



2020

Dear Secretary General,

With this letter, I am pleased to confirm the continued support of the Vignal Group for the United Nations Global Compact.

We thus renew our commitment to adopt, support and apply, within our sphere of influence, the 10 founding principles relating to human rights, labour rights, environmental protection and the fight against corruption.

We also express our willingness to advance the application of these principles by continuing to integrate them into our company's strategy, business culture and operating methods.

Please find attached our communication on progress for the year 2020.

Best regards.

A word from the President,

We had set up progress indicators within our CSR approach.

One of them being Carbon Footprint.

During this year, in partnership with some of our customers, we were able to value the possible carbon footprint gains from switching from light bulb to LED technology.

It was impressive. The greenhouse gas emissions would be divided by five, which is not incompatible with economy as the technology over-costs should be amortised in an average of 2 years by the vehicles' reduction in consumption.

2020 was affected by the Coronavirus crisis. Every system and tool set up within the Vignal group allowed us to handle these difficult times by respecting the people, the planet and the regulations, which is the basis of our CSR.

The customers aren't deceived. They send us congratulatory messages related to our ability to adapt to the current exceptional situations.

Jean-Louis Coutin
President of Vignal Group

LOCAL AND GLOBAL VOLUNTARY COMMITMENTS

“Vignal has turned sustainable development into one of its main strategic focus.”

Emmanuel Magat - industrial and CSR director

THE UNITED NATIONS

Global Compact

In 2015, the Vignal Group expressed its dedication to universal values by adhering the United Nations Global Compact and therefore displaying its involvement in the firm’s social responsibility. The Vignal Group therefore committed to adapt its strategy and operation on the Compact’s 10 principles in relation with human rights, work standards, environment and the fight against corruption.

THE SUSTAINABLE DEVELOPMENT GOALS

(SDG)

In the continuation of its CSR commitments, the Group supports the SDG set by the United Nations in 2015. Reaching 2030, the 17 SDG forms a global call for action in order to reduce inequality, make this world a better place for the generations ahead and make sure that all human beings live in peace and prosperity. Vignal offers its best contribution.

THE CODE OF ETHICS - THE CSR CHARTER

Vignal

The Code of Ethics and the CSR Charter are our vision’s two founding documents, regarding sustainable development. Both detail in their own specific way the group’s CSR aspirations, along with the principles and rules that each employee must follow while performing his or her duties.

THE CSR POLICY

Vignal

Initiated more than 20 years ago in line with the Group’s values, the Vignal Group CSR policy has always been one of our growth strategy’s cornerstone. It is unfolded within a framework designed to create and amplify a progress dynamic regarding CSR matters. This policy is followed consistently and inspires - if not leads - our actions, while holding a steady growth on course.

20 YEARS OF CSR POLICY

The vision of a sustainable and virtuous growth

The Group's CSR policy aspires to respect the people, the planet, the organisations ⁽¹⁾ and to improve its business model's sustainability by encouraging stakeholder confidence, with whom Vignal maintains a permanent dialogue. For more than 20 years, the CSR has remained at the centre of our decisions, the most representative actions of which are detailed below.

2000 ISO 14001 Certification	2009 1 st carbon footprint (scope 1,2,3)	2013 1 st CSR Charter 1 st Ecovadis "Gold" CSR quotation
2014 Strategy plan: "Global design / local production"	2015 Joining the United Nations Global Compact Creating the Group CSR Committee 1 st health and well-being barometer	2016 New site in Lyon Sustainable procurement policy 1 st extra-financial reporting
2017 1 st Conflict Minerals CMRT assessment Transformation of the Rancate site Development of the Mosinee	2018 Opening of the Changzhou site in China 1 st supplier CSR audit Carbon footprint ration: -40% in 5 years	2019 Supply localisation Code of Ethics redrafting Writing of the 1 st professional gender equality index
2020 CSR Charter redrafting Performance of supplier CSR audits Management of the Covid crisis in an ethical way Investments : 6 fully electric injection	2020—2030 Our CSR approach is anchored in time and resolutely turned towards the future. We constantly increase our level of expectation and thanks to the reports we publish, our policy and the various actions we take remain available.	

