CORPORATE SOCIAL RESPONSIBILITY

2019 REPORT - 2018 REVIEW

Social innovation at the very heart of our organization

ARMOR

INDUSTRY FOR PEOPLE
<table>
<thead>
<tr>
<th>CONTENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOREWORD</td>
</tr>
<tr>
<td>HOW TO READ THE CSR REPORT</td>
</tr>
<tr>
<td>SCOPE OF THE REPORT</td>
</tr>
<tr>
<td>THE ARMOR GROUP</td>
</tr>
<tr>
<td>THE CSR STRATEGY</td>
</tr>
<tr>
<td>GOVERNANCE &amp; ETHICS</td>
</tr>
<tr>
<td>CIRCULAR ECONOMY</td>
</tr>
<tr>
<td>RENEWABLE ENERGIES</td>
</tr>
<tr>
<td>RESPONSIBLE TRACEABILITY</td>
</tr>
<tr>
<td>EMPLOYEE DEVELOPMENT</td>
</tr>
<tr>
<td>LOCAL COMMUNITY INVOLVEMENT</td>
</tr>
</tbody>
</table>
The company of the 21st century must be committed or be no more. Social responsibility is now an integral part of our corporate culture at ARMOR. We call this commitment Social Innovation.

10 years ago, we decided that the meaning behind our activities would be defined by four values inherited from our history. These values are Humanism, Innovation, Commitment and Customer Focus. Today, every employee owns and embodies these values, safeguarded by our system of governance. How? By adapting the organization in order to integrate Social Innovation at the very heart of our company and by defining Governance & Ethics as a priority issue.

With pride of place on the cover page of this report, Governance & Ethics encompasses multiple themes that represent both risks and opportunities: participative innovation, ethics, human rights and stakeholder satisfaction. By prioritizing this issue, we act and take decisions in accordance with our values in order to ensure that industry serves people.

In 2018, ARMOR is maintaining its course and is continuing to bank on the development of future technologies capable of accelerating energy transition and helping to transform a world with restricted reserves of fossil fuels. ARMOR developed new innovative products as demonstrated by the launch of the Kimya brand, dedicated to the production of filaments used in additive manufacturing. ARMOR Beautiful Light, the business responsible for producing the ASCA® photovoltaic film, developed new applications in the fields of construction and mobile solutions, notably in order to meet energy demands in isolated regions and those without electricity supply.

Strongly committed to social innovation, ARMOR took part in the International Solar Alliance in India. We are also very proud to have become a board member of the UN's Global Compact France. Our goal in 2019 is to continue to innovate, creating an ever more responsible industry that serves wider society.

Quite naturally and for the tenth successive year, we wish to confirm our commitment to the UN Global Compact and to actively implement the ten universally acknowledged principles constructed around respect for human rights, labor law, environmental protection and the fight against corruption. We have also incorporated the requirement to contribute to many of the UN's Sustainable Development Goals. Furthermore, we apply the Responsible Care® charter, an initiative by chemicals companies to improve health, environmental performance, safety and relations with stakeholders.

In complete transparency and based on 2018 data, in this 2019 CSR Report we present our results and associated analysis, our good practices and our action plan to achieve the objectives we have set ourselves. This report has been designed to describe the links between society's challenges and our company's contributions, efforts and successes, in addition to areas in which we must improve.

Hubert de Boisredon
Chairman and CEO
View our results on an issue-by-issue basis,

Our contributions to the Global Compact 10 principles and the 17 SDGs,

<table>
<thead>
<tr>
<th>Global Compact Principles</th>
<th>SDGs Impacts &amp; Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights</td>
<td></td>
</tr>
<tr>
<td>Labour</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td></td>
</tr>
<tr>
<td>Anti-Corruption</td>
<td></td>
</tr>
</tbody>
</table>

Our 2020 objectives and our good practices,

2020 OBJECTIVE

Our activities under the 2017-2020 action plan.
For the tenth year in succession, the ARMOR Group is a member of the UN Global Compact. Within the context of COP (Communication on Progress), we present both our progress and future targets within the context of the 10 principles of the Global Compact and the Sustainable Development Goals.

This Corporate Social Responsibility Report presents the 2018 results and covers all of the ARMOR Group’s operational sites:

- ARMOR SAS – France – La Chevrolière site (activities: AICP, ABL, ACES, AAC) and the sites in Nantes: Head office and Cordon Bleu (AOP business)
- ARMOR USA – Cincinnati site (AICP business)
- ARMOR Brazil – Manaus site (AICP business)
- ARMOR Mexico – Querétaro site (AICP business)
- ARMOR India – Bengaluru site (AICP business)
- ARMOR Industrie – Birdjid site (AOP business) (Revialis data combined with ARMOR Industrie data)
- ARMOR Africa – Johannesburg site (AICP business)
- ARMOR China – Zhuhai and Xiaolan sites (AICP business)
- ARMOR Asia – Singapore site – (AICP business)

Excluding the Polish subsidiary (new A2I business) and subsidiaries recently created in 2017 and 2018, namely in Canada, Kenya, Turkey and Colombia, and the A3D business at the site in Les Sorinières.

This report contains information relating to the GRI (Global Reporting Initiative) sustainable development guidelines. Although this international reference frame has guided its construction, the report concentrates on objectively presenting the Group’s significant impacts and efforts, as far as competition-related confidentiality permits. It continues to include a greater proportion of consolidated indicators throughout the scope.
ONE GROUP, TWO FLAGSHIP BUSINESSES AND A NUMBER OF NEW TECHS

The ARMOR Group, a French mid-market company with 2000 employees over 27 industrial and logistics sites worldwide, has been an expert in print technologies for nearly 100 years.

Armor Industrial Coding & Printing

Protecting people and property through product traceability

Thermal transfer (TT) is a printing technology, ideal for industrial environments and used for marking variable information on labels and flexible packaging: barcodes, logos, text, expiry dates, etc. This information identifies products and ensures traceability. The global market leader, ARMOR is proficient throughout the chain, from ink design to the production and marketing of TT ribbon under the inkanto brand.

Armor Office Printing

Reducing the environmental footprint of printing by offering responsible consumables

Independent of the printer manufacturers, AOP offers alternative and turnkey printing solutions, ranging from consumables to managed printing and the collection of used cartridges, guaranteeing that they will be either reused or 100% recycled. The latest fruit of ARMOR's expertise, OWA Print Services offers bespoke print services for businesses, designed to make functional savings.
The New Techs

The fruit of ARMOR's diversification and investment strategy, the New Techs exploit the Group's expertise and know-how in ink formulation and coating on thin film.

Armor Beautiful Light

Providing solar energy to a maximum number of people via ASCA® organic photovoltaic film

The unique properties of this new photovoltaic technology open up exciting new possibilities in the sectors of construction, mobility, street furniture and connected objects. The development of this activity is central to the group's CSR commitments to promote energy transition and reduce the use of fossil fuels.

Armor Films for Batteries

Increasing the safety, performance and lifespan of lithium-ion batteries with En' Safe® current collectors

ARMOR designs, manufactures and markets current collectors with a coating preventing corrosion and enhancing adhesion, while reducing internal electrical resistance. Because electric vehicles and sustainable mobility are to become part of the urban landscape, ARMOR is committed to improving the performances of the energy storage systems.

Armor Advanced Coating

Facilitating interaction between people and connected objects

ARMOR is continuing to diversify its activities by launching a new product range: hi-tech coated films designed for applications within connected objects by offering tactile sensations for all types of interaction between people and machines.
Armor Industrial Inks

Developing innovative inks for digital printing

The guiding principles of development of A2I are based on Group fundamentals: innovation and environmental protection. All the inks are water based, free of any solvent, safe for consumers and therefore suitable for food packaging. These hi-tech inks have been designed for specific applications in multiple sectors: textiles, decoration, domestic hygiene and packaging.

Armor 3D

Formulating and producing bespoke materials for additive manufacturing

Through its Kimya brand, A3D develops and co-develops bespoke materials with international industrial groups and 3D printer manufacturers, creating parts with high added value. Additive manufacturing is notably used for producing parts in the aerospace, defence, and automotive sectors. A3D also offers a range of recycled and recyclable filaments under the OWA brand.
R&D – A CATALYST FOR GROWTH AND INNOVATION TO PROTECT THE ENVIRONMENT

Innovation at ARMOR is based on flexible structures developed in-house that benefit from significant resources devoted to sustainable development and R&D.

Research concentrates on creating and developing new products and new product concepts. Innovation also takes the form of optimising and enhancing the reliability of production processes and automating production equipment.

Certain projects developed and validated in France are subsequently deployed at other production sites. This ongoing dynamic enables the Group to remain competitive.

124
Researchers
Engineers
Technicians
VIRTUOUS INTERNATIONAL GROWTH THROUGH CO-INUSTRIALIZATION

Co-industrialization consists of seeking growth in regions of the world undergoing rapid development while safeguarding production and employment in France.

ARMOR’s Thermal Transfer facilities in La Chevrières (France) produce semi-finished products in the form of large rolls which are further processed at industrial slitting units located in the world. The system offers greater flexibility to respond to the needs of local customers and reduces the environmental impact of goods transportation.

Through this development, ARMOR safeguards investment and employment at its site in France while benefiting from the industrialization of emerging economies, as every order won increases the production of semi-finished rolls in France.

ARMOR’S INDUSTRIAL SITES WORLDWIDE
**SHARED ECONOMIC VALUE**

99% of the value created by ARMOR SAS is redistributed to its stakeholders. In 2018, ARMOR Group has a majority of internal investors: 464 worldwide, including the management team and employees.

In March 2014, the management team of the ARMOR Group took a controlling stake in the company with the support of regional investors. At the same time, any employee wishing to do so was able to invest in the Group via the company’s FCPE (mutual fund). 229 employees therefore acquired shares in the ARMOR FCPE totalling some €1.2m at a participation rate of 34% - testament to their confidence in the company’s development potential.

In April 2018, the capital and financing of the ARMOR Group was restructured. This operation guaranteed liquidity for any shareholder selecting this option, but also provided the opportunity to offer Group employees a second opportunity to invest. Subscriptions exceeded expectations: 347 employees decided to subscribe, half of whom were first-time shareholders. The total subscription amount exceeded €1.6m.

