



CSR REPORT

2020



DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

EDITORIAL

LACROIX is fully committed to having an increasingly positive human and environmental impact, and includes such considerations in the decisions it makes at the very highest level.

“We are ordinary people, but together, we can achieve extraordinary things”. Through its activities, the Company employs, trains, and unites an increasingly large group of people around shared values.

The Company also interacts with an extended network of stakeholders (shareholders, customers, suppliers, partners, employees’ families) whom it seeks to include in its social policy. In 2020, like all businesses, LACROIX had to adapt to cope as well as possible with the unprecedented health crisis in order to protect all its employees while also preserving its economic activity. These extreme circumstances, which required the immediate implementation of extensive remote-working measures, also highlighted the Company’s role as a creator of social connections.

LACROIX also pays particular attention to its environmental impact and is pursuing a trajectory of sustainable development, in particular by:

- choosing to produce regionally,
- using a responsible value chain,
- carefully selecting its suppliers...
- ... and investing in the renewal of its infrastructure to ensure lower and more efficient consumption

Beyond the “direct” imprint of its activity, LACROIX has a societal mission, reflected in its offer, which constitutes the Group’s true purpose and a permanent bond between all its employees. Its mission is to provide its customers with simple, robust technologies, helping to bring about a safer, more sustainable world. Through its activities, LACROIX harnesses its technological know-how in order to:

- **Transform streets and road infrastructure into fluid, safe, and sustainable living environments.** LACROIX devices guide, optimise, and safeguard the flow of vehicles and people, allowing them to share streets and roads in greater harmony, taking account of the needs of all users and operators.
- **Digitalise and optimise the management of water and energy infrastructures.** Drawing on its in-depth understanding of the sector and its operator customers, LACROIX helps to improve the performance of their networks, save dwindling resources, and protect the environment.
- **Design and produce electronic products in critical fields such as the automotive, aeronautical, and home automation sectors or Industry 4.0** and support their needs in automation, digitalisation, and environmental performance.

To fulfil this mission in optimal fashion, LACROIX chooses to position itself at the cutting-edge of technology, by seeking out innovations in the field of connected industrial equipment and by offering the most suitable solutions for the use cases of its customers.

At the end of the year 2020, LACROIX closed its “Ambition 2020” strategic plan, designed to deeply transform the Company, lay solid foundations for CSR imperatives, and enable progress in many areas – some of which are illustrated in this report. To keep this momentum going, LACROIX is launching its new strategic plan, an acceleration plan – “Leadership 2025” –, which is intended to lead the Group into new territory, with the ambition of becoming a world leader in Industrial IoT and electronic devices for critical applications by 2025.

The launch of this new plan at the start of 2021 was an opportunity for LACROIX to clarify its overall purpose, and a real asset towards the establishment of a solid CSR strategy. By design, the plan harnesses the contribution of all employees, adopting a methodology of alignment of priorities and projects within the organisation. This new plan will strengthen the focus on CSR, placing it at the centre of decision-making and bringing all employees on board.

Vincent Bedouin
Chairman



LEADERSHIP
2025

The unifying power of LACROIX's values

The Ambition 2020 transformation plan has deeply changed the organisation and laid a foundation of values shared by all employees. By aligning social and operational rules with these values, LACROIX's teams help to place people at the centre of the organisation. Managers and their staff thus avail of a reference framework understood by all and invaluable for coordinating their interaction and guiding their decision making.



BOLDNESS

"Whether or not you think you can do it, you should always try."



COMMITMENT

“Don’t talk, act!
Don’t say it, show it!
Don’t promise it, prove it!”



TEAM SPIRIT

“If you want to go fast, set off alone.
If you want to go far, set off together!”



OPEN-MINDEDNESS

“Strength comes from differences,
not similarities.”



RESPECT

"We're a team because we respect each other, trust each other, and care about each other."

LACROIX confirms its commitment via external guidelines



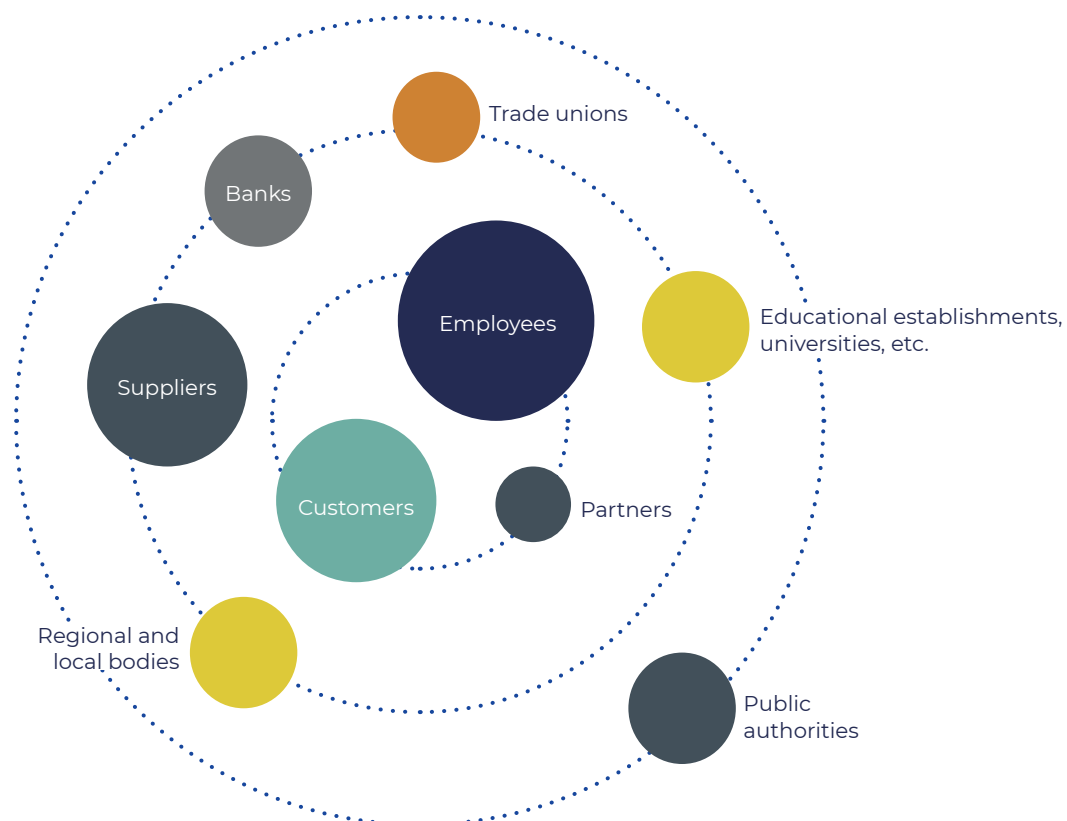
In order to strengthen its commitment to CSR, since 2017, LACROIX has adhered to the international Global Compact of the United Nations, which brings together over 12,000 companies on a voluntary basis worldwide around shared sustainable development objectives. Adhering to the Global Compact means sharing the conviction that commercial practices based on universally recognised principles will contribute to the emergence of a more stable, fair, and open global market, and to the development of prosperous and dynamic societies.



LACROIX is also preparing for an annual diagnostic and benchmarking exercise, including the extra-financial procedure conducted by Gaïa Rating. In 2020, LACROIX's efforts were recognised by an improvement in its Gaïa Rating position, moving up 32 places compared to the 2019 financial year (96/230 in 2020). The diagnostic carried out highlighted progress, in particular, **in the areas of governance and the environment**. Gaïa Rating, an ESG ratings agency operated by Ethifinance, conducts an annual fact-finding mission covering most listed mid-caps and SMEs in France.

DIALOGUE WITH STAKEHOLDERS

LACROIX builds constructive relationships with its stakeholders, helping to promote the conditions for dialogue in relation to their corporate social responsibility. Such dialogue with stakeholders represents a means of fostering connections, innovation, and added value within a framework that prioritises listening and co-construction, and enables decisions to be made while taking stakeholder expectations into consideration.



LACROIX ENGAGEMENT: THE FIRST EMPLOYEE SHAREHOLDING INITIATIVE WITHIN THE GROUP

The take-up of the employee shareholding plan exceeded the Group's expectations: 66% of eligible employees in France subscribed to this first plan. Internationally, 37% of eligible employees also wanted to participate, demonstrating our teams' confidence and commitment to the Group.

This first scheme includes all of LACROIX's French and international sites, with the exception of Tunisia, due to Tunisian Central Bank regulations.

By creating real cohesion within the teams, LACROIX can count on this entrepreneurial mindset to go beyond its borders and unleash the energies of its employees, who are now stakeholders in the Company.



"We are very pleased with the broad success of our first employee shareholding plan. With this initiative, we wanted to involve our employees even more closely in our development. Their involvement is a strong sign of their confidence in the Company's strategy and an extremely positive message."

Vincent Bedouin
Chairman & CEO at LACROIX

Meeting with Sylvie de Pange, Manager of the Employee Shareholding Division at CIC Epargne Salariale, who supported LACROIX in this adventure.



