



CONNECTED  
TECHNOLOGIES  
FOR A **SMARTER  
WORLD**

ACTIVITY REPORT

**2018**

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## MISSION



BUILDING THE  
SMART WORLD  
OF TOMORROW

Putting our  
technical  
& industrial  
excellence at  
the service of  
a connected,  
responsible world



# “We will continue to expand our range and open it up internationally in 2019”

**Interview** with Vincent Bedouin,  
CEO of the LACROIX Group



Let's begin with a very broad question. You talk about “connected technologies for a smarter world”. Does that mean that you are targeting the whole world? Isn't that a bit ambitious, maybe even a bit presumptuous, for a family SME?

Yes, it's a challenge: our challenge. We are seeing it happen, our world is facing major changes such urbanisation and overpopulation, resource scarcities and new security requirements. Of course, we're not aiming to provide answers to all of these issues, but there's one thing I'm sure about: the solutions for changing our world will necessarily include connected industrial equipment used in a more digitalised and efficient context.

We are witnessing this IoT explosion and the exponential growth of connected solutions. And we want to contribute to it through more investment, more organic and external growth, more R&D, and more marketing.

We want to fulfil our role because that is what our current and future customers require of us, as do all citizen-consumers.

**How do your customers see you, and what do they expect from you?**

We are referred to as a technological equipment supplier, which means a partner that provides resources designed in close step with their

markets. With this in mind, having consolidated Europe and Africa, we have taken root in North America, and we are continuing to develop elsewhere (Asia in particular). We have the international ambitions you need to keep in step with markets, but also to consolidate the Group and reach a benchmark size.

**How do you view your recent acquisitions, and what are your prospects in this area?**

Our development is sustained by organic and dynamic growth, but it will also be fuelled by external growth. Acquisitions in recent years show that we have got our strategic positioning right. There is a genuine complementarity to the new integrated ranges, and they have enabled us to acquire skills.

We will continue to expand our ranges and open them up internationally in 2019. We are going to focus particularly on the Smart Environment with LACROIX Sofrel, France's widely acknowledged leader for water supply network telemetry equipment which is now expanding into energy and electricity infrastructure management.

We are also going to focus on connected vehicles and take part in experiments with autonomous vehicles.

**This growth is made possible by our teams' high degree of expertise and motivation. How are you mobilising, and why do people come to the LACROIX Group?**

I am a firm believer in listening. We carried out an in-house survey which showed that employees find meaning in their work when they understand their mission and have a strong relationship with their managers.

As a result, they can commit to the LACROIX Group venture.

Following on from that, we are investing in training which goes beyond basic, conventional commitments and aims to turn stakeholders into experts

in the professions of tomorrow. These will be quite different from what we see today and will be digitalised.

For example, we have launched a scheme specifically for managers. This support helps to supply them with methods for steering teams in the Group's collective direction. Too many engineers lack management training.

This support also enables them to acquire new expertise and

interpersonal skills, because our teams need to be nurtured. They are valuable and we rely on each one of them.

Lastly, we are going to begin work on an employee shareholder scheme in 2019, which will come into effect the following year. There is a very close link here, teams are aware that their group is being transformed from the inside and by technological opportunities emerging from outside. They too need to change and become more expert and agile. A future equity stake is a way of giving them this sense of direction, of meaning, and the ambition to be involved in this exciting shared purpose.

**Are you recruiting new talent?**

Yes, we want to attract new talent, despite the difficulties we are seeing in the job market around the world.

Choosing the LACROIX Group means opting for a career that offers genuine opportunities for expressing your own mind, as well as training and skills acquisition, so that employees can develop in a deliberately positive and caring environment.

It is exciting, and everyone has a stake in the massive changes that will come about in the next ten years as a result of a huge expansion in the IoT and connected worlds.



## The solutions for changing our world will necessarily involve connected equipment.

Something that causes a lot of concern is the divide between humans and machines. This is something close to your own heart.

How do you view it?

We are not the only ones interested in it but, yes, we do take this matter very seriously. You cannot separate the

digital world from the human world. But we do think that the interface between the two creates real value and meaning. We need to transform all roles so that they interface with each other, as this will make work more relevant and give it meaning. Artificial intelligence, cobotics and robotics are all tools we should use as much as possible.

**With this in mind, you have just announced a new factory, Symbiose. It is the first electronics factory to be built in France for some twenty years.**

We plan to quit the Montrevault-sur-Evre factory and set up a new plant nearby, so we keep all the advantages of a countryside factory but get a little closer to regional cities.

The current building no longer meets modern production needs in any way at all.

At this point we are still at the viability study stage, but we believe we can build a futuristic electronics factory for French manufacturing that meets a triple set of requirements: industrial, human and environmental. We really need to come up with a new concept, an open unit 4.0. It will be able to accommodate our LACROIX FAB community, universities with their own equipment, and our partners. It is a major project for the LACROIX Group in France, and will serve as a benchmark for our equipment all over the world.

**What key projects and values are you going to promote in 2019?**

We have launched an in-house

transformation plan, the first stage of which will be completed in 2020. We have made the break and now we are intent on transformation, investment and results.

Whilst continuing to work on external growth and positioning ourselves internationally, we will focus on marketing so that we can adapt our products to different and changing markets.

We are continuing and intensifying our work in R&D and innovation, particularly via our LACROIX TECH community, but also through all those transformable activities that have the "innovation" gene.

Our desire is to offer customers simpler, smarter and safer ways of using products, and this is what sets us apart.

**2018 was marked by the death of your father, the former CEO of LACROIX Group. What values and directions has he passed on to you?**

He is still very much remembered by me and my brothers, of course, but also by all the teams who worked with him.

As to the values you mentioned, we will simply continue to keep alive his beliefs in passion, energy, respect, and not sticking to stupid rules.

He was free-thinking, he was not daunted by risks or competition, and he did not beat around the bush.

## BOARD OF DIRECTORS



**Muriel Barnéoud**  
Member since 2018

Director for Corporate Social Responsibility at La Poste Group



**Hubert de Boisredon**  
Member since 2013

President of ARMOR  
International specialist in ink chemistry and printing technologies



**Ariane Malbat**  
Member since 2018

Director of Human Resources at SERIS Group



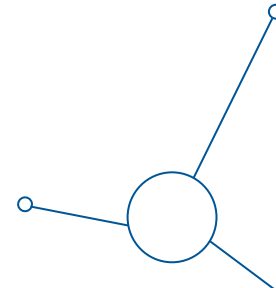
**Hugues Meili**  
Member since 2010

President of Niji  
Consulting and technology for corporate digital transformation



**Pierre Tiers**  
Member since 2006

Executive Board of CM-CIC  
Investment funds and M&A consulting



# 2018 Views from the Executive Committee

THE EXECUTIVE COMMITTEE IS MADE UP OF MEMBERS OF THE EXECUTIVE AND FUNCTIONAL TEAMS. ITS MISSION IS TO WORK WITH THE BOARD OF DIRECTORS TO ENSURE THE GROUP MAINTAINS A CONSISTENT STRATEGY AND RESOURCES AND SKILLS ARE DEPLOYED APPROPRIATELY. IT SIMILARLY ENSURES THAT USEFUL DISCUSSIONS TAKE PLACE AND THAT BEST PRACTICE IS SHARED BETWEEN DIFFERENT ACTIVITIES AND TEAMS IN ALL AREAS.



**VINCENT BEDOUIN**  
Chief Executive Officer

"We have launched an in-house transformation plan, the first stage of which will be completed in 2020. We have made the break and now we are intent on transformation, investment and results. Whilst continuing to work on external growth and positioning ourselves internationally, we will focus on marketing so that we can adapt our products to different and changing markets."



**NICOLAS BEDOUIN**  
Chief Operating Officer and Executive VP, Finance

"From dematerialising public sector customer invoices to the ongoing project to dematerialise supplier invoices and bills of expenses, the transformation of financial operations as part of AMBITION 2020's Operational Excellence work has got well underway in 2018. With its banking partners, the LACROIX Group has also recovered confirmed and unused lines of credit so that it is prepared for potential external growth."



**STÉPHANE KLAJZYNGIER**  
Executive Managing Director, LACROIX Electronics

"LACROIX Electronics is going out on a limb with the launch of the Symbiose project. It will be the first electronics factory built in France for 20 years. Working with our partners, we are going to create a world benchmark for the LACROIX Group, a 4.0 factory which will combine industrial performance, expertise, skills and environmental innovation and enable our teams to give their very best."