---

*Economic value created and distributed (scope: ARMOR SAS)*
2018 HIGHLIGHTS

MARCH

PARTICIPATION IN THE 1st INTERNATIONAL SOLAR ALLIANCE SUMMIT IN DELHI
to make energy accessible to everyone

JURY’S SPECIAL AWARD AT THE 2018 ENERGY TRANSITION AWARDS ORGANIZED BY USINE NOUVELLE MAGAZINE
for the ASCA® photovoltaic film

NEW SUBSIDIARIES ESTABLISHED IN COLOMBIA & TURKEY

ARMOR BECOMES A BOARD MEMBER OF GLOBAL COMPACT FRANCE

JUNE

AROMATIC RECYCLING AWARD FROM ADEME
for the FIL’REC of A3D project

ENGIE INNOVATION CALL-FOR-PROJECTS AWARD
for the mobile photovoltaic recharging station created for the 2018 French Open tennis at Roland Garros

ENGIE INNOVATION CALL-FOR-PROJECTS AWARD
for the mobile photovoltaic recharging station created for the 2018 French Open tennis at Roland Garros

JULY

NEW SUBSIDIARIES ESTABLISHED IN COLOMBIA & TURKEY

ARMOR BECOMES A BOARD MEMBER OF GLOBAL COMPACT FRANCE

SEPTEMBER

ARMOR ACQUIRES ICONEX’s THERMAL TRANSFER RIBBON AND INTELLECTUAL PROPERTY RIGHTS
and establishes a global distribution agreement

PLASTICS RECYCLING AWARD FROM ADEME
for the FIL’REC of A3D project

TRIPLE QSE CERTIFICATION – ARMOR SOUTH AFRICA:
ISO 9001 (Quality), ISO 45001 (Safety) and ISO 14001 (Environment)

OCTOBER

LAUNCH OF KIMYA SERVICES
a new bespoke offering constructed with a network of partners in the additive manufacturing sector

ARMOR PARTICIPATES IN THE PREPARATORY WORKING MEETING FOR THE MULTI-ANNUAL ENERGY PROGRAM SPONSORED BY THE FRENCH PRESIDENT

ARMOR BECOMES A NEW MEMBER OF THE WORLD ALLIANCE FOR EFFICIENT SOLUTIONS
created by the Solar Impulse Foundation

NOVEMBER

QUALICERT CERTIFICATION RENEWAL FOR OWA
the range of eco-responsible laser cartridges by ARMOR

LAUNCH BY AOP OF THE "CONNECT" DIGITAL EXCHANGE PLATFORM
SECOND CALL FOR EMPLOYEE SUBSCRIPTIONS TO THE COMPANY MUTUAL FUND
in order to expand employee shareholding

SIGNATURE OF AN AGREEMENT BETWEEN ARMOR AND UNESCO
designed to support education in Togo and by distributing solar kits and rechargeable portable lighting

DÉCEMBRE

NEW SUBSIDIARY IN KENYA, ARMOR EAST AFRICA

QUALICERT CERTIFICATION RENEWAL FOR OWA
the range of eco-responsible laser cartridges by ARMOR

SIGNATURE OF AN AGREEMENT BETWEEN ARMOR AND UNESCO
designed to support education in Togo and by distributing solar kits and rechargeable portable lighting
Awards

1996  Quality Award from the Mouvement Français de la Qualité, western region

2008  French Quality Award from the Mouvement Français de la Qualité et du Management (MFQM)

AFAQ1000NR "Exemplary" status assessment for La Chevrière site (DECaPLAN program)

Management award from MFQM

Global Responsibility Award from Audencia Business School

2010  Industrial Excellence Award from Usine Nouvelle

2011  Jury's special prize at the regional sustainable development awards

Jury’s special prize at the Responsible Care awards of the Union des Industries Chimiques

2012  Entrepreneur of the Year Award from Ernst & Young and l’Express

Regional Innovation Award from Agence API and CCO

European Good Practice Awards from the European Agency for Safety and Health at Work

2013  Green Capital Label from Nantes city council

Yellow Ribbon Award in Singapore

Human Resources Award, western region, from Michael Page and ANDRH

2014  Inclusion Award from MEDEF 44

Global Compact Advanced status: the highest level for COP (Communication on Progress)

2015  Grand Prix Innovation Award for the Pays-de-la-Loire region from Agence API and CCO

2016  Solidarity award, "La part des autres", from URIOPSS and FACE

Responsible Companies Award from AXA

Suppliers Award, CSR category, from the BPCE group

2017  Responsible Management Award for ARMOR University from MR21

Sustainable Companies Award in Singapore from the Global Compact

2018  Jury's Grand Prix Award at the Energy Transition Awards organized by Usine Nouvelle
The Armor Group

Networks of Influence

Union des Industries Chimiques (UIC) – Signatory of the Responsible Care charter

Dirigeants Responsables de l'Ouest (DRO) – Association of company directors from the regions of Pays-de-la-Loire and Brittany promoting the principle of social responsibility as the foundation of economic performance

Mouvement des Entreprises De France (MEDEF) – Leading network of French businesspeople to defend and promote the interests of companies of all sizes and in all business sectors

Club Carbon’At – Association of users of the Bilan Carbone® in the Pays-de-la-Loire region

University of Nantes Foundation – Member of the Board of Directors

Les Entreprises pour la Cité (LEPC) – Member of the Board of Directors

Fondation Agir Contre l’Exclusion (FACE) – Member of the Board of Directors, Loire Atlantique region

Regional Organisation for Reducing Energy Consumption (ORACE) – Member of the Board of Directors

Habitat Jeunes Grand Lieu Machecoul et Logne – Member of the Board of Directors

France Cartouche Réemploi – Association of companies promoting the re-utilization of used cartridges and working to propose responsible recycling and energy recovery solutions

Fédération des Entreprises du Bureau et du Numérique (EBEN) – Professionals association for the distribution of products and services for the working environment

Réseau des Directeurs de Projets de l'Ouest (R-DIPO) – Network member

Entreprises et Progrès – Association of company directors determined to reconcile technological progress, social progress and economic performance

Global Compact/Global Compact France – Member of the Board of Directors and member of the Advanced club

Club des Trente – Member of the development and action team serving Brittany

Hispanic Chamber of Commerce of Cincinnati – Member, ARMOR USA

Advanced Manufacturing Workforce Development Metrics – President, ARMOR USA

Kentucky Federation for Advanced Manufacturing Education – Member, ARMOR USA

Chamber of Commerce of North Kentucky – Member of the Board of Directors, ARMOR USA
THE ARMOR GROUP

North Kentucky International Trade Association – President, ARMOR USA

TechSolve Round Table – Member, ARMOR USA

Local Mutual Support Committee of the Queretaro Technological and Innovation Business Park (CLAMPITIQ) – Member, ARMOR Mexico

Mexican Philanthropy Center – Member, ARMOR Mexico

Alliance for Corporate Social Responsibility (AliaRSE) – Member, ARMOR Mexico

France/Mexico local Chamber of Commerce – Member, ARMOR Mexico

Industrial Association of Pollution Inspection Boards – Member, ARMOR India

Local committee for national human development initiatives (INDH) – Member, ARMOR Mexico

Global Compact China – Network member, ARMOR China

Xiaolan Zhongshan Chamber of Commerce – Member, ARMOR China

Global Compact Brazil – Network member, ARMOR Brazil

Global Compact Singapore – Network member, ARMOR Asia

European Toner & Inkjet Remanufacturers Association (ETIRA) – Member of the Board of Directors

Institut de l’Economie Circulaire – Member, forum at the European level for influencing new production methods and sustainable consumption

UN Global Compact – Member on behalf of the Group

Solar Impulse Foundation – Member of the World Alliance for Efficient Solutions

Terrawatt Initiative – Active member, acceleration of transition towards 100% renewable energy in response to the Paris Accords

One Planet Summit – Signatory of the French Business Climate Pledge
SIGNIFICANT IMPACTS OF THE MAIN ACTIVITIES

ARMOR INDUSTRIAL CODING & PRINTING

1. PROCUREMENT

Raw Materials
Solvents, Pigments, Natural Waxes and Waxes from Oil / Paraffins / Resins

Components
PET, Leader, Polyane, Mandrels, Cardboard and Pallets

Energies
Electricity and Gas

Environmental impacts
Extraction of non-renewable resources
Energy consumption during extraction
Freight and logistics

Economic and social impacts
Local and responsible purchasing practices
Promoting social responsibility
Anti-corruption practices

Impacts of suppliers activities

2. PRODUCTION

- Ink Production
- Coating
- Slitting
- Packing

Environmental impacts
Energy consumption
GHG and VOC emissions
Soil artificialisation
Employees commute
Eco-design
Environmental site management

Economic and social impacts
Health: work-related conditions and psycho-social risks
Safety: chemical hazards
Contribution to employment including the employment of disabled people and local development
R&D / Innovation

3. DISTRIBUTION & USE

ARMOR Customers
Printer Manufacturers, Distributors and Value-Added Resellers

End Users: indirect relationship

Environmental impacts
Freight and logistics
Energy use associated with printing
Impacts of customers and end users activities

4. END OF LIFE

- Materials recycling
- SFR
- Incineration with energy recovery
- Incineration
- Landfill

Environmental impacts
Finished product’s end of life
Waste: GHG emissions and soil pollution
Waste: material and energy recovery

REC’PET PROGRAM & PARTNER

WASTES

NEGATIVE IMPACT

POSITIVE IMPACT
THE ARMOR GROUP

SIGNIFICANT IMPACTS OF THE MAIN ACTIVITIES

ARMOR OFFICE PRINTING

5. END OF LIFE
- Materials recycling
- SFR
- Incineration with energy recovery

Environmental impacts
Wastes: CO2 emissions
Recycling

4. COLLECTION
ARMOR collection
Sorting, dismantling and repair activity
Other collection and recovery channels
Supply of empty cartridges reused by ARMOR

Environmental impacts
Reuse
Reducing the impact on natural resources
Lower volume of waste handled by the local authority
Ethical responsibility of the producer

3. DISTRIBUTION AND USE
ARMOR Customers
Wholesalers, Suppliers, Central Purchasing, Distributors, Resellers, Specialized Mass Distribution, Major Accounts...