"When we met with the LACROIX teams to launch this employee shareholding project, we immediately understood the desired objectives: it is true that the benefits of employee shareholding are numerous and depend on the philosophy adopted by the Company. Of course, the financial benefit is one objective, but in this case it was not LACROIX's main one; they were mainly interested in the social aspect."

OUR VALUE CHAIN

LACROIX key figures



VALUE CREATION (IN MILLIONS OF €)



DISTRIBUTION BY ACTIVITY

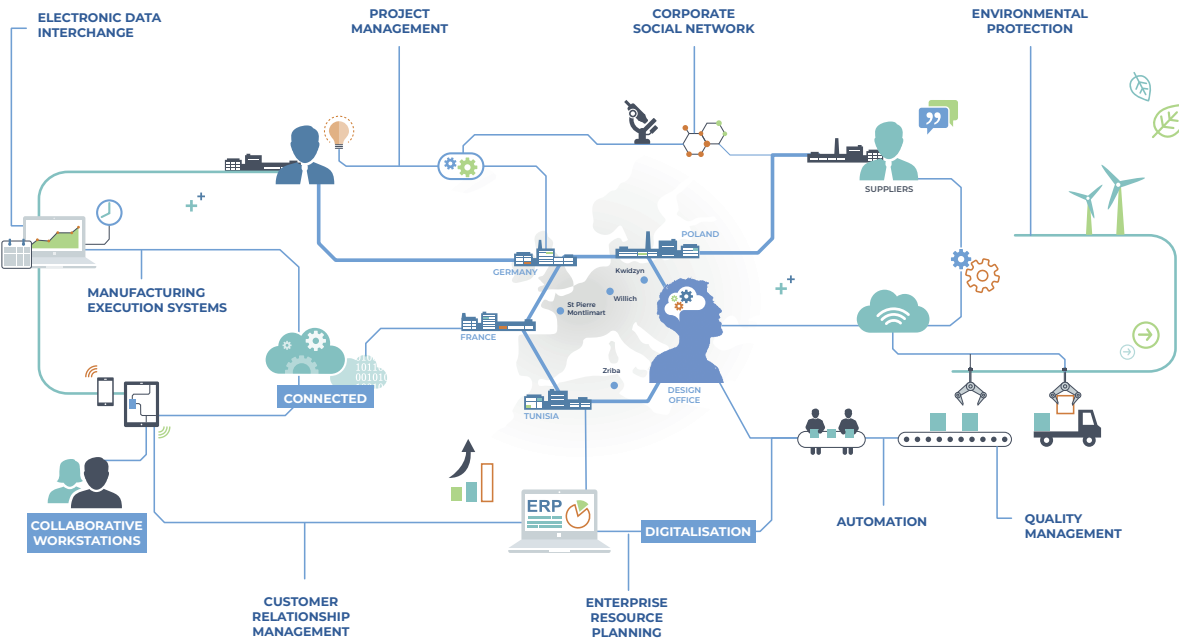


As a major stakeholder in international electronics subcontracting, the Electronics Activity specialises in designing and manufacturing electronic assemblies and sub-assemblies. For over 40 years we have been breathing life into the electronics projects of our world-leading customers in the industrial, automotive, home automation, civil and defence aeronautics, and healthcare sectors. Today more than ever, LACROIX is investing in the electronics industry of the future (or "Industry 4.0") to accompany its partners through their digital transformation and industrial modernisation.

In support of its ambition to become a world leader by 2025 in industrial IoT, smart objects, and electronic devices for critical applications, in 2020, LACROIX acquired eSoftThings, a Rennes-based start-up specialising in the design of connected objects and artificial intelligence. This acquisition has been integrated into the Electronics Activity Solutions design teams, and includes the Impulse offer.

Impulse works alongside the Group's customers and other activities to accelerate the development of smart solutions through the provision of its know-how in designing software, acoustic solutions, and connected objects, routinely using artificial intelligence.

Based in France, Germany, Poland, and Tunisia, the Electronics Activity employs 3,286 people across 5 production sites, and Impulse is based in the same 4 countries.



The Electronics Activity rises to the challenges of competitiveness while ensuring a bespoke, quality service for our customers thanks to the acquisition and implementation of the latest technologies: automation of collaborative workstations, new optical reading tools, counting of X-ray components, and digital tools for logistics simulation or project cooperation.

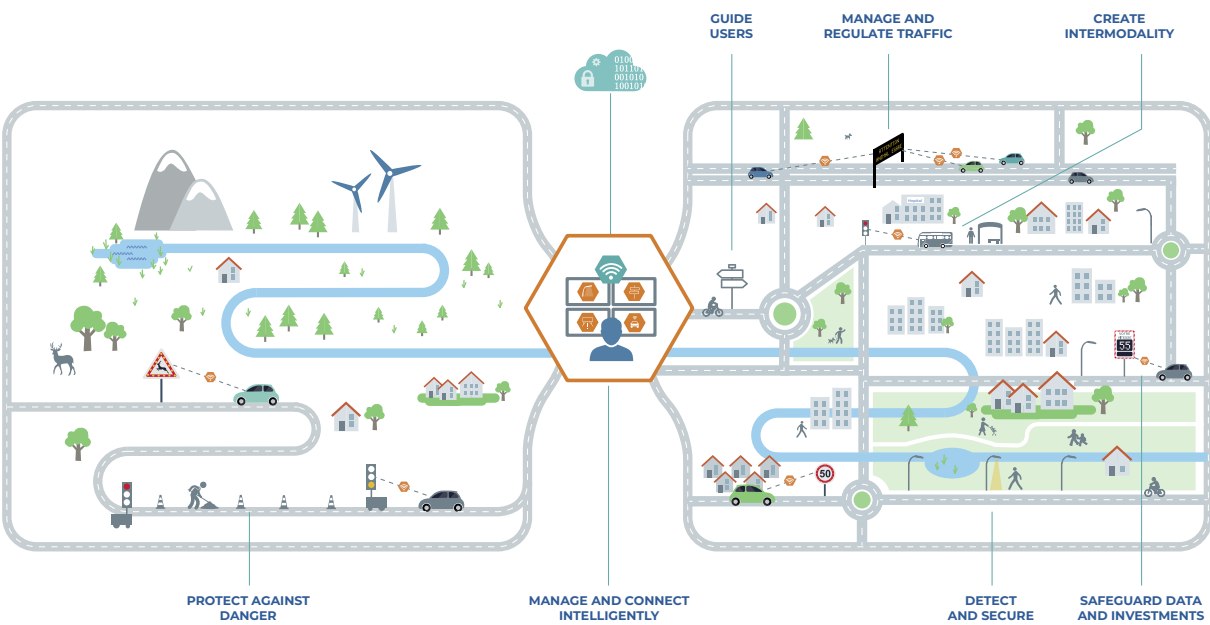


610
EMPLOYEES
(676 EMPLOYEES IN 2019)

€125M
(OVER 15 MONTHS)
(€105M IN 2019)

As an industrial designer of complementary equipment and solutions for smart roads, the City Activity brings its expertise and experience to local authorities and companies, devising and designing the kind of future-facing connected uses that make it possible to guide, optimise, and safeguard the flow of vehicles and people, otherwise known as Smart Mobility.

Based in France, Spain, and Belgium, the activity today accounts for some 610 employees across various design offices and production sites. Our equipment combines the latest in digital innovations with our professional expertise to help create open, interoperable ecosystems for tomorrow's urban spaces. Facing the challenges of an increasingly urban and connected world, the City Activity provides support for our customers in transforming regions and infrastructure.



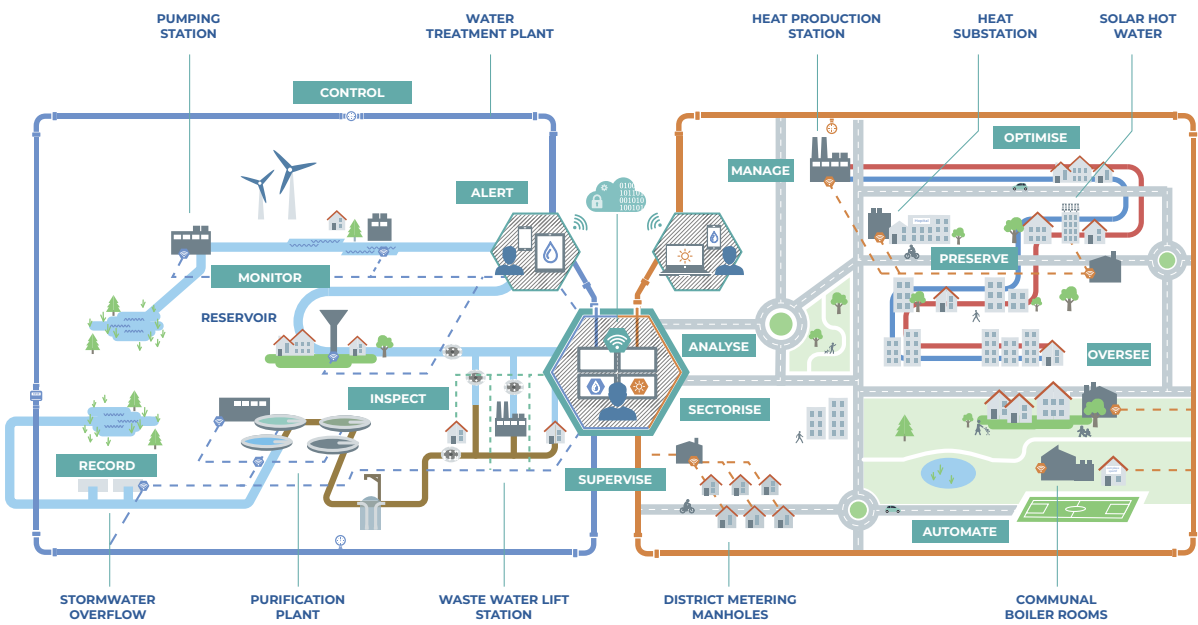
282
EMPLOYEES
(261 EMPLOYEES IN 2019)

€86M
(OVER 15 MONTHS)
(€59M IN 2019)

The Environment Activity serves the “Smart Water & Energy” sector by designing and producing equipment and solutions for controlling, automating, and remotely managing water and energy infrastructures. In the age of the digital revolution and connected objects, its solutions optimise the use of water and energy resources.