**VINCENT SABOT**  
Executive Managing Director, LACROIX City

"In 2018, LACROIX City established its position as France and Europe's smart mobility leader, helping almost 11,000 customers in France and around the world to develop the city of the future. From Mexico to Australia and all over France, LACROIX City's technologies are enabling cities and local authorities to handle road safety and street lighting, for example, and to develop innovative uses linked to new modes of urban mobility."



**LOÏC GOULARD**  
Executive VP, Information Systems

"We have focused on our back-office solutions, which provide operational support for our daily activities. To speed up our connected platforms' development, we have set up a service centre that brings together and strengthens the skills of a dedicated team based in Cesson-Sévigné. Lastly, we are seeking to spread digital culture via our "Digifriend" network of profession-specific employees based in all our sites."



**FRANCK LEGRAND**  
Executive VP, Legal and Compliance

"2018 has seen various projects emerge, including legal digitalisation and compliance and ethics development across the Group as a whole via a new code of ethics, the implementation of our SAPIN 2 anti-corruption scheme and the launch of GDPR for data protection. This new dimension makes the Group more attractive to its teams and investors alike."



**STÉPHANE GERVAIS**  
Executive VP, Strategic Innovation

"Innovation: this word might seem to have lost its meaning, so indiscriminately is it used by everyone. But at the LACROIX Group, it has been transformed into a reality. It is the investments and resources made available via the LACROIX Lab and our LACROIX TECH community. Innovation is also the state of mind of always looking to break new ground and influence the emerging digital world."



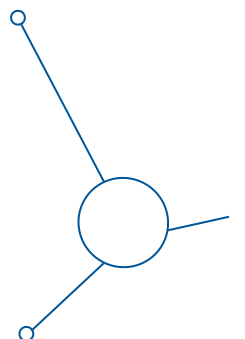
**LANDRY CHIRON**  
Executive VP, Communication

"The LACROIX Group's communications reflect its transformation towards becoming an increasingly person-oriented, digital and transparent company. We launched our new website so that the public can get a clear view of our activities, our vision and our ambitions. We share our experiences with our allies, our partners, representatives and, of course, our customers. We are intensifying in-house communications and making them flow better, which is beneficial for the Group's transformation and as regards getting all our teams involved in this incredible adventure."



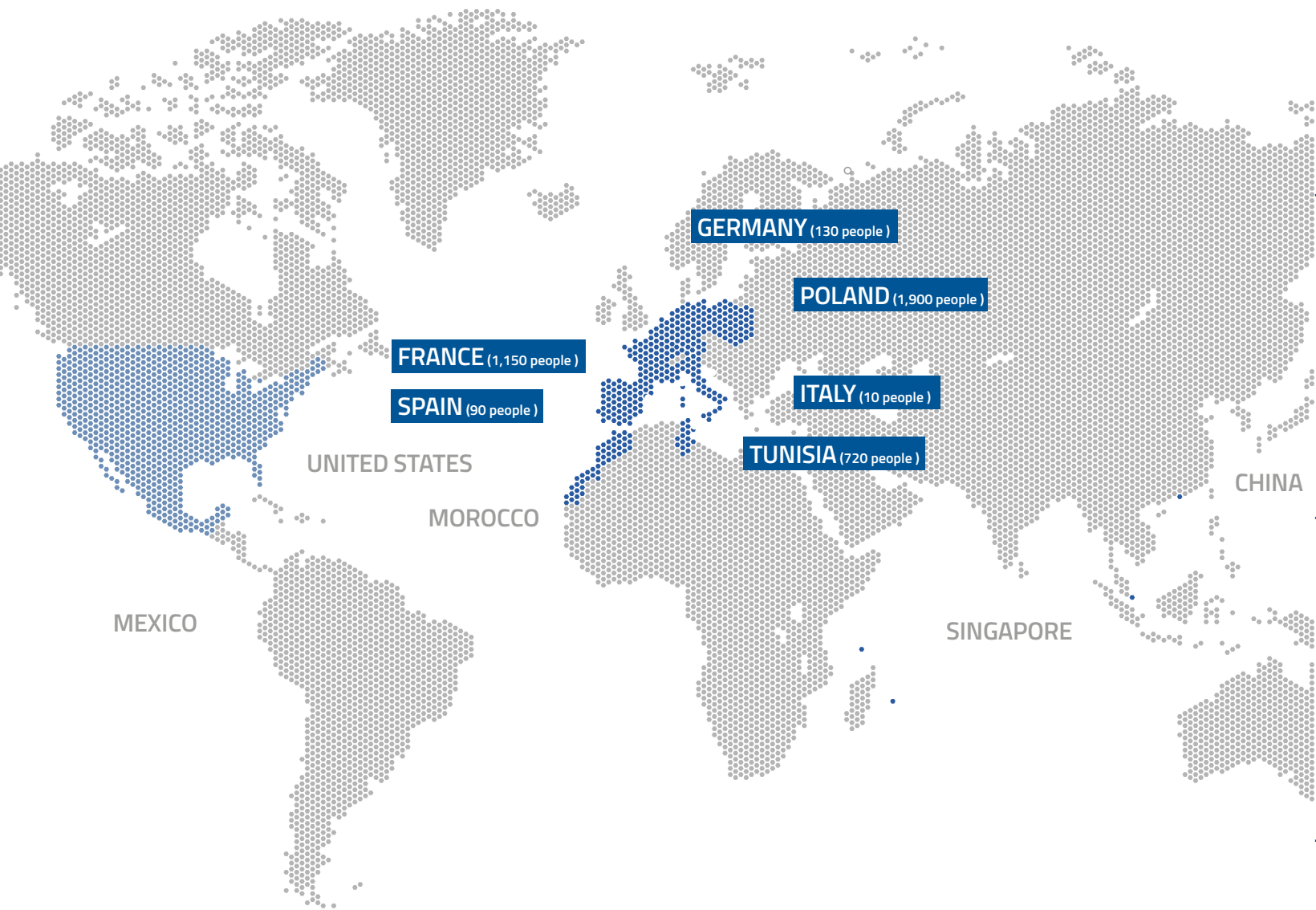
**THOMAS LESORT**  
Executive VP, Human Resources

"The results of our second in-house satisfaction survey, LACROIX & You, showed that the LACROIX Group project enjoys strong support and people are committed to their jobs. Let's keep working together to improve our modus operandi and management practices, giving free rein to everyone's talents and energy, making our work meaningful and putting people at the heart of our projects. 2018 saw the rollout of our Group values on the ground, and they were also made part of our daily routines in line with our code of conduct and decision-making principles. Bringing our values to life on the ground means acting with a sense of audacity, commitment, team spirit, openness and respect."



OUR LOCATIONS

# An international presence





## AMBITION 2020

# Solid, targeted growth

### MARKET CONQUEST

A customer-oriented organisation focused on selling value

2020 Objectives:

**60%** of business via strategic clients

**25%** more revenue per sales rep

### INTERNATIONAL NEW HORIZONS

Further development in high-growth areas

2020 Objectives:

**70%** of business outside France

**x 3** outside Europe

### OPERATIONAL EXCELLENCE

Transformation into the industry of the future: digitalisation and real-time fluidity

2020 Objectives:

**-25 %** order processing time

**+ 5** AV points on personnel costs

### INNOVATION & DESIGN

Supporting the growth of industrial IoT and new uses with our ecosystems

2020 Objectives:

**30%** of revenue via new products

**10** new collaborative projects per year

### HUMAN CAPITAL

Teams committed to an entrepreneurial corporate culture

2020 Objectives:

**75%** in-house satisfaction rate

**25%** shareholder employees

### SMART WORLD

LACROIX Group connected for the acceleration and implementation of the 2025 plan

2020 Objectives:

**10%** of business through partnerships

**50 %** of customer and partner relationships are digital

## IN 2018,

halfway through the plan, 4 of our 6 lines of action in this transformation programme are on course:

- Winning markets
- Innovation and design, although the new product line is fairly varied according to the activity in question
- Smart World
- Operational excellence, including the AV ratio for staff costs

**The lines to push ahead with in 2019 are:** international expansion beyond Europe and likewise enhancing our human capital, although numerous initiatives have already been taken in the latter area in 2018.