End users: Finished products for professional use. Indirect relationship with end users

Environmental impacts
Freight and logistics
Use of energy related to printing

Economic and social impact
Responsible display on packaging

Impacts of customer and end-user activities

1. PROCUREMENT
- Raw Materials
- Pigments
- Components
Empty and Used Cartridges, Plastics Parts, Microchips, Cardboard and Packaging items (packaging, films, pallets...)
- Energies
Electricity and Gas

Environmental impacts
Extraction of non-renewable resources
Freight and logistics
Economic and social impacts
Local and responsible purchasing practices
Promoting social responsibility
Anti-corruption practices
Impacts of suppliers activities

2. PRODUCTION
- Cleaning
- Assembling
- Filling
- Customization
- Packaging
- Order Preparation

Environmental impacts
Energy consumption
GHG emissions
Soil artificialisation
Employees commute

Economic and social impacts
Health: work-related conditions and psycho-social risks
Safety: toner powder risks
Contribution to employment, including the employment of disabled people, and Local Development
R&D / Innovation
THE CSR STRATEGY

A CLEARLY DEFINED STRATEGIC PATH

Fully aware of its obligations, ARMOR strives to act by following a clear strategic path that respects the environment and gives a central role to the company’s employees through managerial and technical innovation, while safeguarding the company’s future by focusing on the customer and economic performance.

The company’s strategy is based on enhancing its contribution to sustainable development via 6 main pillars:

- **Governance & Ethics**
  Adapt our organization in order to take decisions and act in accordance with the challenges of sustainable development, ethics and respect for our stakeholders’ interests.

- **Circular Economy**
  Immerse our products in the principles of sustainable use of resources and reduced environmental impact throughout their life cycle, from production to recycling.

- **Renewable Energies**
  Reduce our energy consumption and contribute to the deployment of renewable energy solutions to combat climate change.

- **Responsible Traceability**
  Contribute to high-quality traceability, notably via secure and more environmentally friendly identification solutions supported by responsible purchasing.

- **Employee Development**
  Through an attractive employment package, promote the development of our employees and their skills, enhancing well-being in the workplace, employability and the success of the Group.

- **Local Community Involvement**
  Develop links with wider society at our sites around the world, providing support to tackle local social issues.
THE ARMOR CSR ACTION PLAN

From the analysis of the materiality, ARMOR defines a 4-year action plan for each of the Group’s priority CSR issues. The first action plan for 2013-2016 was concluded with overall progress of 90%.

A new action plan has been defined for 2017-2020, aided by the CSR maturity questionnaire. It is available at the end of each section, with the progress achieved as at end 2018 for each action item.

During 2020, the ARMOR entities falling within the scope of the CSR report will once again complete the maturity questionnaire in order to identify strengths and potential improvements. The findings will lead to the definition of a new 4-year action plan.

The 2017-2020 action plan structured by issue:

**Governance and Ethics**
- Include the Code of Ethics within the welcome pack for new employees and distribute it to all employees (Group)
- Introduce anti-corruption procedures to be implemented by all subsidiaries (Group)
- Make medical monitoring details confidential (China)
- Document employment contracts (Morocco)
- Conduct social audits at sites located in high-risk countries vis-à-vis employment rights (ITUC index) (Morocco, India, China, Brazil, Mexico and USA)
- CSR awareness
- Hold employee awareness sessions covering sustainable development and the Group’s CSR strategy (Group)
- Establish employee CSR discussion groups (Group)
- Organize a global ARMOR week focusing on a selected CSR issue (Group)
- Management systems
- Implement and obtain ISO9001, OHSAS18001 and ISO14001 certification for management systems in the fields of Quality, Health & Safety and Environment (India, South Africa, Mexico, Canada, ABL and A30)
- Examine the impact of the WEEE Regulation on the AOP business (AOP)
- Employee-driven innovation
- Develop employee-driven innovation programmes (France)
- Customer satisfaction
- Develop new customer satisfaction measurement tools (Group)

**Circular Economy**
- Analyse the deployment of the RECPET Partner programme (used Thermal transfer collection service) for customers worldwide (AOP)
- Develop a range of recyclable 3D filaments (OWA 3D) (A30)
- Develop a service priced on a per page basis (OWA OPS) (AOP)
- Develop an OWA range for inkjet cartridges (A30)
- Maintain Qualicert certification (AOP)
- Site waste
- Find suitable recycling channels for all significant waste and ensure traceability (including the RECPET programme) (Group)
- Deploy production waste reduction plans (e.g, Co-product, By-product) (Group)
- Life cycle
- Conduct a life cycle analysis for ASCA products (France)
THE CSR STRATEGY

Renewable Energies

Product range
21 Develop the marketing of ASCA photovoltaic films (France)
22 Test ASCA film application prototypes at ARMOR production sites (Group)
23 Develop the marketing of ENSAFE current collectors (France)
24 Establish links with fundamental research into organic batteries (France)

Carbon footprint
25 Conduct a Group Carbon Assessment, Scope 3: work to reduce the carbon footprint (Group)
26 Analyse the potential for optimising the transportation of goods (Group)
27 Favour the development of alternative transport to private cars (eco-friendly and public transport, Mobility Plan France) (USA, France)
28 Support the use of electric vehicles among employees (e.g. on-site recharging points) (France)

Energy consumption
29 Conduct energy audits at production sites and produce consumption reduction action plans (Group)
30 Optimise the use of air conditioning on the shop floor and in offices (Group)
31 Systematic procurement of low-consumption equipment (Group)
32 Raise awareness about energy saving among all employees (Group)
33 Deploy an intelligent energy system (Data Science study) (France)
34 Examine the feasibility of a new energy cogeneration system (France)

Use of renewable energy
35 Analyse the potential for self-supply of renewable energy at production sites (Singapore, Brazil, France)
36 Increase the proportion of renewable energy in electricity supply contracts (Group)

Responsible Traceability

Product range
37 Design Thermal Transfer products with reduced environmental impact (France)

Responsible purchasing
38 Assess all suppliers against CSR criteria and help them to construct action plans (Group)
39 Raise CSR awareness among suppliers (Group)
40 Adapt supplier/customer provider contracts to include CSR clauses and add agreements for the rapid resolution of non-conformities (Group)
41 Analyse the impact of the implementation of ISO 20400 principles (responsible purchasing) (Group)

Labeling and anti-counterfeiting
42 Develop ecotablets and LCA labels for Laser cartridges (AOP)
43 Participate in European working groups on anti-counterfeiting (AOP)

Employee Development

Health & Safety
44 Extend SAFECOM training throughout the Group to reach the target of zero accident (Group)
45 Carry out hearing tests for production employees (India)
46 Organise a joint safety week for subsidiaries in the Americas (Mexico, USA and Brazil)
47 Offer vaccination to all employees during medical checks (Mexico)

Working conditions
48 Organise site moves to improve the working environment (India, South Africa and China)
49 Improve working conditions in the offices (France)

Skills
50 Develop the training plans in order to enhance employee skills levels (Group)
51 Ensure that all employees receive individual interviews (Morocco)
52 Establish a good practices discussion group covering digital communication tools (France)

Employee well-being and satisfaction
53 Measure employee satisfaction (survey) (Group)
54 Analyse the various practices in different Group countries regarding the employment benefits (social protection, pensions, etc.) offered in addition to state provision and produce action plans (Group)
55 Extend the BECOME training throughout the Group (Group)
56 Continue to develop relaxation/well-being/social spaces (nap rooms, showers, games, etc.) (Group)
57 Implement agreements related to QVT (Quality of Life at Work) (France)

Local Community Involvement

Local engagement
58 Implement action to increase or maintain the proportion of procurement sourced locally (Group)
59 Deploy external activities promoting CSR (Group)
60 Participate in local company associations to share experiences and pool activities (Group)
61 Participate in the CSR quality label launched by the local companies association (Morocco)

Contributions to local issues
62 Organise community action (Group)
63 Increase the employment of disabled persons (China, Morocco)
64 In collaboration with the medical department, assess which posts could be adapted for disabled persons (Mexico)
65 Conduct biodiversity campaigns in “sensitive” territories (France, Brazil)
ADOPTION OF THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

ARMOR has been a member of the UN Global Compact since 2008. In this context, the Group undertakes to act in accordance with the 10 universally acknowledged principles in the areas of human rights, labor law, environmental protection and the fight against corruption.

Incorporated at both the strategic and operational level, these principles represent the core of the Group's social responsibility commitments and guide its action to achieve the Sustainable Development Goals (SDGs).

Human Rights

- Promote and comply with international human rights law
- Prevent complicity with violation of human rights

Labour

- Respect freedom of association and the right of collective bargaining
- Contribute to the elimination of all types of forced and compulsory labour
- Contribute to the abolition of child labour
- Contribute to the elimination of all forms of discrimination in the workplace

Environment

- Apply the precautionary approach to problems affecting the environment
- Promote greater accountability in environmental matters
- Promote the development and dissemination of environmentally friendly technologies

Anti-corruption

- Act against corruption in all its forms, including extortion and bribery
CONTRIBUTION TO THE UN’S SUSTAINABLE DEVELOPMENT GOALS

The 17 sustainable development goals (SDGs) adopted by the UN in September 2015 unite both companies and governments to reduce inequality, tackle climate change, protect biodiversity and eradicate poverty by 2030. Each party must contribute to the SDGs according to their means.

Among the 17 goals we have identified 7 main areas where we can have a significant impact. The SDGs are incorporated within the strategy in order to reduce our impact and increase our contribution to the attainment of the targets:

Other dimensions are also taken into consideration to create a virtuous dynamic, notably:

Adapt our organization in order to take decisions and act in accordance with the challenges of sustainable development, ethics and respect for our stakeholders’ interests.
GOVERNANCE AND ETHICS

<table>
<thead>
<tr>
<th>Global Compact Principles</th>
<th>SDG's – Impacts &amp; Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote and comply with international human rights law</td>
<td></td>
</tr>
<tr>
<td>Contribute to the elimination of all types of forced and compulsory labor</td>
<td>9 INNOVATION AND INFRASTRUCTURE</td>
</tr>
<tr>
<td>Contribute to the abolition of child labor</td>
<td>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</td>
</tr>
<tr>
<td>Contribute to the elimination of all forms of discrimination in the workplace</td>
<td>17 PARTNERSHIPS FOR THE GOALS</td>
</tr>
<tr>
<td>Act against corruption in all its forms, including extortion and bribery</td>
<td></td>
</tr>
</tbody>
</table>

SUSTAINABLE DEVELOPMENT AT THE HEART OF OUR GOVERNANCE

Governance within ARMOR is defined at board meetings (2 per year), discussion meetings with investors (6 per year), strategy meetings with partner managers (2 per year), general management meetings (8 per year) and executive committee meetings (monthly). Social responsibility within the Group is managed by a CSR Committee that meets three times a year, supported by a network of CSR Correspondents in France and at the subsidiaries.

The CSR Committee is chaired by the CEO and coordinated by the CSR Director. Its members are Group functional directors (HR, Finance, Legal, etc.) and the operational directors for all business activities (Purchasing, Marketing, Production). Each is a Group ambassador as well as a conduit for stakeholder relationships (employees, customers, suppliers, shareholders, public authorities, etc.). Each member enjoys sufficient authority to turn strategy into operational reality. Depending on the agenda, other parties may also be invited to attend meetings.