Drawing on its in-depth understanding of the sector and its operator and integrator customers, the Environment Activity helps to improve the performance of their water and energy networks, and protect the environment. As a key player in the industrial IoT sector, the Environment Activity is at the cutting edge of new technologies, mastering all technological building blocks in electronics, industrial computing, telecommunications, automation, and cyber security, and investing over 10% of its annual revenue in innovation and R&D.

As well as being the French market leader, the Environment Activity supports its customers internationally. By 2050, 50% of the world's population will be facing water shortages. With subsidiaries in Germany, Spain, Italy, and Singapore, and a network of more than 40 certified partners worldwide, the Company is focussing its development on sensitive locations. After having developed its presence and expertise in France and Europe, the Environment Activity is developing its activities in Africa, Latin America, Asia, and the Middle East in order to bring smart equipment to the whole world.

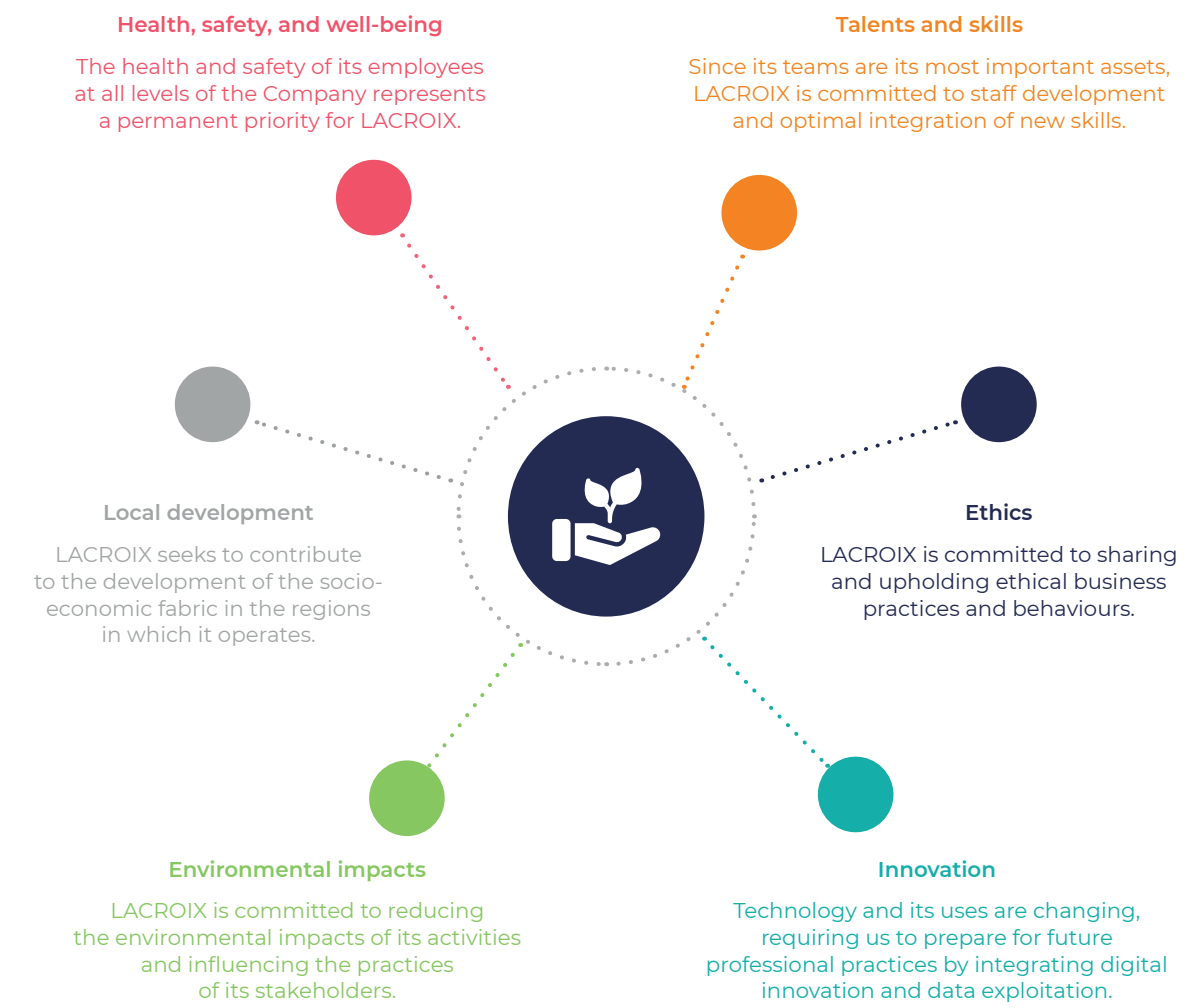


CSR APPROACH

Under a continuous improvement approach, LACROIX continues to focus its efforts on the **key issues raised by a materiality assessment**, complemented by the operational principals and recommendations of the Global Compact.

Based on these different elements, and considering its business models, LACROIX has identified **6 main topics** related to the social consequences of its activities, their environmental consequences, their effects related to respect for human rights, and finally, their impacts with regard to the fight against corruption.

Taking a dynamic and progressive approach, these results are **regularly reassessed** in order to take full account of changes in context and local situations, as well as the demands of stakeholders.



IDENTIFICATION AND CONTAINMENT OF KEY RISKS

Within the framework of its activities, LACROIX is exposed to risks, for which it performs a diagnostic through **risk and opportunity** mapping.

LACROIX carries out the appropriate diligence checks and measures their effectiveness by implementing relevant monitoring indicators. Some of the policies and diligence checks presented are still in the construction phase, and will be gradually deployed next year and associated with measurement indicators.

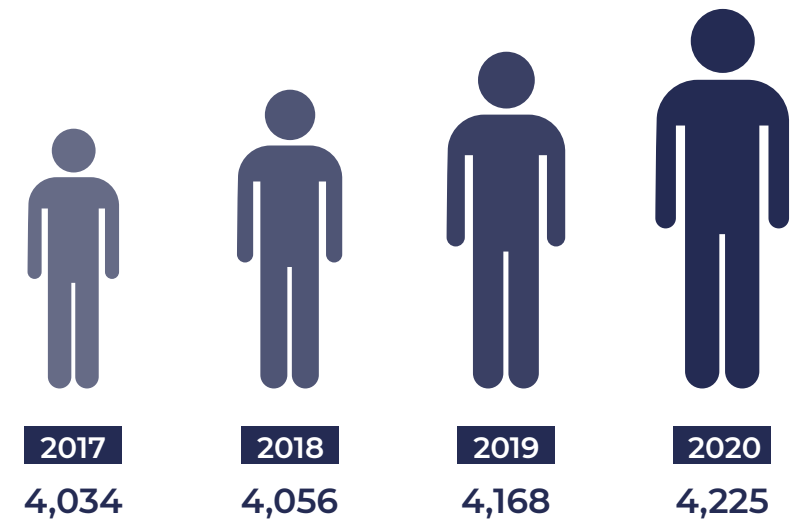
Risks and opportunities	Support and diligence checks	Status*
Employee satisfaction	Roll-out of LACROIX values guidelines Employee satisfaction survey across entire Group	Existing Existing
Health and safety	Accident prevention and safety measures at work Accident prevention measures and raising awareness about health Safety training and diligence	Existing Existing Existing
Skills management and development	Key skills mapping Predicted developments in tasks and skills Training plan Proactive apprenticeship policy	To be strengthened To be strengthened To be strengthened Existing
Attractiveness	Strengthening of employer brand Acting as a regional stakeholder and contributing to development of the socio-economic fabric	To be strengthened Existing
Ethical business practices and behaviours	Roll-out of LACROIX Ethical Charter Global Compact programme Roll-out of and training in anti-corruption measures Standard certifications for processes	Existing Existing Existing Existing
Supply chain	Supply contract conclusion Customer contract conclusion	Existing Existing
Geopolitics	Business continuity plan Country risk indicator	Existing Existing
Environment and waste generation	ISO 14001 certification Waste recycling procedures with qualified suppliers Specific processing for hazardous waste	Existing Existing Existing

1. HEALTH, SAFETY, AND WELL-BEING AT WORK

It is the people who work at LACROIX that are its most important asset. Our teams drive the Group's development and the successful completion of its projects.