To bring together, motivate and involve teams in the roll-out of this strategic plan, “**AMBITION 2020 Days**” have been organised throughout the year on the Group’s different sites. They are sure to be characterised by sharing, humour and team building!



# HIGHLIGHTS

## High points of the year



MARKET  
CONQUEST



INTERNATIONAL  
NEW HORIZONS



INNOVATION  
& DESIGN



OPERATIONAL  
EXCELLENCE



HUMAN  
CAPITAL



SMART WORLD



**NANTES**  
EXPERIMENT:  
AN AUTONOMOUS SHUTTLE



This autonomous, 100% electric shuttle was tested by Nantes locals from 1 to 30 June 2018. The solutions proposed by our V2X business unit form the core of the experiment. They enable the shuttle to communicate with its environment in real time, which not only makes it more secure but allows it to adjust its speed and ensure the safety of nearby users. The experiment was such a success that it will be repeated in 2019.



**LACROIX TECH**  
LACROIX TECH BIENNALE:  
2ND EDITION



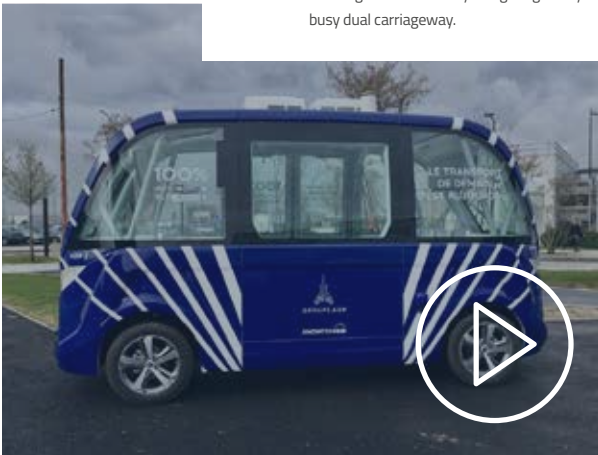
The goal? To bring employees in the LACROIX TECH community together so that they can create bonds and thus develop synergies within the Group, but also to find out what each one of them expects of their work, analyse what we are doing well and, above all, identify areas where we can improve. This has been made possible thanks to the many workshops they have attended themed around innovation, new technologies, data, cybersecurity, artificial intelligence, industrial IoT and good methodologies.



**FRANCE**  
THE CONNECTED FACTORY:  
THE BEGINNING OF A NEW REALITY



After connecting up specific production equipment via the IoT Thingworx platform, our electronics activity has been experimenting with identifying production delays in real time, generating mass data and creating automatic activity reports. They have made convincing start to the era of real-time monitoring.



**PARIS**  
EXPERIMENT: THE AUTON-  
OMOUS SHUTTLE AT PARIS  
AIRPORT



ADP Group has launched an experimental autonomous shuttle, the first of its kind to operate in a French airport! Thanks to our traffic light and V2X equipment, the shuttle was able to overcome the significant challenge of successfully navigating a very busy dual carriageway.



## AMBITION



### BRITTANY SMART ISLAND: TELEMETRY FOR ÎLE DE MOLÈNE



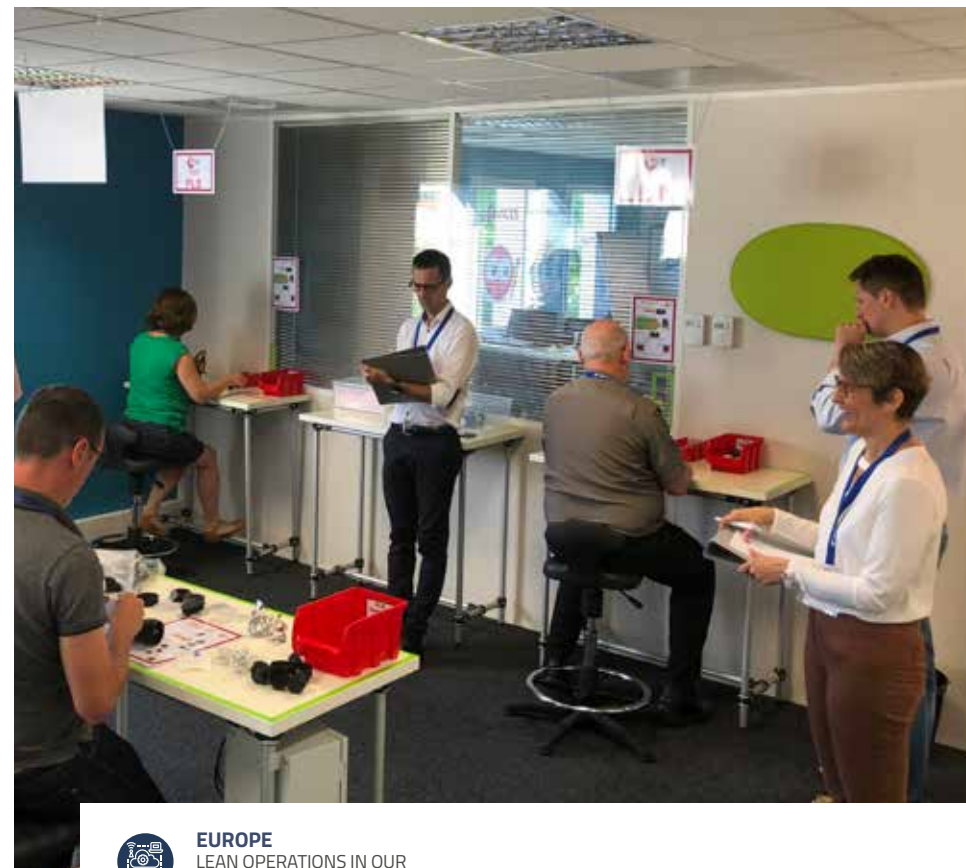
The island of Molène, off the west coast of Finistère in Brittany, is a remote island with a permanent population of 120 residents (increasing to 400 in the summer holiday period). As part of a general initiative and an energy saving project subsidised by the local Syndicat d'Énergie, councillors decided to fit all of the island's lighting with our Tegis Lighting Plus telemetry system, which permits each light to be dimmed easily and remotely, equipment to be monitored and managed, and energy savings to be analysed.



### SPAIN SOFREL S4W WINS BEST PRODUCT AWARD



At the iWater International Integrated Water Cycle Show in Barcelona, we won the Best Product Award for our new 4.0 telemetry equipment. It was streets ahead of around a hundred competitors because it offered solid cybersecurity for remote management of water networks.



### EUROPE LEAN OPERATIONS IN OUR ELECTRONICS FACTORIES



This was a great example of teams getting involved to boost productivity. At training courses, seminars and improvement workshops, all teams – operational and management – endorsed this method for streamlining processes and making them more agile. The drive to hunt down and eradicate waste is on, and initial results are promising.



### CHINA A PURCHASING OFFICE IN SHENZHEN OPENS FOR BUSINESS



Direct parts supply in China continues to grow and today accounts for almost 15% of the overall purchasing volume for the Group's electronics activity. Shenzhen, China's electronics hub, is home to a dense concentration of electronics parts manufacturers. Working as closely as possible with production enables us not only to be more responsive, but also to develop closer business links with our partners.





## AMBITION



### JOINING THE SMART WATER NETWORKS FORUM WORLD ALLIANCE



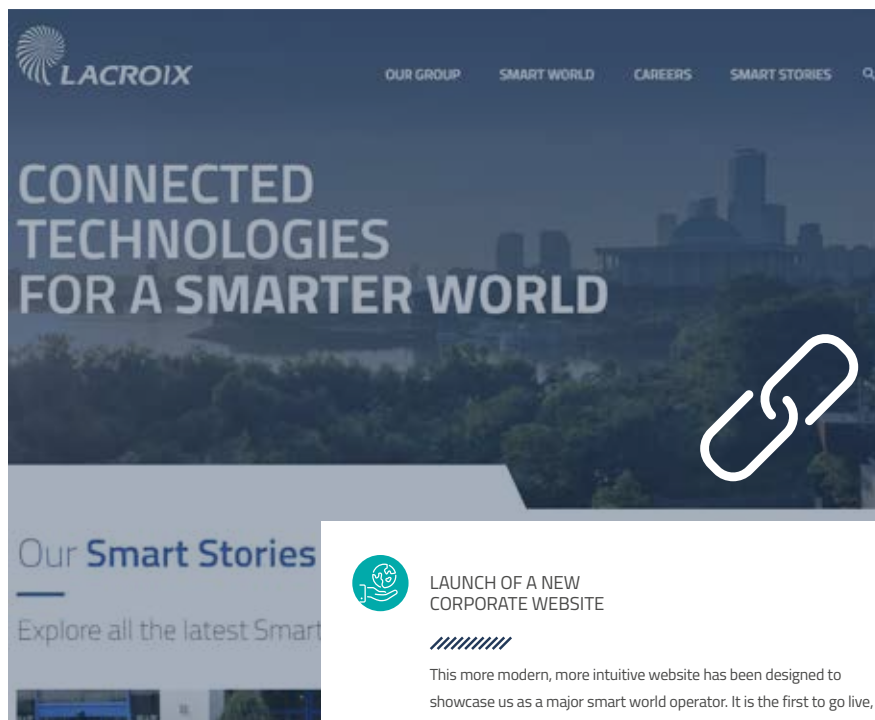
Factors affecting the industry today include the increasing complexity of managing and controlling water networks; critical levels of use; reliable communications; data quality; and connected solutions' ease of use once they are in these constrained environments. These are all issues on which we will have an input at the forum.



