expertise a priority. In 2019, more than 44,000 hours of training were provided across the Group. Various programmes are implemented through internal schools which aim to improve both the professionalism of management and employee qualifications, and strengthen engineering and technical skills. Accordingly, managers and their teams are trained in the Performance School, which awards the ACOME "Level 1 Continuous Improvement Expert"

diploma. Skills are transferred and renewed via the Maintenance School – which includes technicians – with training for production line operators working towards a vocational qualification certificate. Objective: to make ACOME a learning-orientated and inclusive company.

ENSURING WELL-BEING AT WORK

Committed to satisfactory working conditions and positive working relationships throughout the Group, in 2019, ACOME produced the 2nd edition of its Quality of Life at Work barometer. Pride in belonging and respectful communication are the strengths of this survey. In France, five working groups focus on addictive behaviour, preventing harassment, the working environment, remote working and the company's appeal. In the subsidiaries, improvements mainly concern rest and dining areas.



Solidarity, a key element of company's culture, is demonstrated through the ACOME *Solidarité* initiative, which allows employees with seriously ill children to benefit from days off.

**SAFETY AT WORK:
PREVENTION BETTER
THAN CURE**

With 29 lost-time accidents in 2019 compared with 19 in 2018 and a frequency rate of 9.58, the Group's safety results have deteriorated.

The analysis of accidents at the Romagny-Fontenay industrial site, the largest source, has led to a greater focus on accident prevention in the area of manual handling. Several measures aimed at preventing musculoskeletal disorders (MSDs) and promoting muscle awakening when starting work have been implemented, mainly in logistics. Furthermore, the integration of ergonomics

into workstation design is continuing. Following a complete assessment carried out with the support of external experts, a comprehensive prevention programme will be rolled out through to 2020.





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