With 4,225 employees in 2020, the LACROIX workforce has increased slightly in number (+57 employees) in relation to last year.

The acquisition of eSoftThings completed during the financial year contributed to this increase, with the integration of 47 new employees.



1.1 Jobs & Workforce figures

Distribution of workforce by Activity

	Electronics Activity		City Activity		Environment Activity	
	2020	2019	2020	2019	2020	2019
Total workforce	3,286	3,196	610	676	282	261
Men	1,290	1,234	413	457	220	200
Women	1,996	1,962	197	219	62	61

An additional 47 workers are employed by LACROIX Corp. (Group parent company). There were 35 employees in 2019 in this entity, which has grown in particular through the development of R&D functions within the LACROIX Corp. teams.



LACROIX's activities are also supported by staff made available under temporary employment contracts, representing an average of 51 full-time equivalents in 2020, compared to 131 in 2019.

1.2 LACROIX & You internal satisfaction survey

In order to understand the expectations of its employees and their relationship to work and the Company, and to gauge commitment to its projects, LACROIX has conducted an internal satisfaction survey since 2015, LACROIX & You, among all Group employees. This survey is run every 2 years.

With a record participation rate of 88% for the latest survey, conducted at the end of 2020 (84% in 2018) the Group's employees have once again shown that they are keen to be involved.

With the participation of over 3,700 employees, the findings of this survey, which combines around 100 points of assessment across 10 topics, provide a valuable foundation on which to base improvement measures and actions.



The figures shown use the same survey scope, questions, and topics.

75% objective for 2020: While the satisfaction rate among employees has continued to progress since 2015, we have not yet reached the 75% objective that was set for the closure of the Ambition 2020 strategic plan.

Based on feedback from the 2020 survey, we will continue and strengthen the actions taken to meet the expectations of our employees and achieve this objective.

1.3 Organisation of social dialogue

LACROIX is committed to establishing high-quality social dialogue with staff representation bodies.

This dialogue takes the form of work meetings and discussions with staff representation bodies, whose configuration varies according to local legislation. These exchanges are intended to create a responsible and constructive relationship of trust, conducive to business development and employee fulfilment within the Group.

Most LACROIX companies have staff representation bodies, which held 246 meetings in 2020 across the entire Group (173 meetings in 2019). The increase in the number of meetings is related in particular to the context of the Covid-19 health crisis.

1.4 Health and safety at work

LACROIX has a duty and responsibility to protect the health and safety of its employees, and endeavours to assess and improve working conditions and implement accident prevention measures in collaboration with the bodies representing its employees and external stakeholders.

Health, safety, and dedicated training programmes

Accident prevention and safety are organised through dialogue with various representatives: the Social & Economic Committee (CSE), Health & Safety and Working Conditions Committee (CHSCT), or similar organisations on international sites (CCE, etc.). The various health and safety bodies operating within LACROIX cover almost 100% of staff. In a spirit of collaboration and responsibility, those involved ensure LACROIX's compliance with local obligations and regulations and work to roll out training initiatives of a regulatory or preventative nature.

Due to the health crisis related to Covid-19, the Management and Human Resources teams increased dialogue with the social partners in order to define and implement all sanitary measures ensuring protection of the health of Group employees.

Each playing their part, the parties jointly and responsibly defined the conditions for continuing activities suited to the situation, considering at all times the protection of employees as the absolute priority.

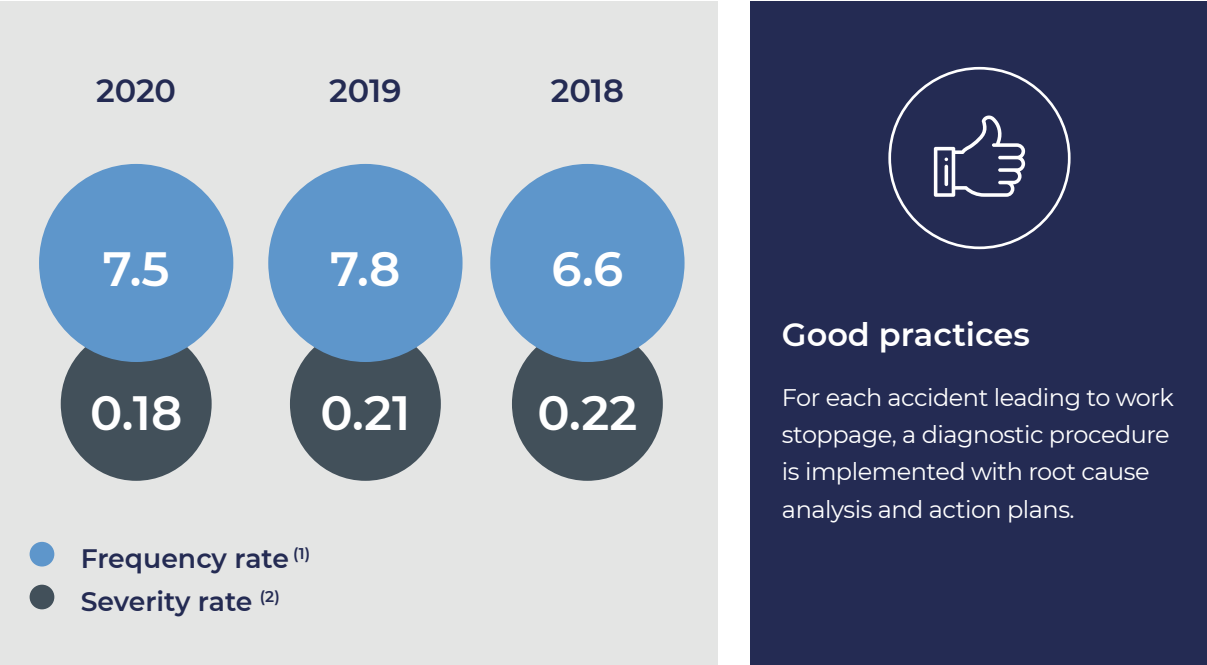
In this context, very widespread and unprecedented use of remote working was introduced, and those working on-site were given the benefit of essential personal protective equipment (surgical masks, washable masks, hand sanitiser) and physical distancing rules were quickly laid out.

Workplace accidents

The frequency rate of workplace accidents fell by 0.3% compared to 2019. However, it remains higher than in 2018, taking account of the number of accidents still related to handling operations. This increase requires greater attention to be paid to safety instructions, and more information to be provided on handling techniques and postures.

For the fourth consecutive year, the severity rate of workplace accidents has fallen. The results achieved confirm the steps taken to prevent accidents and raise awareness around the risks involved in our activities, and to ensure that personal protective equipment is worn.

Occupational hazard training for new staff in workshops is systematically included as part of their welcome package. Communication activities will be reinforced in future years to ensure the sustained involvement of managers.



(1) Number of workplace accidents with at least 1 day of stoppage *1,000,000 / effective work hours.
(2) Number of days of stoppage due to workplace accidents * 1,000 / effective work hours.

LACROIX makes regular investments intended to improve the working environment of its employees, helping to enhance both safety and comfort.

Some of the most significant examples of this are as follows:

- Improved workstation ergonomics in workshops.
- Investments enabling a reduction of repetitive movements in workshops, particularly through support from motorised systems and cobots.
- Investments in automatic storage systems to limit handling operations and enhance their safety.
- Investments in resources for handling heavy or bulky loads.

Absenteeism

Short-term absenteeism accounts for most work stoppages. The increase in this indicator recorded in 2020 stems from the rise in stoppages recorded in relation to the Covid-19 crisis, particularly with leave for child care being included in this indicator.

Absenteeism related to maternity leave remains stable. Corrected for this indicator, absenteeism related to illness and accidents was 4.32% in 2020.

	2020	2019
Short-term illness	4.21%	3.62%
Occupational illness	0.01%	0.03%
Workplace and commuting accidents	0.10%	0.15%
Maternity, paternity, and adoption leave	3.97%	4.09%
Total absenteeism rate	8.30%	7.89%

1.5 Accident prevention measures and raising awareness about health

Across the Group's various entities, preventative actions have been introduced to encourage employees to adopt certain measures to improve their everyday lives at work. Once again, here are some of the most significant examples:



Healthy eating awareness campaigns, such as the "fruit day" and "healthy food" initiatives organised in partnership with local producers to promote a nutritional diet.



Implementation of health benefits at national level, offering wider cover and a higher employer contribution.

LACROIX also provides training courses and exercises required by regulations in each of the countries in which it operates. As such, its employees are regularly trained or retrained in the use of forklift trucks (operator licenses), first-aid (first-responder courses), fire emergencies (front and rear fire-warden training), risks related to the use of chemical and hazardous products, the use of high-voltage currents (certification and training), and so on.

1.6 Gender equality



53% of the Group's workforce in 2020 were women, compared with 54% in 2019.

As was the case in 2018 and 2019, they account for 61% of Electronics Activity staff, which employs a predominantly female workforce in its workshops.