### FRANCE GOLD AWARD FOR BEST INNOVATION MANAGEMENT



It is thanks to Stéphane Gervais, Executive VP, Strategic Innovation, that we won this prize at the G20 Marketing and Innovation Awards which recognise French companies that have implemented outstanding transformation, marketing and innovation strategies.



### LAUNCH OF A NEW CORPORATE WEBSITE



This more modern, more intuitive website has been designed to showcase us as a major smart world operator. It is the first to go live, but it will not be the last: new websites for LACROIX City, LACROIX Sofrel and LACROIX Electronics will all make their debut in 2019!



### PARIS VIRTUAL REALITY: AN INNOVATIVE DEMONSTRATION TOOL



We developed a demonstration tool which uses virtual reality to enable us to experience how the SensyCity ecosystem detects pedestrians, cyclists and bicycles, as if we were in a street after dark! The tool was showcased for the first time at the French Mayors and Local Authorities Exhibition, the top event for our smart mobility activity.





## AMBITION



### FRANCE

A STRATEGIC COMMITTEE FOR THE ELECTRONICS INDUSTRY HAS BEEN FOUNDED



The French National Industry Council, chaired by the Prime Minister, has endorsed the creation of a strategic committee for the electronics industry. This amounts to genuine recognition for our profession, putting the electronics industry on an equal footing with traditional industries such as aeronautics, the naval and maritime sector and automobiles. The committee is chaired by Thierry Tingaud, CEO of STMicroelectronics France, and its vice-chairman is the LACROIX Group's CEO, Vincent Bedouin.

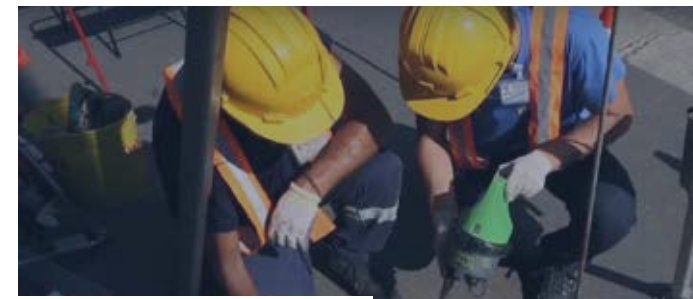


### SPAIN

OUR 1<sup>ST</sup> EXHIBITION UNDER THE LACROIX GROUP BANNER



We exhibited in the Creative France pavilion at Barcelona's Smart City Expo, where we showcased our smart equipment for building the smart cities of the future.



### ITALY

PERMANENT MONITORING OF WASTEWATER NETWORKS IN MILAN



To gain better understanding of its wastewater networks' behaviour, the city has identified 350 critical points, and we have installed a telemetry system for each of them. The aims here are to be able to remotely view historical data, related statistics and operational patterns; check the water balance in each sanitation district; scale the network's mathematical model; and monitor the volume of wastewater flowing towards treatment plants in Milan.



### BELGIUM

DISTRICT METERING FOR THE SOCIÉTÉ WALLONNE DES EAUX (SWDE) WATER NETWORK:



The Belgian company supplies water to 2.5 million users through a supply network which extends over 36,000 km and is fitted with 2000 SOFREL data loggers. Since installing our equipment, SWDE has increased its leak detection productivity by 30% and made water savings of 4 million m3 in the space of two years.

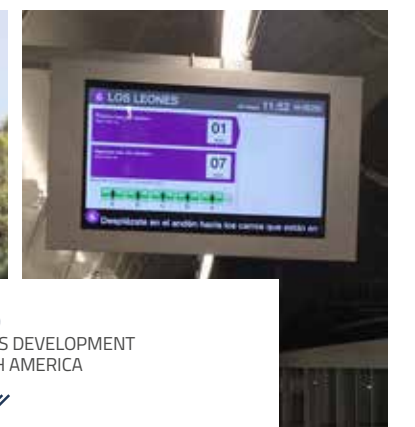


### MEXICO

BUSINESS DEVELOPMENT IN SOUTH AMERICA



Thanks to our work in Spain, our smart mobility business is now expanding in South America. It installed its first variable message sign in Mexico. This technological innovation is powered by solar energy and combines high optical performance with energy efficiency. Likewise, it installed 288 screens and 31 tactile totems in the Santiago de Chile metro, with the aim of making travel easier for passengers.





# INNOVATION

## Smart communities

IN EACH OF THE GROUP'S LINES OF BUSINESS, WE COME ACROSS SHARED ISSUES. RATHER THAN ADDRESSING THEM IN ISOLATION, WE DECIDED TO WORK ON THEM TOGETHER.

### LACROIX GROUP COMMUNITIES: EMBODYING COLLECTIVE INTELLIGENCE

We are currently undergoing a digital revolution, with new technologies, new business models and new equipment reshuffling our professional card decks on a daily basis. Reinventing ourselves has therefore become essential to our success. We are choosing to become stronger together, because quality innovation starts with a collective intelligence approach. From the drawing board to the factory floor, we capitalise on and share our employees' skills and expertise alongside those of our customers' and partners' as a way of creating value. Through our LACROIX TECH and LACROIX FAB communities, we promote information-sharing and good practice in-house as part of our "1+1=3 principle".



### LACROIX TECH: 140 MARKETING AND R&D HIGH FLYERS FROM THE GROUP'S 3 LINES OF BUSINESS

Our customers' success drives innovation at the LACROIX Group



The LACROIX Group approach is to innovate, experiment and implement.

Because we work upstream of our customers' needs but with a long-developed grasp of real situations on the ground, at LACROIX Group innovation is designed to be pragmatic.

We choose to build on the already solid base which has made the Group successful, as we systematically reflect on how to

expand and develop existing ranges, but also on how to seek out new uses. We study how each innovation can be rolled out by and made useful to our customers, so that we can help them achieve success now and in the future.

LACROIX TECH is the cross-departmental community driving the LACROIX Group's innovation. We develop new ideas together so that we can move faster and go further.

To support this constant innovation, we have set up our own innovation catalyst: LACROIX Lab. The Lab serves the entire company, making use of its autonomy and independence to discover new opportunities.

### LACROIX FAB: THE PROUD PRODUCT OF INDUSTRIAL DNA INHERITED FROM THE GROUP'S 3 LINES OF BUSINESS



It is in our history, our culture, our DNA: at LACROIX Group, we are industrialists above all. We want to be our customers' partner of choice and to continually build on that relationship so that we can better understand and meet their expectations. We offer them a full range of equipment, we anticipate their needs through continuous innovation and we constantly improve our operational performance so as to deliver projects to required deadlines, quality standards and costs.

LACROIX FAB is the cross-departmental community which standardises the



LACROIX Group's continuous innovation. We work jointly with our customers and partners to build the industry of the future.

### Taking us towards operational excellence

In order to launch this community and make it easier to share good practice, LACROIX FAB opted for a digital solution, creating a collaborative platform that can be accessed by thousands of Group employees. Connecting its in-house members is the first step towards creating industry 4.0. But we cannot create it on our own. Tomorrow's industry involves connected machines, connected factories, and also connections with supplier chains, customers and even our customers' customers. Logistics entails multi-level digitalisation, and it also

encompasses the fact that physical barriers between factories and their environments are blurring. LACROIX FAB has already built a great deal, including interoperable machines, interconnected factories, a single information system, a unified certification process, a single process map, and a single language. If we want to be efficient, these new work methods have to be organised. Whether it comes down to lean manufacturing or a lean office, LACROIX FAB trains Group employees, which in turn fuels our continuous improvement and leads us towards operational excellence.