Within the subsidiaries, a CSR Committee meeting and CSR Management Review is held each year with CSR Correspondents and the Group CSR Department. The process is designed to optimize the overall CSR strategy by taking local factors into consideration and to ensure that the strategy infuses all levels of governance. Group expectations are expressed via the action plan and communication takes place via consolidated results, such as the CSR Report and other CSR communications material.
OUR VALUES AT THE HEART OF COLLECTIVE RESPONSIBILITY

Implementation of the strategy is the collective responsibility of all employees. In 2009 the Group isolated four specific values, inherited from its traditions, to be adopted by and offer guidance to all employees during their professional activities. These values are humanism, innovation, commitment and customer focus.

Each new employee receives a welcome brochure incorporating these values. Implementation of the strategy is composed of individual acts on which the collective social responsibility of the Group depends.

VALUES TEAM

This working group meets regularly to discuss the strengths and weaknesses relating to the working environment, safety, community and environmental issues and - as a company - what we can do to make a difference. The objective is to encourage employees to defend the causes they hold dear.
GOVERNANCE AND ETHICS

INOVARMOR PROGRAM

The goal of the program is to integrate the innovation culture within the company's everyday activities. All employees are invited to suggest ideas to improve all types of process. Employees receive 1 point from management for each idea put forward and 3 points if it is implemented. Employees can exchange their points for gifts at the end of every month.

COMPLIANCE WITH CURRENT LAWS, REGULATIONS AND ANTICIPATION OF THEIR CHANGES

To ensure that all regulations are fully incorporated within the corporate culture, different mechanisms of regulatory watch are exploited at all sites.

Compliance at all Group sites with the 8 fundamental conventions of the ILO is a major issue within ARMOR:

- C105 and C29: abolition of forced labour
- C182 and C138: abolition of child labour
- C87 and C98: freedom of association and the right of collective bargaining
- C100: equal remuneration
- C111: non-discrimination.

These principles are incorporated within the Group’s Code of Ethics, which includes a whistleblowing system available to stakeholders managed by an ethics expert, namely the Head of Legal. Purchasers are also subject to a Code of Conduct and exercise reasonable vigilance over supplier practices via a process of assessment.

ARMOR undertakes to comply with local and international tax regulations and to provide full transparency of the amount of tax it pays in the countries in which it operates. It also pays particular attention to the gap between the highest and lowest salaries.

Lastly, the anti-corruption code of conduct sets out the fundamental principles that ARMOR undertakes to respect in order to combat all forms of corruption. It specifies the areas and circumstances to which the principles apply, for all employees. By adopting this code, we are reconfirming our commitment to customers, suppliers, employees, public authorities and other partners to combat corruption in all circumstances and to guarantee that our relationships comply with business ethics.
GOVERNANCE AND ETHICS

BROAD BASED BLACK ECONOMIC EMPOWERMENT

This is a government initiative designed to reduce the socio-economic disparities among the different communities in South Africa. ARMOR South Africa is proud to hold the Broad Based Black Economic Empowerment certificate at 3 levels, notably by enhancing the skills of junior management and by employing operators as team leaders.

A SINGLE QSE MANAGEMENT SYSTEM WORLDWIDE

It is ARMOR's objective to obtain certification for all its production sites against ISO 9001 for Quality, ISO 45001/OHSAS 18001 for Occupational Health & Safety and ISO 14001 for Environment, ensuring consistent management systems are operated within all ARMOR entities. In 2017, our subsidiaries in Mexico and India obtained triple QSE certification. 2018 sees the turn of South Africa. Over the period 2020-2021, we are targeting triple certification for ARMOR Turkey, Colombia, Canada, A3D and ABL. Lastly, the move from OHSAS 18001 and ISO 45001 will take place in stages up to 2020.

2020 OBJECTIVE

100% of sites with QSE certifications

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>89%</td>
</tr>
<tr>
<td>2018</td>
<td>100%</td>
</tr>
</tbody>
</table>

Breakdown of certifications held in different operating regions
**GOVERNANCE AND ETHICS**

**RESPONSIVE TO STAKEHOLDER REQUIREMENTS**

A coherent CSR strategy means listening to stakeholder requirements. This wide spectrum of points of view contributes to the definition of our strategy.

Accordingly, in 2016 we introduced a process for recognising significant stakeholders based on three major criteria: **frequency** of contact, the **impact** of the stakeholder on ARMOR and the **influence** of ARMOR over the stakeholder.

A summary of our major stakeholders is provided below:

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Method of contact</th>
<th>Main requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shareholders</strong></td>
<td>Board of Directors</td>
<td>Creation of long-term value and financial sustainability</td>
</tr>
<tr>
<td><em>(Internal ARMOR investors and financial institutions)</em></td>
<td></td>
<td>Control of reputational risks</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>Customer satisfaction survey, trade shows and public events, Customer Services, customer meetings, ATC (ARMOR Technical Club)</td>
<td>High quality product range, protects user health &amp; safety</td>
</tr>
<tr>
<td><em>(OEMs and distributors)</em></td>
<td></td>
<td>Product innovation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transparent information on product properties</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>Health &amp; Safety Committee CSR approach (progress teams, discussion meetings) Safety Committee Personnel satisfaction survey</td>
<td>Good working conditions</td>
</tr>
<tr>
<td><em>(Staff and unions)</em></td>
<td></td>
<td>Occupational well-being</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development of employability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Possibility of career development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Salary equity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Equality of opportunity and non-discrimination</td>
</tr>
<tr>
<td><strong>Suppliers and contractors</strong></td>
<td>Supplier CSR questionnaire Team meetings Responsible purchasing charter One-to-one meetings</td>
<td>A balanced and sustainable relationship</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fulfilment of contractual commitments and compliance with payment deadlines</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Promotion of the CSR approach</td>
</tr>
<tr>
<td><strong>Territory’s stakeholders</strong></td>
<td>One-to-one meetings Participation in collective events</td>
<td>Compliance with regulations</td>
</tr>
<tr>
<td><em>(Neighbours, elected representatives, councils, local authorities, schools, etc.)</em></td>
<td></td>
<td>Control of chemical risks and disturbances related to production sites</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Involvement in local sustainable development projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local employment and inclusion</td>
</tr>
</tbody>
</table>
GOVERNANCE AND ETHICS

FROM MATERIALITY TO THE CSR ACTION PLAN

In 2012, we used the concept of materiality to define our strategy and priority issues: significant social issues due to their importance for the Group (in terms of organization, projects, activities, etc.) and for our stakeholders (level of society's expectations, long-term impact, etc.).

Our 6 issues cover a multitude of relevant areas representing both risks and opportunities for the Group. They are plotted graphically in a materiality matrix that is regularly reviewed at CSR Committee, providing us with a means of prioritising different issues. By establishing our maturity in each area we are able to create a CSR action plan.

* Responsible production: VOC emissions, waste management, QSE certifications, product impacts and resource conservation

ARMOR's 6 issues:
GOVERNANCE AND ETHICS

CSR MATURITY SCORE

In order to measure the effect of the various CSR initiatives, every four years ARMOR conducts a self-assessment of its CSR maturity. Incorporating some 300 questions, this assessment is based on the main themes of ISO 26000, the main ILO conventions, the 10 major principles of the Global Compact, the requirements of SA 8000, the 26 criteria of the Advanced level of the Global Compact and good CSR practices.

ARMOR France and each subsidiary assess their level of progress in 7 areas:

- Governance and CSR management
- Fair business practices
- Human rights and working conditions
- Health and safety
- The environment
- Product and consumer issues
- Community and local integration

From 2012 to 2016, ARMOR’s CSR maturity rose by 21 points from 53% to 74% (on a like-for-like basis: France, Morocco, USA, Brazil, Singapore and China). This progress is mainly a function of the implementation of management systems for quality, safety and environment at all sites.
Taking into account all subsidiaries as of the end of 2016 (addition of India, South Africa and Mexico), the score rose to 68% for the wider scope.

In 2020, a new assessment campaign will be launched in order to produce a situation report for both old and new subsidiaries (Colombia, Canada and Turkey). The results will lead to the creation of a new action plan for 2021-2024.
## Governance & Ethics

### Ethics & Human Rights
1. Include the Code of Ethics within the welcome pack for new employees and distribute it to all employees (Group) **68%**
2. Introduce anti-corruption procedures to be implemented by all subsidiaries (Group) **50%**
3. Make medical monitoring details confidential (China) **100%**
4. Document employment contracts (Morocco) **100%**
5. Conduct social audits at sites located in high-risk countries vis-à-vis employment rights (ITUC index) (Morocco, India, China, Brazil, Mexico and USA) **17%**

### CSR awareness
6. Hold employee awareness sessions covering sustainable development and the Group’s CSR strategy (Group) **45%**
7. Establish employee CSR discussion groups (Group) **30%**
8. Organise a global ARMO week focussing on a selected CSR issue (Group) **0%**

### Management systems
9. Implement and obtain ISO9001, OHSAS18001 and ISO14001 certification for management systems in the fields of Quality, Health & Safety and Environment (India, South Africa, Mexico, Canada, Revialis, ABL and A3D) **75%**
10. Examine the impact of the WEEE Regulation on the AOP business (AOP) **100%**

### Employee-driven innovation
11. Develop employee-driven innovation programmes (France) **100%**

### Customer satisfaction
12. Develop new customer satisfaction measurement tools (Group) **100%**

---

**65%**

Overall progress in Governance & Ethics
Immerse our products in the principles of sustainable use of resources and reduced environmental impact throughout their life cycle, from production to recycling

**Global Compact Principles**
- Apply the precautionary approach to problems affecting the environment
- Promote greater accountability in environmental matters

**SDG’s – Impacts & Contributions**
- SDG 9: Industry, Innovation and Infrastructure
- SDG 12: Responsible Consumption and Production

**PRINCIPLE OF RESPONSIBILITY: LIMIT OUR IMPACT ON SENSITIVE RESOURCES**

Within the context of the AOP business, ARMOR and its partners have implemented a circular economy for print cartridges, thereby minimising the exploitation of virgin raw materials through recycling and re-utilization.