LACROIX closely monitors the equal treatment of men and women in the workplace. In addition to Company-level agreements and mandatory action plans, specific measures are in place to make it easier for women to carry out a professional activity.

In 2020, the gender equality index was above 75 points for all of the Group's companies based in France calculated using this indicator.



Between 2019 and 2020, LACROIX Electronics Tunisia finalised its partnership with GIZ, a German cooperative development agency, in order to promote corporate gender diversity in Tunisia.



LACROIX contributes to development of the kindergarten and crèche located in Zriba, where its Electronics site is based in Tunisia.



LACROIX funds janitorial facilities on most of its sites, offering services available in the workplace to facilitate everyday activities. The service providers used apply the CCES Charter (prioritising economic and solidarity-based short supply chains) in cooperation with local suppliers.

2. TALENTS AND SKILLS

In a rapidly changing technological environment where digital services and data management are ever-more essential, developing skills and retaining talent are key factors for success, identified as major challenges in LACROIX's materiality assessment.

2.1 Training

Staff training is a key priority, contributing to employee upskilling and individual fulfilment of potential. It is important for the effective involvement of everyone within the Group, and drives collective success.

Each activity within LACROIX defines its own annual training plan, taking account of the Group's strategic development priorities, the needs expressed by managers, and the wishes of employees.

The Group provided 45,202 hours of training in 2020, very far behind the 84,597 hours of training dispensed in 2019, as a result of the constraints imposed by the health crisis.

This training covers support for developing new processes, introducing new business tools and software, further digitalisation of tools, and taking on new responsibilities.

These training courses also ensure the upkeep and transmission of expertise and know-how. Within this framework, the Electronics Activity makes use of its internal training school to train employees in the highly technical processes involved in this activity. For the last 2 years, the Signalisation Division, a branch of the City Activity, has undertaken a similar internal training approach for the transmission of technical known-how in workshops.

Across LACROIX activities, training initiatives break down as follows:

	Electronics Activity		City Activity		Environment Activity	
	Number of hours	Budget (€K)	Number of hours	Budget (€K)	Number of hours	Budget (€K)
Training provided	74,858	432	8,219	212	1,520	38



Good practices

LACROIX has introduced 3 diploma training programmes designed to develop managerial culture:

- LACROIX Corporate MBA for executive managers
- LACROIX Visa Manager for middle management
- LACROIX Management Certificate for local managers

In 2020, 36 employees graduated from these training courses. The graduates include profiles from all of our locations (France and international). All share a common foundation built on the Group's vision, values, and management principles.

Senior & Advanced Leadership profiles

LACROIX Corporate MBA

by

Audencia BUSINESS SCHOOL

Advanced & Emerging Leadership profiles

LACROIX Visa Manager

by

Audencia BUSINESS SCHOOL

First Line Management & Shift Leaders

LACROIX Management Certificate

by

2.2 Development of collaborative working

LACROIX draws upon technological resources that enable its employees to create thematic or task-based communities for the purpose of sharing good practices or collectively solving identified issues.

LACROIX thus makes use of the main collaborative applications offered in Office 365, and has undertaken a process ultimately enabling each employee to have their own digital identity.



LACROIX Lab's role is to support innovation within the Group. It performs pioneering work on issues related to Group activities identified by a community of catalysts.



LACROIX Tech is a community of stakeholders focussed on innovation and development within LACROIX. Around 200 employees share their ideas and the latest developments in various cutting-edge fields.

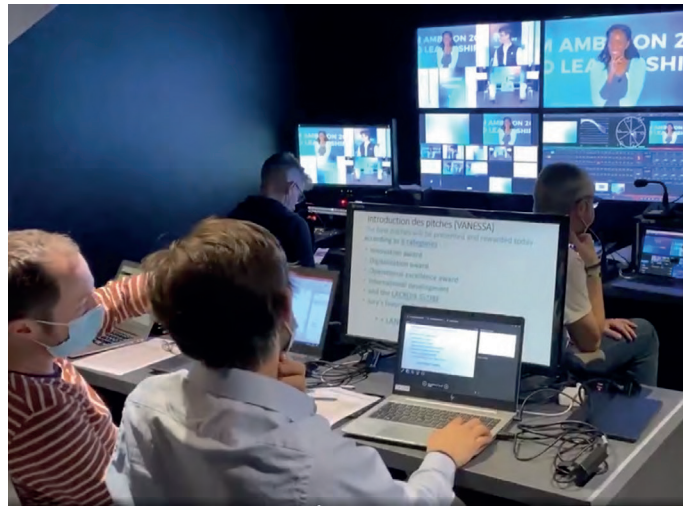


LACROIX Fab brings together the Group's manufacturing teams, who share their know-how and good practices, thereby contributing to industrial excellence. Created in 2018, LACROIX Fab represents the Group's industrial DNA.

LACROIX organises a conference for its managers at the start of each year.

In 2021, this event, which brought together around 150 Group managers, took place under a new format enabling everyone to share the results of the Ambition 2020 strategic plan and the initial details of the new Leadership 2025 plan.

Furthermore, support roles for activities (Communications, Human Resources, Finance, and IT) set up sector-specific committees to discuss the issues around their duties, good practices, and to contribute to the deployment of cross-cutting projects.



DIGITAL TRANSFORMATION

Across multiple areas, LACROIX has reviewed its processes, simplified them, and improved efficiency by implementing fully digital solutions.



In 2019, LACROIX rolled out the digital application “Expensya” for the digitalisation of employee expense forms, making them easier to use, more efficient, and wasting less paper. After a test phase, this solution was fully deployed in 2020.



LACROIX digitalised its process of annual reviews and deployed them across all of its sites. Each employee now benefits from online access to their forms as part of a harmonised process.

The tool deployed has made it possible to achieve completed review levels in excess of 95% for the last 3 years.



LACROIX digitalised the system for submitting and approving employee expense forms, including automated entry into the accounts.



Good practices

LACROIX has deployed teams of “Digifriends” on all of its sites, tasked with strengthening the Group’s digital culture. These teams work proactively and offer support to users for the digital solutions available.

2.3 Support for apprenticeship training

LACROIX affirms its support for the integration of young people in employment with a proactive policy of integration via in-company apprenticeships.

There were 43 young people on professional development or apprenticeship contracts in 2020 within the various entities of the Group.

In Tunisia, the Electronics Activity regularly provides contracts under the Initiation into the World of Work scheme, which offers an initial foot in the door for young people entering the employment market. In 2020, 33 young Tunisians benefited from this type of contract.

2.4 Links with colleges and actions in favour of teaching

LACROIX also develops privileged partnerships enabling young people to join the Group’s activities at the end of their studies. Lasting links have been forged with Audencia Business School, ESEO Angers, Polytech Nantes, Supelec Rennes, and the University of Gdansk.

LACROIX employees regularly visit colleges to present their activities or support future graduates within the framework of college-business workshops. To give a few examples, the Electronics Activity takes part in the interview simulation events organised by ESEO; students from Polytech Nantes regularly visit the production workshops on the Montrevault-sur-Evre site; and the City Activity contributes annually to the employment forum organised by regional authorities.



The Electronics Activity in Poland organises an annual “School close to work” event, in partnership with a leading college, the local authorities, and local training organisations, with the aim of orienting technical training courses to meet business needs as closely as possible and providing guidance to young people in relation to their training and career choices.

Partnerships with employment integration organisations (INSERIM, Pôle Emploi Insertion) and local associations (Cap Entreprises) enable LACROIX to present the industry’s professions, host young people on internships, and support young people who find themselves outside the educational system.

LACROIX also partners with the second-chance school Symplon.co – an “altruistic and inclusive maker network”, which trains young people in the skills of digital technology. LACROIX is supporting 2 young people in this qualification process.

2.5 Integration of new employees

LACROIX ensures that every new employee is fully integrated and shares the values, culture, and environment of the Group. LACROIX ensures that its employees benefit from an integration course, guaranteeing a good understanding of our organisational structures, the assimilation of safety rules, and an awareness of customer expectations and sector-specific quality standards.



Each year in France, a special day is dedicated to welcoming new managers to the Group. This is an opportunity for participants to get to know each other, learn about the history and strategy behind LACROIX, and give feedback on their experience of this welcome event.

2.6 Key figures

LACROIX workforce movement:



711
Arrivals



595
Departures



6.9%
Turnover

Of the 711 employees who joined LACROIX in 2020, 47 of them joined as a result of the acquisitions made over the course of the 2020 financial year. The Group integrated about the same number of men (354 employees) as women (357) in 2020. Of the 595 employees who left the Group, 272 of them were on fixed-term contracts.

LACROIX's turnover decreased by 1.8 points in 2020, amounting to 6.9% compared with 8.8% in 2019. Staff turnover decreased for the fourth year in a row. Most staff movements concern the site of the Electronics Activity in Poland, which improved its ratio by 1 point to reach 10.5%. Despite the health crisis, the Polish employment market remained tight at the end of the year.

Recruitments and integrations by socio-professional category

	Men		Women		Total	
	2020	2019	2020	2019	2020	2019
Total	354	521	357	434	711	955
Labourers	198	257	291	290	489	547
Employees, Technicians & Supervisors	65	155	52	117	117	272
Managers	91	109	14	27	105	136

Fixed-term and permanent contracts are taken into account.