## MORE THAN VALUES: exemplary behaviours!

At a time when companies' purposes and roles in society are increasingly in the spotlight, it is our firm belief that these must be embodied in behavioural models that reflect our fundamental values. To make these values a daily reality, we continuously encourage and train our teams.



### Audacity



"Whether you think you can or you can't, you're right."

We are a Group that **develops people's taste for a challenge**, encourages and values **initiative**, and **accepts that mistakes** are a way of learning and moving forward.

We are a **visionary** Group with the **courage** to develop **smart world** expertise and technologies, so that we can support our customers and partners.

We are a Group that works with our partners to do more and more **exploratory innovation** and **move forward** off the beaten track.

We are a Group that is always on the move and that promotes a **spirit of conquest** when it comes to developing new territories.

### Commitment



"Don't talk, act. Don't say, show. Don't promise, prove."

We are a Group that cultivates a **passion for our profession**, as well as a will to **succeed** and to **attain objectives**.

We are a Group that allows everyone to **engage** and become a **stakeholder** working towards our **collective ambition**.

Our employees are **motivated** and **energetic** and they act to further a **shared mission** and **outcomes**.

We use our quest for **excellence** and a culture of **collective performance** to **serve our** in-house and external customers.

### Team spirit



"If you want to go fast, go alone, if you want to go far, go together."

In our Group, everyone works to **serve** the company and our **collective ambition**.

Our closely-knit teams foster a **spirit of mutual support** and understand the value of **sharing** knowledge and skills.

Our Group invests in **collective intelligence** by encouraging the use of agile, innovative **collaborative practices**.

Our Group engages in **collaborative innovation** with its partners and customers.

### Openness



"Strength lies in differences, not in similarities."

Our Group **listens** and values talent in order to **nurture** its strategy and overcome technological and social challenges using **innovative approaches**.

Ours is a **pragmatic** Group that **explores** new ecosystem ideas **in order to imagine** future uses and innovate faster.

Our Group is **open** to others so that we can develop **synergies** at all levels.

Our Group values **curious minds**, encourages the **desire to learn**, and sees **diversity** as strength.

### Respect



"We are a team because we respect, trust and care."

Human relations are built on **trust**, **goodwill**, **straightforwardness**, **frankness** and **humility**.

Our Group bases its value creation model on the **satisfaction** of **colleagues**, **customers**, **partners** and **suppliers**.

Our Group **respects the environment** through commitments to **sustainable development**.

Our Group acts **ethically**.

## FOR our employees

By making links between the code of conduct, operational standards and our values, the LACROIX Group's teams are helping to put people at the heart of the organisation. Consequently, our managers and employees have a shared reference to guide their interactions and ensure clear decision-making.

### IN-HOUSE SATISFACTION SURVEY

It is the Group's responsibility to ensure that each employee is fully involved in implementing its projects. For this reason, so that we can get a better understanding of our teams' expectations and their engagement with work and the company, since 2015 we have been conducting an in-house satisfaction survey, LACROIX & You, every two years with all Group employees.

With a response rate of 84% (which equates to more than 3,300 participants), the results of this survey into about one hundred questions across ten categories provide plenty of guidance for our improvement initiatives.

### TALENTS AND SKILLS

In an environment undergoing rapid technological change, in which digital resources and data are essential components, skills development and talent retention are key factors for success, both of which having been identified as major ambitions.

Employee training also continues to be an important aspect, collaborative working is likewise encouraged, and special interest or skills communities are being set up in order to share good practice or to work together to solve identified issues.

We are also reiterating our support for giving young people an introduction into the world of work. 48 young people were on work/study contracts in 2018, four were on an international internship programme and, for the first time, we had a doctoral student.



In 2018 we deployed teams of "Digi friends" on each of our sites, whose job is to boost the Group's digital culture. These teams provide proactive support for using the digital solutions available.



### SEASON 1 OF LACROIX TECH WEBINARS

Open data, blockchain, chatbots, V2X, etc. Once a month for one hour, experts from the LACROIX TECH community share their expertise in technology or methods for a given area of company strategy. Offered in the form of webinars and at a level that most will be able to understand, these opportunities to discover and discuss are open to all Group employees.



### TOP HR TEAM 2018

Our Human Resources teams in Poland have won several awards for the factory's HR strategy, and specifically for their promotion of occupational wellbeing, employee development opportunities and CSR policy.

Their activities set an example for the rest of the Group and will be increasingly implemented on an international scale.



# 68 %

OF EMPLOYEES SATISFIED IN 2018

75% objective in 2020



# 100 %

OF EMPLOYEES MOST AT RISK OF BEING OFFERED BRIBES HAVE BEEN TRAINED IN THE GROUP'S anti-corruption mechanisms. All of these courses have been run in person by Franck Legrand, Executive VP, Legal and Compliance.



## FOR our customers

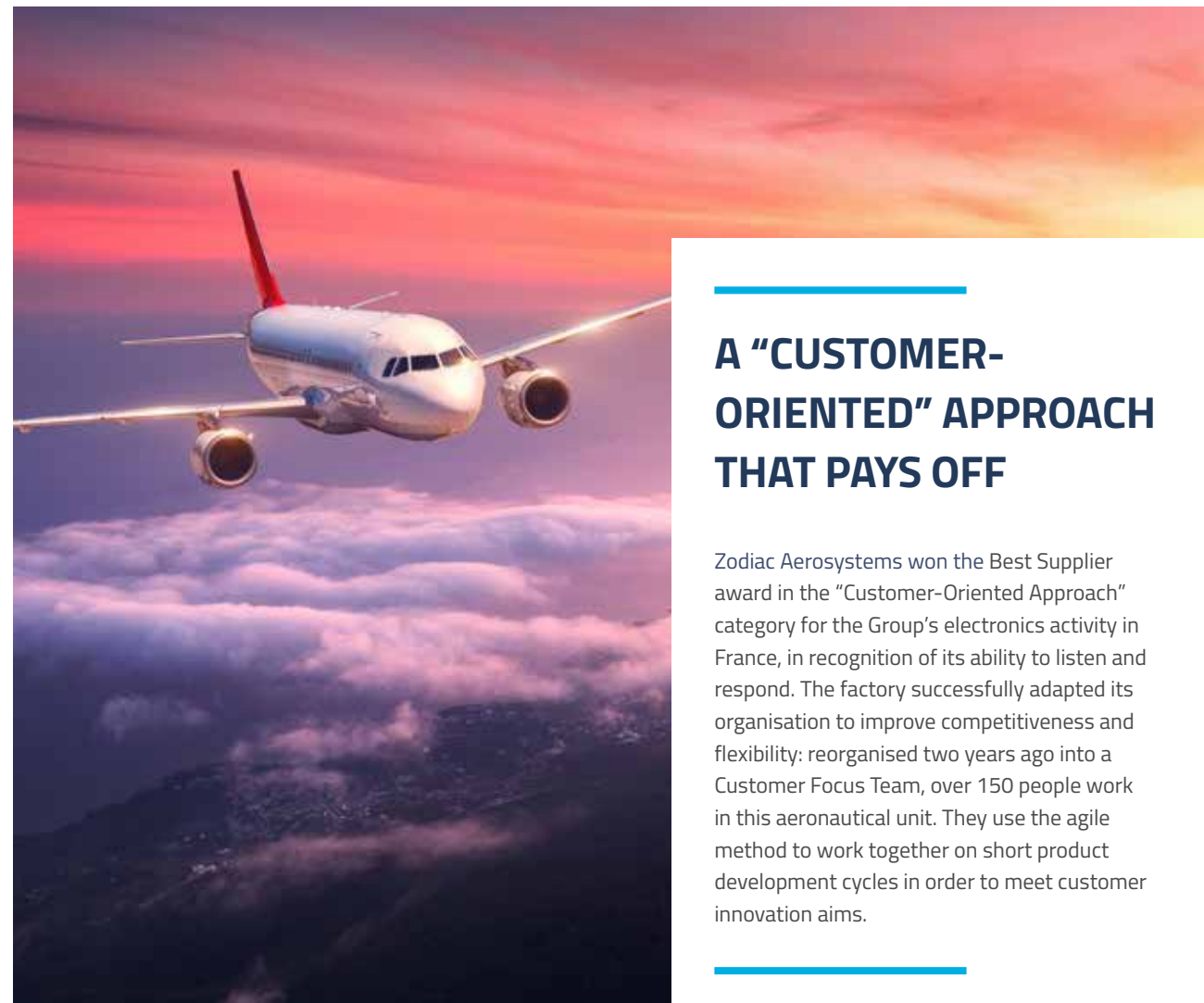
Our business lines share the same goal of making us our customers' partner of choice. This means always being by their side to better understand and meet their expectations; anticipating their needs through continuous innovation; and constantly improving our operational performance so that we can deliver projects on time and in line with quality standard and cost requirements.