**Resources preserved**

3435 tons
2017: 3706 t

*These are remanufactured cartridges put back on the market and the recovery of waste materials

The creation of the OWA brand is one of the most powerful illustrations of ARMOR’s commitment to the circular economy. Since 2015, the Group has been marketing new remanufactured laser cartridges of high quality that are compatible with most of the major makes of printers. But the project goes further: for every OWA cartridge sold, ARMOR promises to recycle or disassemble in an ecological manner one equivalent used cartridge. All components are carefully sorted and reintroduced into the industrial circuit as secondary raw materials. In support of the approach, ARMOR decided to apply for QUALICERT certification for the entire OWA circular economy range (collection, sorting, recycling and remanufacturing), a first in the field.

**Reuse and valorization of laser cartridges from the OWA collection**

100%

2020 OBJECTIVE
100%

No significant change in the indicator between 2017 and 2018, despite a change of site for OWA collection sorting activities in Europe.
**CIRCULAR ECONOMY**

**OWA 3D filaments:** these recyclable filaments have been tailor made from recycled materials since 2016 to create the OWA offering by A3D. Even their reels are designed using recycled plastic from the used OWA cartridges collected from our customers via a dedicated service.

**ORPLAST Project**

The FIL’REC project of A3D was one of the 26 projects selected by ADEME during the Objective: Plastics Recycling call for projects. It covers all of our 3D printing filaments that already include recycled materials, or those that will do so in the near future, such as the PLA-HI OWA. Within the Kimya product range (the A3D brand), one line of eco-designed filaments is sourced from recycled yoghurt pots.

At the same time, other new ARMOR businesses, notably ARMOR Beautiful Light and the ASCA© product, have taken the use of raw materials into brand new territory. For example, ASCA© film contains no rare earths or heavy metals. It is made of organic materials, facilitating recycling.

Accordingly, the Group is determined to progressively reduce the intensity of its footprint on non-renewable raw materials. With significant consumption of non-renewable resources, AICP is continuing its efforts to improve its production performance through continuous improvement, exploiting eco-design and the lessons learned from the REC’PET project.

**FLOWMETER**

ARMOR India has installed a flowmeter to measure its daily water consumption for sanitation purposes. Any anomaly in the figures helps us to quickly identify leaks or wasteful consumption. Everyone now understands that every drop counts.

**Recycled Work Clothes**

In Singapore, work clothes and jackets are specially produced from 100% recycled materials. A legal certificate of conformity confirms the source of the recycled materials and the quality of the supplier. An ARMOR Group first in this field!
PRINCIPLE OF RESPONSIBILITY: REDUCE AND RECYCLE WASTE

Within the context of environmental management at our sites designed to reduce the impact of our production activities, one of our main objectives is to reduce and recover waste, especially in terms of natural resources, by ensuring efficient and responsible processing of residual waste.

Landfilled waste

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Waste recycled

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>79%</td>
</tr>
</tbody>
</table>

2020 OBJECTIVE

- **Landfilled waste:** 0%
- **Waste recycled:** 100%

Less waste sent to landfill thanks to the policy of ARMOR USA: landfill replaced by incineration with energy recovery, despite the higher cost. Same approach in South Africa.

Improvement of recycled waste via implementation of the REC:PET project in South Africa and China, and by recycling toner powder in Morocco and exceptional waste in China generated from the relocation of the slitting unit.

PIMSA PROJECT

ARMOR Mexico is starting work on test batches with a company able to recycle film waste film. Trials are underway with the hope of being able to recycle and convert the waste into recycled broom handles.

PALLET PROCESSING

Wooden pallets unable to be re-used have been sent to a ceramics producer since 2018. There, the pallets are used to replace mineral coal in order to generate energy for the industrial process. Furthermore, the wooden pallets that can be re-used are sold to a recycling company and used in traditional processes.

IT RECYCLING

Since 2015, all electronic and IT waste has been sent to a non-profit organization called Descarte Correto. The refurbished equipment is used for local social projects.
The very latest recycling innovation at ARMOR USA is the introduction of a program to dispose of its old safety footwear and even normal footwear. For example, re-usable pairs are sent to regions of the world most in need.

ARMOR USA goes even further by recycling cigarette ends - but that's not all. The program actually accepts items such as filters, external plastic packaging and ash. Cigarette ends can be used to produce recycled industrial goods such as plastic pallets.

### Distribution of waste by type of treatment and by area

<table>
<thead>
<tr>
<th>Waste recycled</th>
<th>Americas</th>
<th>Asia / Pacific</th>
<th>Africa</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycled into materials</td>
<td>13%</td>
<td>30%</td>
<td>75%</td>
<td>50%</td>
</tr>
<tr>
<td>Converted into Solid Recovered Fuel (SRF)</td>
<td>70%</td>
<td>31%</td>
<td>24%</td>
<td>35%</td>
</tr>
<tr>
<td>Incinerated with energy recovery</td>
<td>14%</td>
<td>39%</td>
<td>1%</td>
<td>15%</td>
</tr>
<tr>
<td>Incinerated Landfill</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

### Quantity of waste generated per tonne produced

**276 kg/t**  
2017: 286 kg/t

**2020 OBJECTIVE**  
-5%  
Compared to the 2016 data, i.e. 298 kg/t

*Results stabilized despite production volumes rising by 10%. Good practices such as solvent recovery and reducing film loss are highly efficient.*
CIRCULAR ECONOMY

2017-2020 ACTION PLAN PROGRESS AS AT END 2018

Circular economy

Product range
13 Analyse the deployment of the RECPET Partner programme (used TT roll collection service) for customers worldwide (AICP) 100%
14 Develop a range of recyclable 3D filaments (OWA 3D) (A3D) 100%
15 Develop a service priced on a per page basis (OWA OPS) (AOP) 100%
16 Develop an OWA range for Inkjet cartridges (A3D) 100%
17 Maintain Qualicert certification (AOP) 100%

Site waste
18 Find suitable recycling channels for all significant waste and ensure traceability (including the RECPET programme) (Group) Continuous
19 Deploy production waste reduction plans (e.g. Co-product, By-product) (Group) Continuous

Life cycle
20 Conduct a life cycle analysis for ASCA products (France) 100%

100%
Overall progress in the Circular Economy
## RENEWABLE ENERGIES

Reduce our energy consumption and contribute to the deployment of renewable energy solutions to combat climate change

<table>
<thead>
<tr>
<th>Global Compact Principles</th>
<th>SDG’s – Impacts &amp; Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apply the precautionary approach to problems affecting the environment</td>
<td><img src="image" alt="SDG 7" /></td>
</tr>
<tr>
<td>Promote greater accountability in environmental matters</td>
<td><img src="image" alt="SDG 13" /></td>
</tr>
<tr>
<td>Promote the development and dissemination of environmentally friendly technologies</td>
<td></td>
</tr>
</tbody>
</table>

### Principle of Responsibility: Innovate for Renewable Energies

Thanks to its constant R&D efforts to develop solutions that meet society's challenges, ARMOR is now able to offer a range of photovoltaic products that provide access to independent energy for all. Any surface can be fitted out to produce energy with exposure to any type of light.

ASCA® is a low-carbon technology, free of rare metals. Unlike traditional solar panels, one of its outstanding features is its lightness: it weighs just 500 g/m² (versus 10-15 kg/m² for the traditional panel). ASCA® belongs to the third generation of flexible, thin and so-called organic photovoltaic cells.

The ASCA® film is a new product, our role is to create concrete applications. We therefore use partnerships and skills exchange programmes in order to design the products of the future that are useful, innovative and environmentally friendly.

### New ASCA® Applications

In early July 2019, ARMOR installed its ASCA® photovoltaic film on the greenhouses of the Maraîchers Nantais cooperative with the support of Eiffage Énergie Systèmes. This application offers a zero-carbon and high-performance energy solution supporting energy independence in the agricultural sector.

You have a flat mobile phone battery at Roland Garros? Make your way to the mobile photovoltaic station developed by Engie Innovation fitted with ASCA® solar films. Engie and ARMOR, deeply involved in sustainable innovation, subsequently established a partnership, with tangible results that directly benefited spectators at the 2018 French Open tennis in Roland Garros.
PRINCIPLE OF RESPONSIBILITY: PARTICIPATE IN THE MITIGATION OF CLIMATE CHANGE

ARMOR constantly strives to understand the impact of its activities on the major issue of climate change. Accordingly, since 2008 and without waiting for French legislation, the French operating sites of the ARMOR Group have conducted analysis of the greenhouse gas (GHG) emissions associated with their activities via the Bilan Carbone™ method. As of 2016 this assessment was rolled out to the Group (operational sites) using Scope 3. The methodological guide detailing the calculation scope and method is available on the website.

Carbon Footprint of the ARMOR Group (Scope 3) 2018

AICP accounts for 95% of the ARMOR Group's carbon footprint. In 2018, we increased our emissions by 9% compared to 2017. However, the increase must be set against the perspective of 2018 production tonnage increasing by some 10%. The rise in emissions is lower than the production increase - a positive development.

PARTICIPATION IN THE SOLAR ALLIANCE IN NEW DELHI

This Franco-Indian initiative was launched at COP 21 in order to help the 121 countries located between the two tropics to adopt solar energy on a massive scale. ARMOR wishes to offer its know-how and ASCA® technology to facilitate the large-scale move to solar energy in developing countries.
In 2002, the site in La Chevrolière (France) invested in a regenerative thermal oxidizer fitted with a VOC emission treatment and cogeneration system in addition to the use of natural gas. A new VOC emissions indicator is monitored under the site's operating permit, which was renewed in 2016, setting a maximum rate of 6%.

For its coating activity, ARMOR China has invested in a similar system that has been operational since April 2016, the full benefits of which are fully visible in 2017.

Emissions of Volatile Organic Compounds (VOCs)
compared to the quantity of solvents used
* estimated data for China

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>3.1%</td>
<td>3.5%</td>
</tr>
<tr>
<td>China</td>
<td>3.9%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

The installation of a third coating machine in China entails higher VOC emissions. In France, continuation of solvent consumption reduction program and continuous process improvement.

PRINCIPLE OF RESPONSIBILITY: SAVE ENERGY AND FAVOR RENEWABLE ENERGY

First and foremost, making a commitment to energy transition means reducing our world sites' energy consumption within the framework of environmental management (ISO 14001) and (at La Chevrolière in France) energy management (ISO 50001) including, wherever possible, the use of renewable energy.

INTELLIGENT LIGHTING

Thanks to the new energy management system, lighting quality is constant and in line with needs. We are also improving our energy consumption with a 95% reduction in lit areas fitted with occupancy sensors.
Changes in electricity consumption compared to 2016 data
(per tonne of production)

+3%
Compared to 2016, i.e. 1,996 kWh/t
2017: +7% compared to 2016, i.e. 2060 kWh/t

Stabilization of energy consumption at all subsidiaries despite production increases, notably in Mexico and China. Encouraging efforts with the work of the energy teams and the switch to ISO 50001 version 2018 in France.