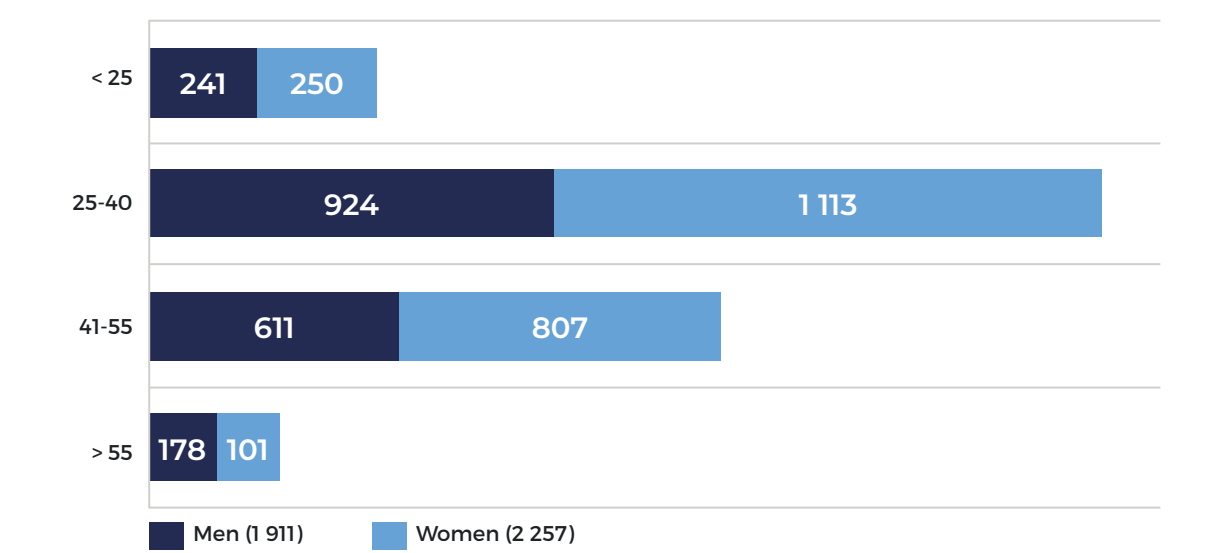
The 47 employees integrated due to acquisitions during the financial year are broken down in the table above.

Socio-professional distribution

	Managers		Employees, Technicians & Supervisors		Labourers	
	2020	2019	2020	2019	2020	2019
Total	702	634	1,160	1,196	2,363	2,338
Men	546	489	639	662	770	760
%	78%	77%	55%	55%	33%	33%
Women	156	145	522	553	1,593	1,579
%	22%	23%	45%	45%	67%	67%

The Electronics Activity has a largely manufacturing-based workforce, and primarily employs women in its production workshops. Managers represent 17% of the total workforce in 2020 (15% in 2019), Employees, Technicians & Supervisors make up 27% of the total workforce in 2020 (29% in 2019) and Labourers, at 56%, remained stable in 2020 (56% in 2019).

Distribution of workforce by age bracket



The workforce is characterised by a young and predominantly female population.

As of 2020, 60% of the LACROIX workforce are younger than 40 years old (57% in 2019), and 12% are younger than 25 (7% in 2019).

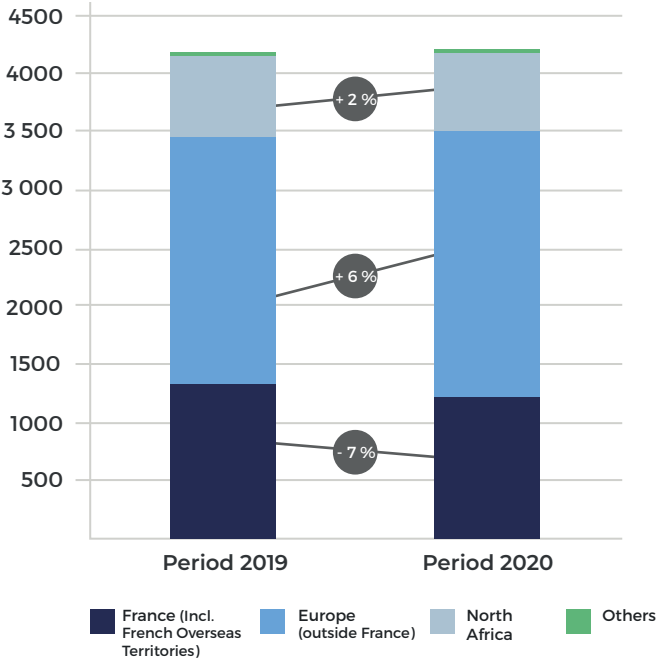
Distribution by geographical areas

The story of LACROIX began in France. The development of the Group's activities over recent years has seen it support customers and conquer new markets internationally.

This international development has naturally been accompanied by changes in the geographical distribution of its workforce. 71% of staff were located outside France in 2020 (unchanged from 2019).

LACROIX is notably present in:	
Poland	1,946 employees
France	1,233 employees
Tunisia	707 employees
Germany	220 employees
Spain	94 employees
Belgium	13 employees
Italy	8 employees

4 employees are based in China, Singapore, and Morocco.



3. SHARING AND ENSURING COMPLIANCE WITH ETHICAL BUSINESS PRACTICES AND BEHAVIOURS

LACROIX is committed to conducting its activities according to operational principles and behaviours founded on respect and integrity. Its requirements in terms of transparency and combating corruption have been strengthened by the obligations introduced under the "Sapin II" Law.

The Group's strategic development plan, particularly in terms of business development and international growth, further underlines its requirements with regard to business ethics and behaviours, combating corruption, and compliance.



LACROIX has strengthened its governance and anti-corruption mechanisms and pursues a policy of zero tolerance towards corruption in all its activities and across all territories in which it operates. These actions are undertaken at the very highest level of the Company's Management.

3.1 Combating corruption: 2020 achievements

LACROIX undertook a process of identifying and evaluating its main risks, leading to a strengthening of its internal regulations and an update to its codes of conduct on "anti-corruption" and "competitiveness". It also drew up practical support guides for everyday risk management.

LACROIX also rolled out a policy on invitations and gifts and introduced an alert system accessible to all employees, which can be used to report any irregularities in terms of corruption or compliance with fundamental personal safety regulations.

Good practices

The teams most exposed to requests linked to corruption (sales, purchases, etc.) are trained in the applicable anti-corruption procedure. By the end of the 2020 financial year, 414 employees had received training in compliance rules (365 in 2019).

LACROIX validates learning through an online certification system. As at 30 September, 90% of exposed staff, i.e. 365 members, hold certification.

3.2 Supplier selection

LACROIX has drawn up a supplier charter that sets out its requirements as regards respecting people and their roles, legal compliance and, specifically, compliance with competitiveness and environmental legislation.

Good practices

As part of their annual negotiations with suppliers, Electronics Activity purchasing teams issue them a reminder of this code of conduct. This document is also sent out systematically to new suppliers.

LACROIX has also drawn up procedures for assessing highest-risk third parties with whom its activities interact.

The selection of suppliers naturally takes account of their economic performance as well as their ethics, in order to ensure consistency with our commitment to operating within a sustainable development approach. As such, our suppliers are assessed according to Quality, Safety and Environmental criteria, particularly with regard to their certifications, their organisational structures specifically set up to ensure the quality of their products and services, and measures undertaken to reduce the environmental impact of their activities. Our Purchasing Department, in partnership with our Quality Department, performs diligence checks on our suppliers in order to ensure that our requirements are duly met. These audits may concern several aspects at once, such as the ability of the supplier to meet our needs, their technical capabilities, their quality system management, their adherence to environmental regulations, and their compliance with labour legislation.

3.3 A comprehensive quality commitment



The certification procedures undertaken by LACROIX assure our customers and their end customers of the optimal quality of our products and solutions. The certifications implemented confirm compliance with quality, industrial, and environmental requirements in our manufacturing processes and procedures.

	ISO 9001 (general quality)	IATF 16949 (automotive sector)	ISO 13485 (medical sector)	ISO 9100 (aeronautical sector)	Part 21 G Part 145 (aeronautical sector)	ISO 27001 (IT systems security)	ISO 14001 (environment management)
Industrial sites							
Saint-Pierre-Montlimart (France - 49)	Certified		Certified	Certified	Approved		Certified
Saint-Herblain (France - 44)	Certified						Certified
Carros (France - 06)	Certified						Certified
Les Chères (France - 69)	Certified						Certified
Madrid (Spain)	Certified						Certified
Willich (Germany)	Certified		Certified				Certified
Zriba (Tunisia)	Certified	Certified		Certified			Certified
Kwidzyn (Poland)	Certified	Certified					Certified
Vern sur Seiche (France - 35)		Certified					Certified
Cologne (Germany)						Certified	Certified
Design offices							
Cesson-Sévigné (France - 35)	Certified	Certified	Certified	Certified			Certified
Echirolles (France - 38)	Certified						Certified
Quimper (France - 29)	Certified						Certified
Ploufragan (France - 22)	Certified						Certified
Willich (Germany)	Certified						Certified

As such, LACROIX's sites work in accordance with ISO 9001 and 14001 certification.