### DIALOGUE WITH STAKEHOLDERS

In the LACROIX Group, we work to build a constructive relationship with our stakeholders so that we can encourage dialogue in keeping with our corporate social responsibilities. This dialogue provides leverage for fostering links, innovation and added value, in a setting where listening and co-construction are prioritised and decision-making based on stakeholder expectations is facilitated.

### POSITIONING OURSELVES IN A COMPLEMENTARY POSITION

The development of smart objects in urban environments involves acquiring new connectable assets, or adding sensors and communication modules to existing, unconnected infrastructures. The way this is implemented will impact market dynamics, primarily due to cost (for example for equipment, any necessary civil engineering work or data use). As an independent stakeholder, we position ourselves as a complementary resource for major integrators and operators by supplying turnkey modular equipment. With our full range of proprietary products for Smart City and IIoT infrastructures, our Group is increasingly seen as innovative, industrial and cyber-secure technological equipment supplier.



## A "CUSTOMER-ORIENTED" APPROACH THAT PAYS OFF

Zodiac Aerosystems won the Best Supplier award in the "Customer-Oriented Approach" category for the Group's electronics activity in France, in recognition of its ability to listen and respond. The factory successfully adapted its organisation to improve competitiveness and flexibility: reorganised two years ago into a Customer Focus Team, over 150 people work in this aeronautical unit. They use the agile method to work together on short product development cycles in order to meet customer innovation aims.



## 1<sup>st</sup> cross-sectional customer satisfaction survey at LACROIX City

In July, we launched a comprehensive initiative at LACROIX City for improving our procedures and performance still further, with a view to providing our customers with a high-quality service.

Here, we decided to listen to what our customers had to say so that we could get an objective view of their opinion of the company; analyse those features of the customer experience with room for improvement; establish corrective measures where necessary; and obtain a reliable indicator of our service levels.



23

CERTIFICATIONS ON 13 SITES



3

COMPLEMENTARY LINES  
OF BUSINESS COVERING DIFFERENT  
MARKET REQUIREMENTS

## FOR the environment

The concept of being a technological equipment supplier in the Smart City and Smart Environment spheres places us at the centre of environmental preservation issues.

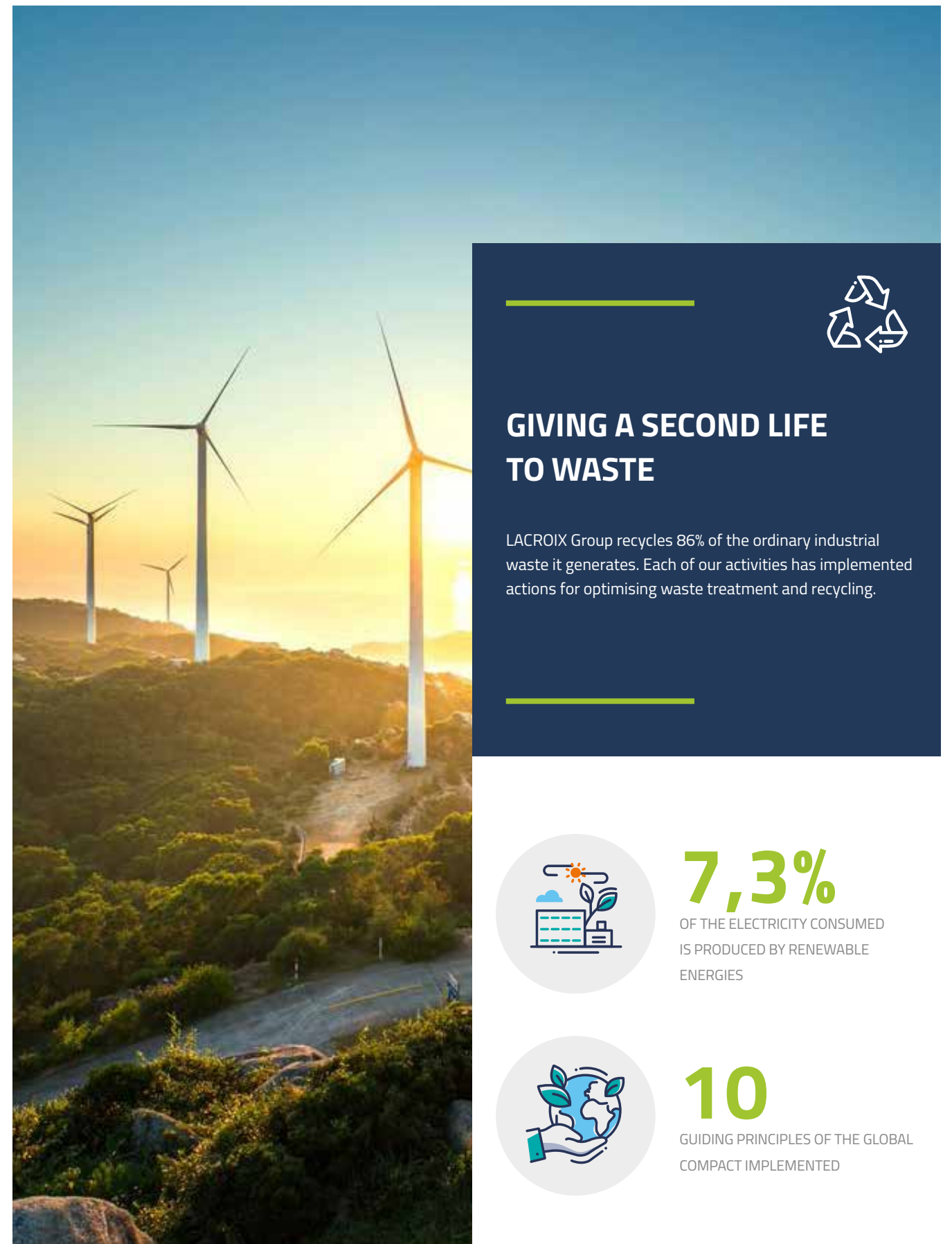
### THE ENVIRONMENT AT THE HEART OF OUR STRATEGY

LACROIX Groups teams design increasingly smart products for reducing light pollution in cities, better management of water resources, achieving energy savings and at the same time providing additional services. Consistent with the positioning of our activities, the entire Group operates a proactive policy as regards the environment and management of our daily activities. ISO 14001 certification of eight of our sites as of 30 September 2018 provides striking proof of this.



We decided to join the United Nations Global Compact and endorse its 10 guiding principles on human rights, international labour laws, the environment and the fight against corruption. We are committed to furthering these principles in our sphere of influence and embedding them into our strategy, culture and modus operandi.

[Discover our report](#)



### GIVING A SECOND LIFE TO WASTE

LACROIX Group recycles 86% of the ordinary industrial waste it generates. Each of our activities has implemented actions for optimising waste treatment and recycling.

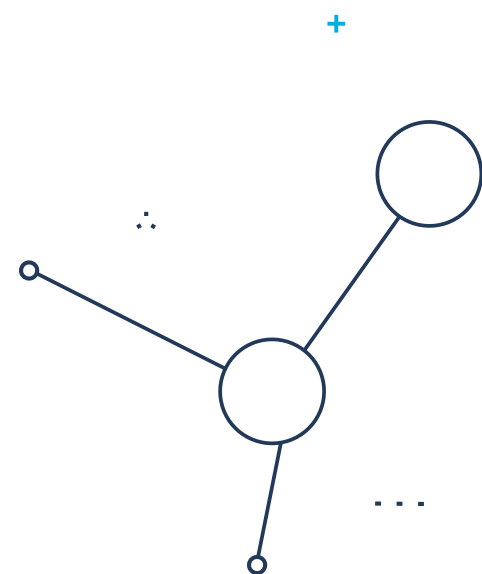
**7,3%**  
OF THE ELECTRICITY CONSUMED  
IS PRODUCED BY RENEWABLE  
ENERGIES

**10**  
GUIDING PRINCIPLES OF THE GLOBAL  
COMPACT IMPLEMENTED



# BUILDER OF THE smart world

LACROIX GROUP IS AN INTERNATIONAL SUPPLIER OF TECHNOLOGICAL EQUIPMENT, WHOSE AMBITION IS TO PLACE ITS TECHNICAL AND INDUSTRIAL EXCELLENCE AT THE SERVICE OF A CONNECTED AND RESPONSIBLE WORLD.