Gross electricity consumption

33 293 MWh
2017: 31 571 MWh

2020 OBJECTIVE
-5%
vs 2016 data, i.e.1,836/t

In Singapore, maintenance is responsible for energy management. A number of good practices have been implemented, such as air conditioning temperature control, complete replacement of the air compressor and fewer units of conditioned air in the production areas. All of these initiatives have contributed to ARMOR’s energy performance.
Renewable energies in the electricity contract

Most sources of renewables are wind farms, such as in the USA, China and Morocco. Problems for other subsidiaries in obtaining the information or unfavorable governmental context, such as in Mexico.

NEW ELECTRICITY CONTRACT

A new electricity contract was signed in 2018 via a purchasing group consisting of 45 companies in Western France. 58% of the electricity used by all ARMOR sites in France now comes from renewable sources.

Changes in gas consumption compared to 2016 data
(per tonne of production)

- 1%

Compared to 2016, i.e. 2394 kWh/t
2017: + 17% compared to 2016, i.e. 2817 kWh/t
(2016: 2404 kWh/t)

Gross gas consumption

39 933 MWh
2017: 44 407 MWh
# 2017-2020 Action Plan Progress as at End 2018

## Renewable Energies

### Product Range

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>Develop the marketing of ASCA photovoltaic films (France)</td>
<td>Continuous</td>
</tr>
<tr>
<td>22</td>
<td>Test ASCA film application prototypes at ARMOR production sites (Group)</td>
<td>Action abandoned</td>
</tr>
<tr>
<td>23</td>
<td>Develop the marketing of En’ Safe current collectors (France)</td>
<td>Continuous</td>
</tr>
<tr>
<td>24</td>
<td>Establish links with fundamental research into organic batteries (France)</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Carbon Footprint

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Conduct a Group Carbon Assessment, Scope 3; work to reduce the carbon footprint (Group)</td>
<td>100%</td>
</tr>
<tr>
<td>26</td>
<td>Analyse the potential for optimising the transportation of goods (Group)</td>
<td>17%</td>
</tr>
<tr>
<td>27</td>
<td>Favour the development of alternative transport to private cars (eco-friendly and public transport, Mobility Plan France) (USA, France)</td>
<td>72%</td>
</tr>
<tr>
<td>28</td>
<td>Support the use of electric vehicles among employees (e.g. on-site recharging points) (France)</td>
<td>7%</td>
</tr>
</tbody>
</table>

### Energy Consumption

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>Conduct energy audits at production sites and produce consumption reduction action plans (Group)</td>
<td>51%</td>
</tr>
<tr>
<td>30</td>
<td>Optimise the use of air conditioning on the shop floor and in offices (Group)</td>
<td>Continuous</td>
</tr>
<tr>
<td>31</td>
<td>Systematic procurement of low-consumption equipment (Group)</td>
<td>Continuous</td>
</tr>
<tr>
<td>32</td>
<td>Raise awareness about energy saving among all employees (Group)</td>
<td>Continuous</td>
</tr>
<tr>
<td>33</td>
<td>Deploy an intelligent energy system (Data Science study) (France)</td>
<td>30%</td>
</tr>
<tr>
<td>34</td>
<td>Examine the feasibility of a new energy cogeneration system (France)</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Use of Renewable Energy

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>Analyse the potential for self-supply of renewable energy at production sites (Group)</td>
<td>40%</td>
</tr>
<tr>
<td>36</td>
<td>Increase the proportion of renewable energy in electricity supply contracts (Group)</td>
<td>35%</td>
</tr>
</tbody>
</table>

### Overall Progress in Renewable Energies

75%
CONTRIBUTE TO HIGH-QUALITY TRACING, NOTABLY VIA SECURE AND MORE ENVIRONMENTALLY FRIENDLY IDENTIFICATION SOLUTIONS SUPPORTED BY RESPONSIBLE PURCHASING

<table>
<thead>
<tr>
<th>Global Compact Principles</th>
<th>SDG’s – Impacts &amp; Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevent complicity with the violation of human rights</td>
<td></td>
</tr>
<tr>
<td>Apply the precautionary approach to problems affecting the environment</td>
<td></td>
</tr>
<tr>
<td>Promote greater accountability in environmental matters</td>
<td></td>
</tr>
</tbody>
</table>

**PRINCIPLE OF RESPONSIBILITY: MORE ECOLOGICAL TRACEABILITY SOLUTIONS**

The AICP business is continuing its efforts to reduce the environmental footprint of its products by taking action on both the inked ribbons and the production process. R&D efforts have already led to the launch of products such as SolFree®, a unique solvent-free coating process.

**Action N°37**

**Sale of Thermal Transfer Rolls**
with reduced environmental impact
(compared to a standard roll)

![Thermal Transfer Roll]

33%

2017: 37%

2020 OBJECTIVE
40%

The lower result between 2017 and 2018 is due to the withdrawal of one grade from the Solfree range. The volumes will be progressively transferred to other Solfree grades.

**PRINCIPLE OF RESPONSIBILITY: EXERTING A RESPONSIBLE INFLUENCE TO GUIDE PRODUCT SELECTION AND APPLICATIONS**

In support of our commitments, responsibility must become one of our clients’ selection criteria and market conditions must place a value on this feature. In compliance with this vision, our marketing initiatives incorporate greater transparency in order to guide the client’s decisions regarding product purchasing, utilization and disposal, while providing maximum information on our approach.
RESPONSIBLE TRACEABILITY

Sale of eco-labelled cartridges

75%
2017: 80%

2020 OBJECTIVE
70%

Increase in the number of grades with eco-labels certified by NF, Nordic and Blue Angel, but sales are below expectations.

Furthermore, for many years now ARMOR has been operating a programme to combat 'clones', i.e. illegal new ink cartridges that infringe on intellectual property, employees or the environment. To counter the proliferation of such goods, AOP offered its services to ETIRA, the European Toner & Inkjet Remanufacturers Association, to develop an anti-clone guide which has since become the benchmark for the industry.

PRINCIPLE OF RESPONSIBILITY: IMPLEMENTING A TANGIBLE AND SHARED RESPONSIBLE PURCHASING POLICY

Our purchasing policy is designed to establish high quality relationships with our suppliers in the interests of product quality and the protection of industrial property, while limiting the social and environmental impact of our purchasing activities.

In France, this policy is based on close partnership with our strategic suppliers in order to safeguard the procurement sources of raw materials, on evaluation by a patents expert of all strategic AOP components purchased for production and on the incorporation of CSR criteria in the annual supplier assessment.

We are aiming to assess all our strategic suppliers against CSR criteria by 2020, with an average CSR maturity score of over 60%.

2020 OBJECTIVE
100%
of strategic suppliers assessed

2020 OBJECTIVE
>60%
Average CSR maturity score
In 2018, we saw a relative appropriation of the CSR questionnaire by suppliers and purchasing personnel. This is why we have decided to start again with the supplier CSR assessment approach by adding an awareness campaign designed for all purchasers worldwide.

We have also modified the frequency of the questionnaire from 2 to 4 years, which means we cannot present concrete results for the period 2016-2018. The process will be relaunched in 2019.

Supplier Team Meetings

This annual meeting is the highlight of ARMOR's supplier relations. With the list of invitees being updated each year, it presents the opportunity for several dozen suppliers to visit the Industrial Expertise Center in La Chevrolière, sometimes for the very first time! The visit is followed by a presentation of ARMOR’s 7 business divisions and the global CSR approach, in order to raise suppliers' awareness of sustainable development issues.

"Much more than a simple thank you, the Team Meeting is a real discussion forum for jointly building future relations", explains Marie-Josée CREUSET, Purchasing Director.

Supplier Relations & Responsible Purchasing Label

We have been a signatory of the Responsible Supplier Relations Charter since 2011, a mechanism designed to encourage companies to adopt responsible practices vis-à-vis their suppliers. In 2015, ARMOR was one of the first five French mid-market companies to be recognized for the quality of their purchasing processes by obtaining the Label Relations Fournisseur Responsables. The process also enables us to incorporate the principles of ISO 20400.
RESPONSIBLE TRACEABILITY

2017-2020 ACTION PLAN PROGRESS AS AT END 2018

Responsive Traceability

Product range
37 Design Thermal Transfer products with reduced environmental impact (France) Continuous

Responsible purchasing
38 Assess all suppliers against CSR criteria and help them to construct action plans (Group) 40%
39 Raise CSR awareness among suppliers (Group) 25%
40 Adapt supplier/service provider contracts to include CSR clauses and add agreements for the rapid correction of any non-conformities (Group) 27%
41 Analyse the impact of the implementation of ISO 20400 principles (responsible purchasing) (Group) 20%

Labelling and anti-counterfeiting
42 Develop ecolabels and LCA labels for Laser cartridges (AOP) Continuous
43 Participate in European working groups on anti-counterfeiting (AOP) Continuous

59%
Overall progress in Responsible Traceability
EMPLOYEE DEVELOPMENT

Through an attractive employment package, promote the development of our employees and their skills, enhancing well-being in the workplace, employability and the success of the Group.

<table>
<thead>
<tr>
<th>Global Compact Principles</th>
<th>SDG’s – Impacts &amp; Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote and comply with international human rights law</td>
<td>3. Good Health and Well-being</td>
</tr>
<tr>
<td>Respect freedom of association and the right of collective bargaining</td>
<td>4. Quality Education</td>
</tr>
<tr>
<td>Contribute to the elimination of all types of forced and compulsory labour</td>
<td>8. Decent Work and Economic Growth</td>
</tr>
<tr>
<td>Contribute to the abolition of child labour</td>
<td></td>
</tr>
<tr>
<td>Contribute to the elimination of all forms of discrimination in the workplace</td>
<td></td>
</tr>
</tbody>
</table>

**Principle of responsibility: Construct positive labour relations**

**Balanced labour relations** are the prerequisite to the ability to discuss socio-economic dilemmas and to advance social responsibility within the Group. Based on this conviction, ARMOR makes every effort to create a positive environment for such dialogue via personnel representative bodies appropriate to the local context, in order to share the company's strategy and performance in a spirit of transparency, respect and mutual trust. In accordance with legislation, in France the following forums exist for dialogue between management and personnel representative bodies: Works council; personnel representatives’ meetings; health, safety & working conditions committee. Personnel representatives also attend board meetings in a consultative capacity.