The Electronics Activity sites also comply with technical certifications in order to meet the requirements of customers in certain sectors of activity.

3.4 Equal treatment and non-discrimination

LACROIX, both in France and in all countries in which it operates, observes the principles set out in the ILO Conventions, in particular the "Fundamental Conventions" concerning fundamental rights at work: freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation.

LACROIX employs staff with diverse profiles and from quite a broad range of geographical origins. It is therefore very important to take account of this diversity and multiculturalism, and to act in favour of professional equality and non-discrimination. LACROIX reaffirms its commitment to the elimination of any form of discrimination with respect to employment and to the promotion of diversity.

Within the framework of company-level agreements and targeted actions, LACROIX encourages diversity within its teams, defines objectives and measures in favour of gender equality in the workplace, supports people with disabilities, promotes the employment of people with disabilities through part-payment of apprenticeship taxes to the GIRPEH (disabled employment association), and more generally seeks to combat workplace discrimination, particularly through the implementation of its key processes such as recruitment, individual assessments, wage increase policies, etc. In 2020, no cases of discrimination were reported.

3.5 Geopolitical risk

In countries exposed to geopolitical risks in which it conducts significant manufacturing operations, LACROIX has established a business security and continuity plan providing for the uninterrupted fulfilment of its delivery commitments to its customers.

4. CONTRIBUTING TO THE DEVELOPMENT OF REGIONAL SOCIO-ECONOMIC FABRIC

LACROIX plays a significant role in terms of local employment (direct and indirect) and regional development.

The Electronics Activity is a major economic player in its areas of activity in France (major employer in Les Mauges, with 425 direct jobs), in Tunisia (second-largest employer in the business district of Zriba, with almost 700 direct jobs) and in Poland (third-largest employer in the Kwidzyn region, with 1,946 direct jobs). It plays a key role in regional balance within rural areas.

The Group contributes significantly to employment in the Nantes area, where it employs 350 people.

In 2020, LACROIX expanded in the Rennes area with the integration of 47 employees from the start-up eSoftThings, bringing the total workforce to around 250 people in the region.

Across all the areas of activity in which it operates, LACROIX seeks to contribute to economic, social, and regional development through direct initiatives or support for local initiatives.

4.1 Economic development



Based near Rennes, LACROIX Lab is an innovation driver designed to support innovation within the Group. The team of 3 full-time employees oversees a network of partners and works to devise new uses and develop new technologies. Numerous local stakeholders interact with LACROIX Lab to develop ideas and promote innovative solutions, including schools, research laboratories, start-ups, and businesses. LACROIX Lab plays a key leadership role through webinars, creative-thinking sessions, design workshops, and the likes, sharing new disruptive working practices, new tools, and innovative, concrete solutions that can be deployed to meet the societal challenges and problems of both today and tomorrow.



In 2020, LACROIX Lab distinguished itself by taking part in **DataMix** as a facilitator. This was a creative marathon co-organised by ENEDIS, Rennes LabFab, and **Rennes Métropole**, which brought together 40 participants seeking to prototype procedures for repurposing energy data. LACROIX Lab's participation as a group facilitator was in line with our objectives: promoting a connected, responsible world by stimulating collective intelligence. Through forging new relationships in person (or remotely on this occasion), learning new facilitation techniques, and the experience gained to enable us to organise a similar event, DataMix provided an ideal opportunity to reconnect with the spirit of the smart world.



LACROIX also took part in an exhibition focussing on data capture organised by Nantes Métropole as part of **Nantes Digital Week** on Smart City topics. On this occasion, LACROIX Lab and other stakeholders (businesses, institutes, schools) offered an immersive, large-scale experience to **educate, warn, and help explain the issues around data capture in public spaces**.



LACROIX's governance also worked hard, at its level, to support regional economic development:

At **national level**, through the **Electronics Industry Strategic Committee (ISC)**, within which Vincent Bedouin, Chairman & CEO of LACROIX, has occupied the role of Vice President since 2018. The objective of the ISC is to establish meaningful, effective, and regular dialogue between the State, companies, and employee representatives on all key topics that may enable French industry to regain a leading position in the electronics sector.



In **western France**, through the **We Network** cluster, a resource centre for smart systems (continuous improvement, AI, cobots, IT, system integration, additive manufacturing, and IoT) of which Vincent Bedouin has been President since its creation. This cluster is based in Angers, an area with an industrial tradition and that is home to **the greatest density of electronic production sites** in France (25% of all employment in the French electronics industry, or 50,000 jobs). The key roles of We Network are:

- **To coordinate and promote** the potential of the French professional electronics sector (laboratories, design offices, industrial manufacturers, educational institutes),
- **To support electronics stakeholders** and users (all fields, all locations) with innovative projects,
- **To oversee the WISE programme**, offering advice and expertise at European level to stakeholders in electronic design and production in western France (Brittany, Centre, and Loire).

4.2 Promotion of industry professions

LACROIX regularly takes part in events intended to raise awareness of the industry's professions and to strengthen the link between the Company and its stakeholders, in universities above all.

In Poland, the Electronics Activity is pursuing its cooperation with 2 local universities to promote professions within the electronics industry. To this end, and through its "School close to work" programme, the Electronics Activity contributes to the content of technical programmes in order to provide the best employment opportunities for young students.

Through its Lab, LACROIX strives to support schools and colleges in the Rennes area and promote its industrial activities, for example by organising training in IoT for students at the Stage 301 school near Rennes, and giving talks on prototyping to students at EPITECH Rennes.





The **Microsoft AI School**, a community **school** dedicated to artificial intelligence, has been set up in Rennes, at the initiative of Microsoft and Simplon, and with **LACROIX as a partner**. The ambition of this project is to support job-seekers by offering free training in artificial intelligence. **Carlo Purassanta** took the opportunity to set out his vision of AI in France, including the vital issues of training and availability of talent.



Carlo Purassanta

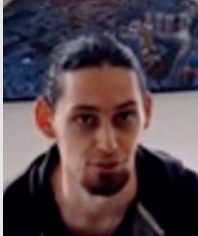
“In light of the current context, digital technology is at the heart of economic recovery, and the need for new skills has never been greater. Organisations, regardless of their size or sector, need profiles with the digital skills to meet today's challenges.

In order to support the digital acceleration at work in all sectors, we have also announced our goal of opening 6 new Microsoft by Simplon AI Schools by the end of the year, for a total of 23 throughout France, and our ambition is to train 1,000 people by 2022.

85% of jobs that will exist in 2030 do not yet exist as of today. We know that digital technology, and artificial intelligence in particular, is profoundly changing the contours of these future professions. In the field of AI, the demand for skills is already critical. This situation presents a solid opportunity, especially for people looking for work or retraining.

”

Within the framework of this partnership, LACROIX hosts apprentices for a one-year period, to help us improve our understanding of data and how artificial intelligence can help us rise to the challenges encountered in our areas of activity.



“At LACROIX, projects around data are very interesting and the tools available make data processing much easier. And the team is very welcoming!”

Antoine, SIMPLON apprentice



“We've had a great welcome from the LACROIX teams, and we really feel at home... let's do this thing!”

Stan, SIMPLON apprentice

LACROIX remains faithful to the “Industry Week” organised by the French Metal Industry and Trade Union. The 2020 event was severely impacted by the Covid crisis, but we remain entirely committed. In this framework, Group employees engage with teaching professionals and students at workshops to share information and advice on professional career options. LACROIX also regularly participates in professional forums that take place near the Group's various sites.

4.3 Links and initiatives with local residents

As a keen participant in local life, LACROIX participates in events and initiatives organised alongside local residents and regional stakeholders.



LACROIX provides support to its Electronics Activity in Tunisia, which for several years has been renovating a nursery school in Zriba, a town close to its factory, where the children of its employees are educated. After renovating a classroom and upgrading educational resources in 2016, and building a leisure and study area in 2017, the Company is providing further support through the supply of educational materials.

In the context of the health crisis, the Group made a donation of protective equipment to hospitals in Tunisia and France (masks, protective gowns, etc.). LACROIX contributes to local cultural activities such as the “Movie Review Festival” in Kwidzyn, Poland, or the “El Medina” Theatre Festival in Zriba, Tunisia.

5. ENVIRONMENTAL IMPACT

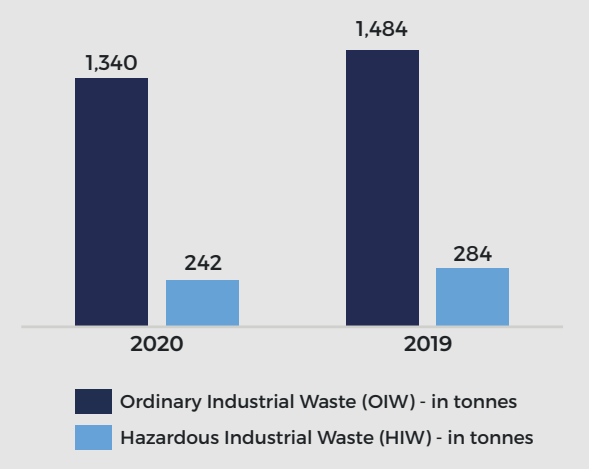
Its role as a technology partner in the fields of Smart City, Smart Environment, and Smart Industry places LACROIX at the heart of environmental protection issues. The Group's teams thus design increasingly smart products and solutions to reduce urban light pollution and traffic in cities, optimise water resource management, and consume less energy while also providing additional services.