## LACROIX GROUP, WORKING FOR A CONNECTED AND RESPONSIBLE WORLD

A family-run listed SME, we combine the agility crucial for innovating in a constantly developing technological world with the long-term vision for investing in and building the future.

LACROIX Group supplies connected and secure equipment for running smart road system infrastructures (street lighting, traffic signs, traffic management, V2X) through LACROIX City, and for running water and energy infrastructures through LACROIX Sofrel.

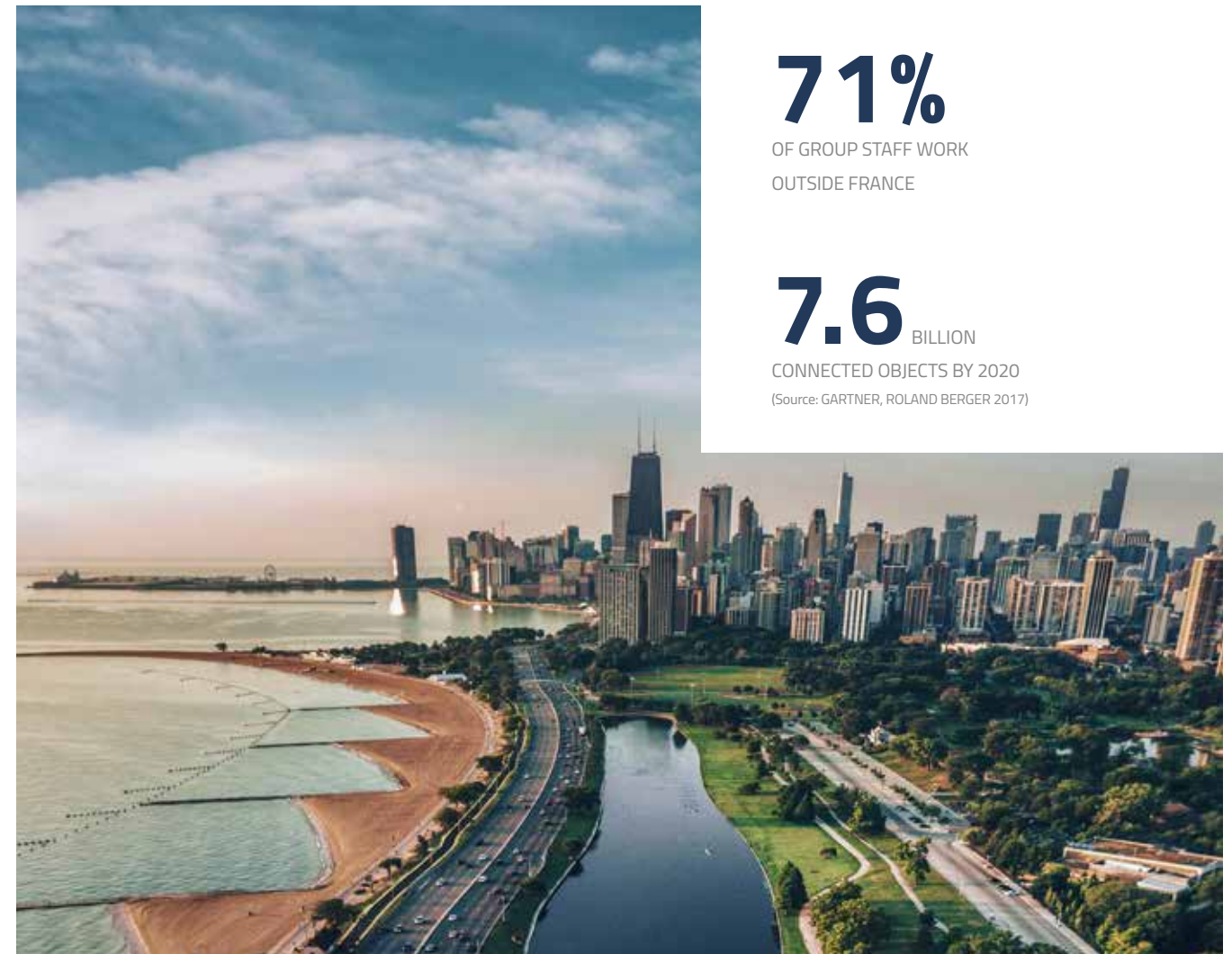
Similarly, LACROIX Group develops and manufactures electronic equipment for its customers in the automotive, home and building automation, aeronautical, industrial and health sectors through LACROIX Electronics.

We do not indulge in grand, futuristic or fantastical schemes. We work with our customers and partners to create the link between the world of today and the world of tomorrow. We help them to build the industry of the future and to make the most of the opportunities for innovation that are all around us, supplying them with the equipment for a smarter world.

### WHAT WILL TOMORROW'S SMART WORLD LOOK LIKE?

An increasingly urban world where population migration intensifies and resources become scarce. It is therefore crucial to manage them better. At the same time, new technologies are emerging and creating a world that is becoming more connected by the second, and where data are multiplying. These profound changes are transforming markets, opening up unlimited perspectives for our customers.

Our activities place us at the heart of these transformations.



# 71%

OF GROUP STAFF WORK  
OUTSIDE FRANCE

# 7.6

BILLION  
CONNECTED OBJECTS BY 2020  
(Source: GARTNER, ROLAND BERGER 2017)

## LACROIX CITY

In an urbanising world, we must respond to the key challenges of smart mobility: directing and optimising the movement of traffic and people safely, so that our highways and streets can be shared by everyone. It is through the connected equipment and technologies of tomorrow, designed on a solid basis of experience and expertise, that we will manage to meet these challenges. LACROIX City has been innovating for decades in the equipment it manufactures for smart road systems.

## LACROIX SOFREL

In a world where natural resources are running out, we need to act urgently. Each of us must therefore make a personal commitment to the smart environment. Optimising our management of water, energy and raw material resources is our duty as responsible citizens and companies. Thanks to its unrivalled expertise, LACROIX Sofrel has successfully placed its technology at the service of the environment, creating equipment that contributes to better use of our planet's resources.

## LACROIX ELECTRONICS

In a changing world, our customers are seeking innovative solutions so that they can develop new opportunities. Our goal is to help them achieve this, and our ability to rise to the smart industry challenges means that we can do so. For this we use a digital, interconnected ecosystem whilst at the same time delivering a tailored, quality service using cutting-edge technologies. As a result of this transformation project, LACROIX Electronics has become a benchmark factory of the future.



# A COMMITMENT TO smart mobility

FACING THE CHALLENGES  
POSED BY AN INCREASINGLY  
URBAN AND CONNECTED  
WORLD, WE ARE TARGETING  
THE MARKET OF CONNECTED  
TECHNOLOGIES FOR  
SMARTER MOBILITY".

## A COMMITMENT TO SMART MOBILITY

We are targeting this traditional  
market, which we know well, and  
promoting its transformation by  
adopting and mastering technologies.  
For decades we have been responding  
to the challenges of a world that is  
undergoing change, becoming ever  
more urban and connected, and we  
provide support to local authorities and  
companies through our equipment for  
smart road systems. Our experience  
and expertise provide a solid base  
for designing the connected uses of  
tomorrow which will enable flows of  
people and vehicles to be directed,  
optimised and safe. These uses make  
up the essence of smart mobility.

## THE STRENGTH OF A COMPLEMENTARY RANGE FOR SMART ROAD SYSTEMS

To make this concept of smart,  
connected road systems viable by  
keeping installation costs down,  
our focus is on interoperable and  
complementary ecosystems which  
can be adapted to the equipment  
and infrastructures already in place  
worldwide.