**Existence of a Health and Safety Committee**

- Health and Safety Committee or equivalent

2020 OBJECTIVE

<table>
<thead>
<tr>
<th>Year</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>78%</td>
</tr>
<tr>
<td>2018</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Breakdown of Health & Safety Committees in the various countries of operations**
**PRINCIPLE OF RESPONSIBILITY: FAVOUR HIGH QUALITY EMPLOYMENT**

It is ARMOR's objective to contribute to employment in all the countries in which it operates. The Group strives to favour permanent jobs and to limit the use of temporary staff. And in order to go the extra mile, ARMOR undertakes to offer all of its personnel worldwide a decent salary and to comply with fundamental human rights and the conventions of the ILO (see “Governance and ethics”).

Evolution of the Group's workforce
(in full-time equivalents)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>1796</td>
</tr>
</tbody>
</table>

Number of employees within the scope of the report
(in full-time equivalents)

<table>
<thead>
<tr>
<th>Region</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>162</td>
</tr>
<tr>
<td>Asia / Pacific</td>
<td>252</td>
</tr>
<tr>
<td>France</td>
<td>816</td>
</tr>
<tr>
<td>Africa</td>
<td>402</td>
</tr>
</tbody>
</table>

The headcount increase within the scope of the report is not only due to the higher number of employees. The scope of the indicator has been expanded to include training contracts in France and temporary staff in Morocco.

**PRINCIPLE OF RESPONSIBILITY: DEVELOP A SAFE WORKING ENVIRONMENT**

The health and safety of personnel is a priority that is notably illustrated via the implementation of protection and prevention measures, with the ambitious target of zero accidents. For example, the commitment is demonstrated by providing and promoting IPE (Individual Protection Equipment), by ergonomically adapting workstations and by providing protection against noise pollution, chemical hazards and exposure to heat or bad weather.

ARMOR is therefore also committed to obtaining OHSAS 18001/ISO 45001 certification (occupational health and safety) at all its production sites (see certifications map).
Number of work accidents

22
2017: 22

2020 OBJECTIVE
0

Number of accidents with lost time and associated days

<table>
<thead>
<tr>
<th></th>
<th>Americas</th>
<th>Asia Pacific</th>
<th>Africa</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost time accidents</td>
<td>3</td>
<td>0</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Associated Days</td>
<td>3</td>
<td>0</td>
<td>78</td>
<td>582</td>
</tr>
</tbody>
</table>

The headcount increase within the scope of the report is not only due to the higher number of employees. The scope of the indicator has been expanded to include training contracts in France and temporary staff in Morocco.

**CAP SÉCURITÉ 21**

May 19 and 20, 2019, marked an important milestone in the life of the company with the launch of Cap Sécurité 21, an internal motivational campaign designed to energize our safety approach and ensure that it occupies an even more central place at the heart of our culture. Three main objectives are being pursued: to eradicate all accidents, prevent all incident risks and implement a dynamic and permanent safety culture by 2021.

**NEW PREMISES**

In order to improve the working conditions and environment for our employees, the subsidiaries in China, South Africa and Mexico have moved to new premises! From Xiaolan to Zhuhai in China, the personnel of ARMOR China now benefit from new production facilities and a more pleasant working environment. In Mexico, the new plant incorporates equipment for workers with reduced mobility, such as adapted sanitary faculties and access ramps. In South Africa, the new site was specifically selected to improve personnel facilities; separate lavatories, a more spacious canteen and a low-energy heating system.
**EMPLOYEE DEVELOPMENT**

**ARMOR regularly holds awareness and prevention sessions**

The company makes every effort to involve all employees, at all levels, in the prevention and effective management of occupational risks. In France, this takes the form of individual safety coaching, the Safety Hours program and safety enhancement working groups. In India and China, day-to-day targeted communication is designed to improve machine safety and ensure the systematic wearing of PPE. In Singapore, the Safety Committee conducts audits each month to monitor and improve signage, working conditions and the alert process.

**HEALTH, SAFETY & ENVIRONMENT WEEK**

For the 8th year in a row, the ARMOR sites in the Americas held a week entirely devoted to health, safety and the environment. The 185 ARMOR employees in Brazil, Mexico, Colombia, USA and Canada all mobilized their forces to take part in this edition of Safety Week. The week is punctuated by awareness workshops, conferences and the exchange of good practices. Employees were therefore able to benefit from various medical consultations (dentists, opticians, etc.) and took part in awareness sessions on the fight against climate change.

**Confidential medical monitoring at ARMOR’s expense**

| Action N° 44 |
| 2020 OBJECTIVE | 2017 | 2018 |
| 100% | 89% | 100% |

*of confidential medical checkup*

**Breakdown of medical check-ups in the various countries of operations**
**PRINCIPLE OF RESPONSIBILITY: PROMOTE FULFILMENT AND WELL-BEING AT WORK**

Global competition imposes demanding work schedules that sometimes spill over into employees’ private lives. ARMOR therefore encourages initiatives designed to help employees improve their work-life balance. However, such concepts vary greatly by region. Site managers are responsible for complying with applicable local legislation, for listening to their employees’ issues, which may cover a multitude of fields, and for implementing initiatives able to develop social links both within and outside the company.

**INTERNATIONAL WOMEN’S DAY**

Celebrated every year by ARMOR India, International Women's Day presents the opportunity to raise awareness about the discrimination and aggression faced by women in the workplace. ARMOR India held a relaxed event on the day at which all women employees were reminded of their rights. It was also the ideal occasion for raising awareness of the internal committee established by the subsidiary to combat sexual harassment.

**FLEXIBLE WORKING**

At ARMOR USA, the introduction of a new time management system enables employees to establish a better work-life balance. Depending on the demands of their personal lives, employees can vary the times they arrive at and leave work, benefiting from much greater independence.

**RELAXATION ROOM AND GAMES ROOM**

New to Brazil! Employees can now enjoy the benefits of a relaxation room and games room. The objective is to enable employees to relax during work breaks and to recharge their mental batteries.
Skills management within the ARMOR Group is shaped by the current and future demands inherent to Group strategy, by the responsibility of enhancing individual employability and ensuring equality of treatment and professional development. Training requirements are notably established during the process of annual individual interview.

**Percentage of employees who received an individual interview**

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>69%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>77%</td>
</tr>
<tr>
<td>Africa</td>
<td>12%</td>
</tr>
<tr>
<td>France</td>
<td>61%</td>
</tr>
</tbody>
</table>

**Action N° 51**

**2017: 47%**

**2020 OBJECTIVE**

**100%**

every two years

Reduction in the Americas due to assessments not being performed in Mexico in a context of organizational changes, notably resulting from the move to new premises. However, numerous team-building events were held. Reduction in China due to the move to new premises and the hiring of new employees. Only applies to managers in Morocco.

**360° EVALUATION**

In 2018, a new evaluation method was tested in Brazil. This is an online form where it is possible for each employee to carry out the evaluation in 4 steps: self-assessment, employee evaluation by the direct manager, evaluation by a colleague and manager evaluation by the employee. This approach is appreciated by all in a logic of continuous improvement and constant questioning.

**ARMOR University** was established in France in 2011 with the objective of officially recognising employees’ experience as well as enhancing their current skills. Courses leading to certificates are led by internal experts and validated by an external panel composed of representatives from the AFPA and DIRECCTE training agencies. The courses are therefore officially recognized by the government.

The innovative nature of certain management initiatives and the participatory dimension make ARMOR University a leading project from the social angle. Since its founding, the results have been highly positive with a **97% pass rate, 232 individuals** receiving certificates and over 83% of the operator population covered. Providing employees with training, supporting their development and gaining their ownership of the corporate project is a priority for ARMOR.
EMPLEOYEE DEVELOPMENT

Percentage of staff concerned by training and average number of hours per person trained

<table>
<thead>
<tr>
<th>Share of employees</th>
<th>Americas</th>
<th>Asia/Pacific</th>
<th>Africa</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
<td>98%</td>
<td>21%</td>
<td>65%</td>
</tr>
<tr>
<td>Average hours</td>
<td>44</td>
<td>18</td>
<td>27</td>
<td>26</td>
</tr>
</tbody>
</table>

Overall, an increase in the number of training hours in the field of occupational health and safety. Low proportion of employees concerned in the Africa zone as it only applies to managers in Morocco.

2020 OBJECTIVE
>16H of training per person receiving training each year

Actions N° 50, 52

The sharing of experiences and skills between ARMOR Group entities is a regular practice. This may take the form of joint training sessions or immersive visits. The principle applies equally well to both commercial and production activities. For example, employees at our subsidiaries attend training courses held in France. This enables them to broaden their technical skills and to find out about the new sales and marketing tools available to them.

LEARNERSHIP PROGRAM

ARMOR South Africa has launched a program designed to improve the skills set of all its employees. The program enables them to access higher education establishments that would otherwise be inaccessible, enabling them to obtain a diploma with significant qualifications.

PERSONNEL DEVELOPMENT PROGRAM

ARMOR Brazil offers its employees the possibility of taking a course to develop their soft skills. The training program is determined by the participants. In 2018, the areas covered were self-confidence and change management. At the end of the course, each employee proposes a project related to the training received. Management undertakes to implement the project during the following year.
## Employee Development

### Health & Safety

- **44** Extend SAFECOM training throughout the Group to reach the target of zero accident (Group) \(0\%\)
- **45** Carry out hearing tests for production employees (India) \(100\%\)
- **46** Organise a joint safety week for subsidiaries in the Americas (Mexico, USA and Brazil) \(100\%\)
- **47** Offer vaccination to all employees during medical checks (Mexico) \(100\%\)

### Working conditions

- **48** Organise site moves to improve the working environment (India, South Africa and China) \(90\%\)
- **49** Improve working conditions in the offices (France) \(50\%\)

### Skills

- **50** Develop the training plans in order to enhance employee skills levels (Group) **Continuous**
- **51** Ensure that all employees receive individual interviews (Morocco) \(0\%\)
- **52** Establish a good practices discussion group covering digital communication tools (France) \(100\%\)

### Employee well-being and satisfaction

- **53** Measure employee satisfaction (survey) (Group) \(18\%\)
- **54** Analyse the various practices in different Group countries regarding the employment benefits (social protection, pensions, etc.) offered in addition to state provision and produce action plans (Group) \(0\%\)
- **55** Extend the BECOM training throughout the Group (Group) **Action abandoned**
- **56** Continue to develop relaxation/well-being/social spaces (nap rooms, showers, games, etc.) (Group) \(73\%\)
- **57** Implement agreements related to Quality of Life at Work (France) \(100\%\)

## Overall progress in Employee Development

64%
LOCAL COMMUNITY INVOLVEMENT

Develop links with wider society at our sites around the world, providing support to tackle local social issues

<table>
<thead>
<tr>
<th>Global Compact Principles</th>
<th>SDG’s – Impacts &amp; Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respect freedom of association and the right of collective bargaining</td>
<td><img src="1" alt="Global Compact Principles" /> Non-discrimination and inequalities</td>
</tr>
</tbody>
</table>

**PRINCIPLE OF RESPONSIBILITY: COMBAT DISCRIMINATION AND PROMOTE DIVERSITY**

Humanism, a Group value, raises the issue of combating discrimination. At all its sites, the Group strives to understand the issues of employment and inequality affecting disadvantaged persons.