As part of this development, LACROIX is committed to reducing the environmental impacts of its activities and influencing the practices of its stakeholders.

In this respect, the entire Group adheres to a proactive environmental policy leading to **ISO 14001** certification for all Electronics Activity sites and City Activity Signalisation, Traffic, and Public Lighting Divisions.

Each one of these sites has an organisational structure enabling it to track the environmental impact of its activities and perform regulatory monitoring. The various indicators monitored ensure the effectiveness of corrective measures and continuous improvements implemented. Various awareness campaigns and training initiatives promote employee involvement in everyday environmental practices (presentations for new employees, display of key indicators, etc.).

In this regard, the Group's activities endeavour to:



- Recycle waste generated and work to reduce it;
- Manage energy and water consumption;
- Use environmentally friendly processes;
- And, generally speaking, reduce their carbon footprint.

Across all its production sites, LACROIX has implemented systematic recovery of hazardous waste during sorting.

The Group is also working with its suppliers and customers to reduce packaging waste and to introduce shuttle crates and reusable or recyclable packaging.

5.1 Waste generation and recycling*



LACROIX activities produce various kinds of waste, which is recycled where possible.

LACROIX recycled 81% of the industrial waste it produced in 2020. Each of the activities has implemented measures designed to optimise the processing and recovery of generated waste. LACROIX actively favours waste processing contractors who prioritise energy recovery from waste recycling activities.

Measures are undertaken by each activity alongside customers and suppliers in order to reduce packaging waste and to digitise paper documentation.

The total mass of industrial waste generated in 2020 fell compared to the previous period, with 1,340 tonnes in 2020 compared to 1,484 tonnes in 2019; However, activity was disrupted and reduced due to the health crisis.

The generation of hazardous industrial waste remains limited and controlled.

* Office and canteen waste, where identifiable, is not taken into account.

5.2 Energy consumption management

LACROIX implements activities and makes investments in the majority of its sites with a view to reducing energy consumption and improving energy performance on its premises.

Consumption levels	2020	2029
Electricity (MWh)	18,166	18,407
Gas (MWh)	5,432	6,280
Fuel oil (m³)	15	15

The main investments concern lighting, heating systems, and centralised building management (allowing for boilers, heating units, and other equipment to be controlled and adjusted in an intelligent way).

LACROIX also continues to invest in more energy-efficient LED lighting systems on most of its sites to reduce its energy consumption.


CO₂ emissions

CO₂ emissions related to consumption were estimated on the basis of the ADEME carbon assessment procedure, and amounted to 9,960 tonnes in 2020 compared to 10,563 tonnes in 2019, representing a 6% reduction, reflecting the measures taken to reduce energy consumption and, once again, a context of disrupted activity due to the health crisis.

Due to the levels of reliability of data concerning emission factors, as well as our limited ability to take action, we have agreed to restrict our communication to CO₂ emissions related to our energy consumption, in respect of which our strategy is aligned with the fight against climate change.


5.3 Good practices at LACROIX

In 2020, changes in some managerial practices and the use of digital spaces had a positive impact on CO₂ emissions, even if it is still too early to assess the precise impact:



The last LACROIX & You satisfaction survey highlighted the desire of most employees to see a framework introduced to enable **remote working, and this was officially launched in 2020** (up to 6 days per month for eligible posts, to be arranged between the employee and their manager).

Used sensibly, remote working gives employees greater flexibility, reduces time spent travelling to and from work, and therefore provides an **opportunity to cut CO₂ emissions related to employee travel**.



In Germany, electricity consumed on the Electronics Activity site comes from 100% renewable energy sources.

The **COHERENCE** project was launched in 2020 across the entire Group in order to improve skills around the use of digital spaces. This project is intended to profoundly change practices and will considerably reduce (1) **the volume of data sent** by email (including in particular advice to no longer send attachments but favour links instead) and (2) **the volume of data stored** (thanks to the pooling of documentary resources on the Cloud, avoiding the need for several versions of the same document to exist locally, and also thanks to the adoption of working on shared documents, which avoids “versioning”, as this can lead to the existence of dozens of near-identical versions of the same document). While it is impossible for us today to quantify our progress, the **significant impact of digital technology on CO₂ emissions is now well understood** and this commitment will help to reinforce our stance.

6. SYMBIOSE, A DISRUPTIVE PROJECT


The **LACROIX Symbiose** project, rolled out in 2018, focuses on an ambition to build the industrial electronics factory of the future, combining industry 4.0 standards, respect for the environment, and employee fulfilment, with a global approach that also remains true to its roots in the Pays de la Loire region. In 2020, the project advanced as scheduled, with milestones including the **launch of construction work** on the new building, the laying of the foundation stone in November, and the **establishment of new governance** based around working groups with clearly defined objectives, enabling smooth coordination of construction work.



The Symbiose project moved forward in 2020 in relation to each of the **3 aspects that constitute a fundamental break** from traditional industry and a strong connection to societal challenges:



Technological and digital disruption: we have officially launched a project to automate our warehouses, part-funded (€800K) by the government's resilience plan. This project will enable us to improve our efficiency, reduce our stocks, decrease our storage area, and therefore cut our energy consumption related to the building. We also continued our digitalisation campaign, in particular through the deployment of an Integrated Business Planning (IBP) solution, to be launched in early 2021. This solution will enable our customers to be more closely integrated into our production schedule systems and to perform their own simulations in order to provide greater flexibility and efficiency. Finally, we chose to deploy the PTC ThingWorx digital platform for industrial innovation, enabling real-time production line management. The data collected in real time and contextualised by ThingWorx gives us a better understanding of the condition of the machinery, a complete overview of production lines, and the ability to detect anomalies and maintenance needs at an earlier stage. We now envisage going beyond the simple automatic generation of information. For example, we are studying the introduction of predictive maintenance to pursue operational excellence, or the use of augmented reality to deliver powerful experiences. Symbiose is important for the rest of the Electronics Activity, and this solution is also deployed across all of our sites.



Environmental responsibility: the choice of energy equipment has been validated, in particular (1) the covering of the entire roof of the new building and canopies over the car park with solar panels in partnership with EDF, and (2) the choice of new-generation HVAC equipment that reduces energy consumption (a grant application has been submitted to ADEME for this project). The estimated impact of this transformation is a reduction of over 50% in CO₂ emissions related to energy consumption compared to the current factory located in Saint-Pierre-Montlimart (on a like-for-like basis).



Social innovation: the digital and environmental transformation of our factory will revolutionise the everyday lives of our employees, enabling them to work in a more environmentally friendly setting while also changing the work they perform by focussing their time on tasks of higher added value. In particular, they will be able to enhance their cross-cutting skills using digital tools, and train in future industry tasks (configuration and integration of robots, use of IBP, etc.).

REPORT METHODOLOGY AND SCOPE

The information presented is drawn up using a reporting protocol, available on request from the following email address: info@lacroix-group.com. This methodological guide for internal Group use sets out the definitions and methodologies to be applied in order to ensure the homogeneity of this consolidated information.

This CSR report has been reviewed by the independent third-party body EY.

With regard to the scope covered:

- The social and company indicators cover 100% of the scope. Different scopes are specified.
- The environmental indicators cover 95% of the Group's consolidated revenue and 95% of the workforce – all industrial and semi-industrial sites with over 50 employees are included. The Electronics Activity design office, foreign distribution subsidiaries for LACROIX Sofrel, and foreign companies for the City Activity are not included.
- Acquisitions made over the financial year are not included in the calculation of social and environmental indicators, other than information concerning the workforce at the end of the reporting period.

Given the nature of our activities, we consider that the following areas – combating food waste, combating food insecurity, animal welfare protection, and responsible, equitable, and sustainable food supply – are not primary CSR risks and need not be expanded upon in this report.

The Group has not implemented any practices aimed at artificially reducing its corporation tax or moving its taxable income to tax havens.

LACROIX monitors tax contributions made by organisations by country of location.

Transfer pricing documentation is monitored and updated on a regular basis and is subject to audits and inspections.

In this respect, LACROIX is not at risk of attempting tax evasion.

The reporting period corresponds to the fiscal year, i.e. from 1 January 2020 to 31 December 2020. The stated comparative basis therefore refers to the period running from 1 October 2018 to 30 September 2019, i.e. the equivalent period for the previous fiscal year.

After you have read the reports submitted by your Statutory Auditors, the Board asks you to adopt the resolutions on which you are required to vote.

Drawn up in Saint-Herblain,

on

The Board of Directors



17 rue Océane
44800 Saint-Herblain · France
Tel.: +33 (0)272 255 959
info@lacroix-group.com
www.lacroix-group.com

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TECHNOLOGIES
FOR A **SMARTER**
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