The cities of the future will be built to  
incorporate technological, ecological  
and societal developments. We  
interface with this changing world with  
immediate results for safety, wellbeing,  
social and environmental responsibility.  
This is possible thanks to our extensive  
expertise in street lighting, traffic signs,  
traffic management and regulation,  
and V2X.



# +24%

CONNECTED SMART CITY OBJECTS IN CITIES  
PER YEAR BETWEEN 2015 AND 2020

The average recorded in over 250 European cities  
(Source: IDATE DigiWorld, Smart Cities & IoT,  
November 2016)

# 11

MILLION

CONNECTED VEHICLES BY 2021

## INNOVATION IS OUR WATCHWORD

Thanks to our LACROIX TECH community, today  
we have the resources necessary for continuing to  
innovate, mastering the latest technologies and  
constantly forging ahead. With the support of a solid  
network of partners, we are reinventing the cities  
of tomorrow and establishing ourselves as leading  
international stakeholder. This is demonstrated by  
3 examples: SensyCity: the first connected detection  
ecosystem dedicated to street lighting; the V2X  
range, preparing the necessary infrastructure for  
autonomous, connected vehicles; and Mx4, the  
first passive safety support for a more forgiving  
road environment.



# CREATOR OF THE smart environment

IN AN INCREASINGLY  
CONNECTED WORLD WHERE  
ENVIRONMENTAL ISSUES  
ARE AT THE TOP OF THE  
AGENDA, OUR FRAMEWORK  
OF ACTION IS "CONNECTED  
TECHNOLOGIES FOR A  
SMARTER ENVIRONMENT."

## CREATOR OF THE SMART ENVIRONMENT

Scarcities of water, energy and raw materials are causing major concern worldwide. Optimising their use is a priority, and controlling the impact of human activities on the environment is a key issue for any company committed to its CSR policy. We made these commitments over 40 years ago by creating smart equipment for rationalising our use of water and energy resources. By choosing to place technologies at the service of humans and the environment, we have played our part in creating the smart environment.

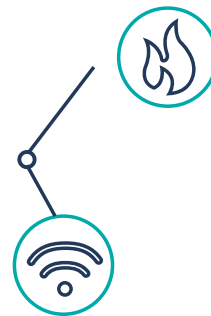
## UNDENIABLE EXPERTISE IN WATER AND ENERGY NETWORKS

We have an in-depth knowledge of the profession of our water and energy network operator customers, and consequently can help improve their networks and protect the

environment. A real player in the world of industrial IoT, we are at the cutting edge of new technologies and know to perfection the technological building blocks of electronics, industrial IT, telecommunications, automation and cybersecurity. With our own hardware and software engineering offices and earmarking over 10% of our annual revenue for innovation and R&D, we design and test tomorrow's uses with our customers.

## MAKING AN INTERNATIONAL CONTRIBUTION TO THE ENVIRONMENT

We are a leader in the French market and also provide support to our international customers. By 2050, 40% of the world's population will be facing water shortages. Assisted by our subsidiaries in Spain, Italy and Singapore and a network of over 40 certified partners across the world, we focus our development on vulnerable regions. Now that we have



# +22%

CONNECTED SMART ENVIRONMENT OBJECTS  
IN CITIES PER YEAR BETWEEN 2015 AND 2020

The average recorded in over 250 European cities  
(Source: IDATE DigiWorld, Smart Cities & IoT, November 2016)

consolidated our presence and expertise in France and Europe, we can expand our activities into Africa, Latin America, Asia and the Middle East, supplying smart equipment to the entire planet.

# 3.6

 MILLION

DEATHS WORLDWIDE EACH YEAR AS A RESULT  
OF CONTAMINATED WATER SUPPLIES

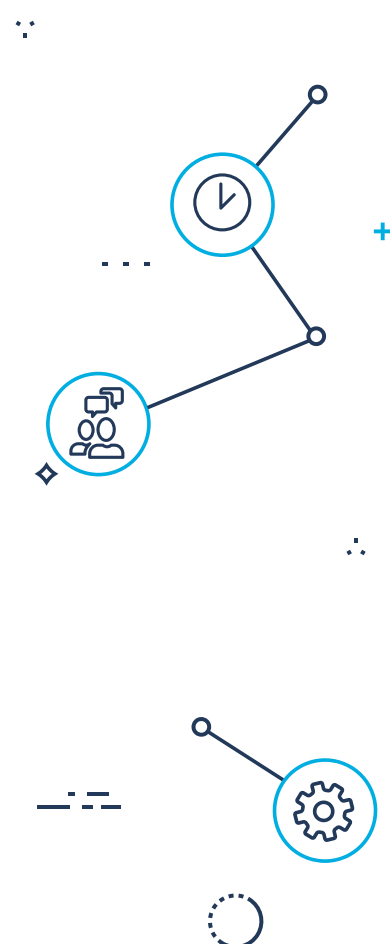




## MISSION

# FORERUNNER OF smart industries

INNOVATING, DESIGNING AND ALSO MANUFACTURING: WE ARE INVESTING IN CONNECTED TECHNOLOGIES FOR SMARTER INDUSTRIES.



## THE FORERUNNER OF SMART INDUSTRIES

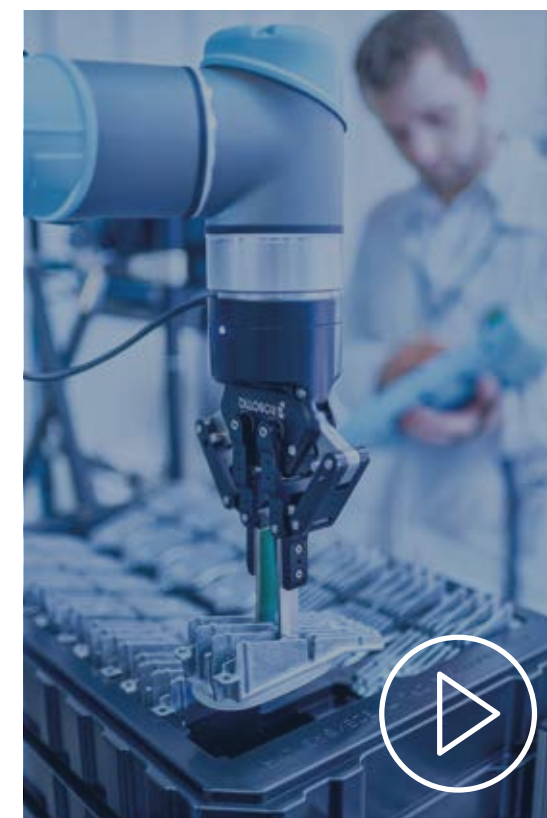
With nine factories up and running on three continents, we have our own industrial resources. In 2018 we invested €8.2 M in adapting and upgrading our sites with new, cutting-edge technological solutions. Our electronics factory in France was the first one in the sector to win recognition from the French government as "Future Industry Showcase". Our transformation and upgrade programme is currently an industry 4.0 benchmark. In an increasingly connected world, our customers are looking for innovative solutions for developing new opportunities. Our ambition is to help them bring these innovations into being. By pooling our efforts and fully using our development skills and production means, we are in a position to meet all future challenges: environmentally-friendly digitalisation and automation.

## ECOSYSTEM DIGITALISATION

We create an increasingly connected world by building digitalised and collaborative relationships: our electronics factories are connected to our engineering offices, we have a single information system, a unified certification process, a single process map, and a single language. Employees, work methods and technologies are today falling into place to develop new, more robust and sustainable relationships in symbiosis with our ecosystem. Digitalisation genuinely speeds up communication and discussions, and the entire value chain benefits as a result: our customers, our suppliers, our partners and our employees.

## AUTOMATION AT THE HEART OF STRATEGY

We rise to the challenges of competitiveness while at the same time ensuring that our customers receive tailored, quality service, thanks to the latest technologies that we acquire and use: automation of collaborative workstations, new OCR tools, X-ray component metering, digital tools for logistics simulation or project cooperation. These initiatives for enhanced competitiveness are in line with the growing trend towards nearshoring.



# 280

MILLION

LEDs FITTED IN LACROIX ELECTRONICS FACTORIES IN 2018

# 54%

OF INDUSTRIAL COMPANIES PLAN TO DEPLOY

LARGE-SCALE IOT PROJECTS BETWEEN NOW AND 2020

(source: Wavestone, 2018. Industrial IoT from PoC to industrialisation.)





[www.lacroix-group.com](http://www.lacroix-group.com)