- In 2011, ARMOR France signed the Diversity Charter that calls on companies to guarantee that diversity is promoted and applied within their workforce. Furthermore, ARMOR’s Code of Ethics, which is signed by all Group employees, also reaffirms ARMOR’s objectives in terms of non-discrimination and respect for the individual.

- Up to 2014, ARMOR Asia (Singapore) was involved in the Yellow Ribbon programme for the re-integration of ex-offenders. The company even obtained the Yellow Ribbon Award in 2013.

In compliance with regulations, today the subsidiary strives to promote diversity and the prevention of all forms of discrimination in order to enhance plurality among its workforce. Its action plan is composed of 3 pillars:

- **Equality of opportunity**: recruitment, integration, access to training, promotion and remuneration.

- **Employability**: acquisition of skills in line with developments, and/or support for optimising the ability of persons facing difficulties to remain in employment.

- **Access to employment among sensitive groups**: young people, women, disabled persons, seniors, persons from sensitive urban areas, etc., in relation to the local issues of the country in question.

**COMMITTEE AGAINST SEXUAL HARASSMENT**

ARMOR India has implemented a policy to combat sexual harassment by creating an internal committee. It provides protection for both women and men through a confidential whistleblowing system.
LOCAL COMMUNITY INVOLVEMENT

**Principle of responsibility: Promote the employment of disabled persons**

Because people with a disability are twice as likely on average to be unemployed, promoting their access to employment is both an economic and social issue. While exploiting the local support infrastructure wherever it exists, the ARMOR Group has also taken multiple initiatives in this field: helping people stay in employment, direct employment of disabled persons, development of outsourcing to the protected sector and adapted companies, raising awareness among employees and partners and other initiatives promoting the integration of disabled persons in the workplace. ARMOR France has increased its resources by appointing two diversity officers to coordinate action at the various sites and to develop synergies.

<table>
<thead>
<tr>
<th>Number of direct jobs</th>
<th>Percentage of employees with a disability (France)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>33</strong></td>
<td><strong>5.3%</strong></td>
</tr>
<tr>
<td>2017: 28</td>
<td>2017: 6.1%</td>
</tr>
</tbody>
</table>

*Very good result given the national average in France (3.5%). Despite best efforts, reduction due to a number of departures and the growing overall headcount.*

**Principle of responsibility: Promote CSR among our stakeholders**

For ARMOR, exerting a responsible influence is all part of disseminating CSR in the areas where we operate, by sharing our practices to encourage the pooling and development of synergies.

By conducting CSR assessments among our suppliers, we raise awareness of the issues of sustainable development. CSR sessions are also held for our employees.

Lastly, we are committed to carrying out 80 solidarity and CSR promotional initiatives each year. Solidarity initiatives are projects with a positive impact for our regions and stakeholders. Employees are regularly invited to take part in the initiatives. Regarding CSR promotional events, we disseminate our know-how in the area of responsible manufacturing, such as through open days at the Industrial Expertise Center. It is also our vocation to inspire.
LOCAL COMMUNITY INVOLVEMENT

Actions of solidarity and promotion of CSR

84
2017: 78

2020 OBJECTIVE
80 per year

SUSTAINABILITY AWARD
ARMOR Asia has once again been recognized for its CSR initiatives. The subsidiary was able to win over a panel of companies in the category of Sustainability Gamechanger. The award was presented by representatives from the private sector, public sector and universities. The award notably reflects the innovation and creativity shown by ARMOR Asia in disseminating the issues of sustainable development among its stakeholders.

WHAT’S COOL ABOUT MANUFACTURING
This video competition among students in Ohio enables them to meet local industrial companies, to document their experiences and to present them in an entertaining manner. The initiative forms part of a professional orientation program conducted by teachers and businesspeople. The objective is to help the students select a career, notably those related to manufacturing and technical education. ARMOR USA also opens its doors to teachers. Through observation and interaction, they are able to gain a more pragmatic vision of industry in order to align teaching more closely with the reality.

NATIONAL INITIATIVE FOR HUMAN DEVELOPMENT
ARMOR Industrie (Morocco) is active within the INDH (national initiative for human development). In this context, we are participating in validating scheduled programs designed to improve the living conditions of the population by developing social infrastructure and by encouraging the creation of projects that generate revenue, notably in favour of young people and women.
PRINCIPLE OF RESPONSIBILITY: WORKING WITH LOCAL PARTNERS

In order to reduce our environmental footprint and participate in local development, ARMOR's production sites are encouraged to select local suppliers for non-Group purchases in order to support local economic development, at the same time as minimising the transportation of goods.

Proportion of local procurement
(Purchases made at country level, excluding intra-Group purchases)

Efficient sourcing in Singapore by approving new local components previously imported from France and China. The sourcing of inkjet cartridges from China lowers the share of local purchasing in France. Low results in the Africa Zone as raw materials are difficult to find in Morocco.

PRINCIPLE OF RESPONSIBILITY: ACTING IN SUPPORT OF BIODIVERSITY

The Group's main French production site is located in a protected area in terms of biodiversity (the Lac de Grand Lieu is a Natura 2000 classified site). Today, ARMOR is seeking to share its approach and extend certain of its initiatives, such as the preservation of biodiversity, throughout the industrial zones within its operational territories. Each on its own scale, ARMOR's industrial sites all take action to control their environmental footprint and thereby promote the return of biodiversity.

TREE PLANTING

On Environment Day, ARMOR India invited its employees to plant trees around the site. All employees took part and vowed to plant at least one tree very year on their birthday. This initiative not only benefits nature but also ARMOR India, which can enjoy their fruits and flowers throughout the year!
LOCAL COMMUNITY INVOLVEMENT

The biodiversity approach of ARMOR France is underpinned by the 6 objectives of the French national strategy:

- To create the will to act in favour of biodiversity
- To preserve living things and their ability to evolve
- To invest in the common good: ecological capital
- To ensure sustainable and equitable use of biodiversity
- To ensure consistency between policies and the effectiveness of action
- To develop, share and enhance understanding

PROJECT GITE WITH THE LPO

Following on from Project Refuge conducted in 2012 at the site in La Chevrolière, the LPO (Birds Protection League) has issued a very positive report on the past 5 years of collaboration and the Group has decided to extend the scope of the project to the whole business park through a new initiative, Project GITE. An innovative collaboration project has been established with local stakeholders: companies, charities and institutions. The goal is to improve the ecological quality of the site by integrating it within a natural environment.

PRINCIPLE OF RESPONSIBILITY: IMPLEMENT A POLICY OF CORPORATE CITIZENSHIP IN KEEPING WITH THE GROUP’S IDENTITY AND VALUES

ARMOR’s commitment to sustainable development has steered it towards an approach of corporate citizenship consistent with its identity, values and initiatives. Although its first initiatives were mainly implemented in the historic region around Nantes, the subsidiaries are now also participating in projects whose common objective is to cultivate social commitment among employees and generate socially-responsible initiatives.

SOLIDARITY COLLECTION IN BRAZIL

In December 2018, some 600 homes were burned down in a poor district of Manaus. According to the local authorities, nearly 150 families lost everything during the fire. ARMOR Brazil therefore committed itself to organising donations to support the victims. This solidarity initiative mainly focused on collecting items for the children.
LOCAL COMMUNITY INVOLVEMENT

INTERCOMPANY CHARITY RACE

Each year, ARMOR personnel come together for an intercompany race organized for the Special Olympics, an association that works to offer fulfilment through sport to persons suffering from a mental disability. In 2019, this solidarity event held in a relaxed atmosphere raised over 4,000 euros for the association.

SOLIDARITY INITIATIVES IN MOROCCO

As the largest employer in the region of Bir Jdid, ARMOR Industrie (Morocco) always strives to support the local community. The company has therefore supplied the local library by buying books costing a total of 1,500 euros. ARMOR Industrie has also contributed to the refurbishment of a school and funded a cancer screening campaign for the local population. Lastly, every year the employees volunteer for participation in a blood donation campaign organized by ARMOR Industrie.

PARTNERSHIP WITH UNESCO

ARMOR and UNESCO have signed an agreement setting out the objectives and scope of their collaboration to support education in Togo. The objective of the partnership is to supply solar kits and equip 212 schoolchildren in the village of Akplolo (Togo) with mobile rechargeable lamps to enable them to study during the evenings. With the ASCA® organic photovoltaic film, ARMOR is continuing its commitment to provide widespread access to energy.

"COMBINING ECONOMICS AND SOCIAL UTILITY IS NOW PROVING ITSELF TO BE THE ONLY VIABLE MODEL FOR COMPANIES TO DEVELOP IN THE FUTURE"

Hubert DE BOISREDON
# Local Community Involvement

## 2017-2020 Action Plan Progress as at End 2018

### Local Community Involvement

<table>
<thead>
<tr>
<th>Local engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>58 Implement action to increase or maintain the proportion of procurement sourced locally (Group) <strong>Continuous</strong></td>
</tr>
<tr>
<td>59 Deploy external activities promoting CSR (Group) <strong>Continuous</strong></td>
</tr>
<tr>
<td>60 Participate in company associations to share experiences and pool activities (Group) <strong>76%</strong></td>
</tr>
<tr>
<td>61 Participate in the CSR quality label launched by the local companies association (Morocco) <strong>0%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contribution to local issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>62 Organise community action (Group) <strong>Continuous</strong></td>
</tr>
<tr>
<td>63 Increase the employment of disabled persons (China, Morocco) <strong>50%</strong></td>
</tr>
<tr>
<td>64 In collaboration with the medical department, assess which posts could be adapted for disabled persons (Mexico) <strong>50%</strong></td>
</tr>
<tr>
<td>65 Conduct biodiversity campaigns in &quot;sensitive&quot; territories (France, Brazil) <strong>50%</strong></td>
</tr>
</tbody>
</table>

---

**66%**

Overall progress in Local community involvement