⁽¹⁾ the laws and regulations.

A YEAR OF COMMITMENTS FOR VIGNAL AND ITS SUBSIDIARIES

Covid-19

First responsibility: protecting the employees

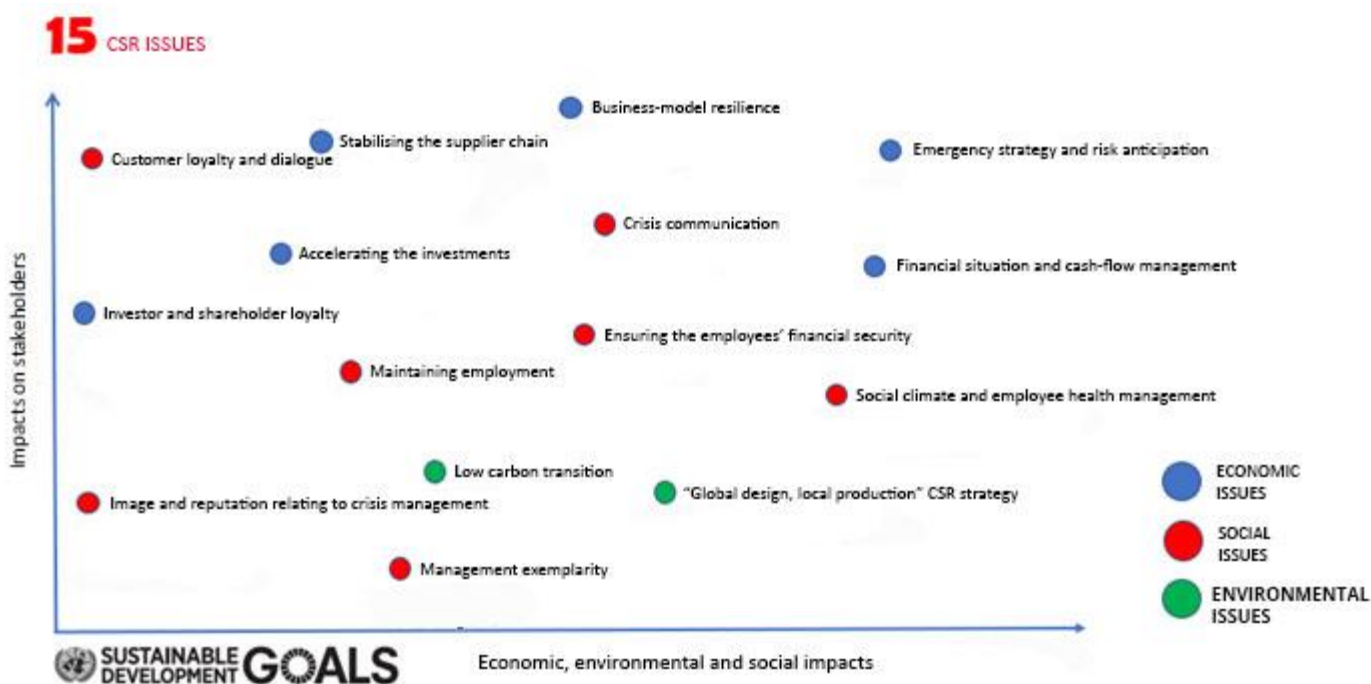
An assessment table for the health crisis

Once a localised health crisis, the Covid-19 pandemic has become a global social and economic crisis in record time.

In this unprecedented context, Vignal did its best in order to ensure the sustainability of its companies while protecting the health of its employees.

When facing the following and uncommon events, our CSR policy incorporated within our global company strategy has displayed its extreme relevance.

Our CSR risk assessment table regarding social, environmental and governance issues has allowed us to come up with an inclusive crisis management plan, respectful of the people, the planet and the universal laws.



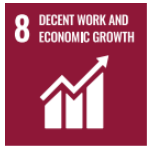
Answers both fast and committed to the crisis — The resilient firm, a key concept



No economic redundancies.
Activating partial unemployment in order to maintain salary levels.



100% of the actions required by the government: barrier gestures.
Complementary measures: masks, disinfecting, dividing teams, protecting people at risk.



Suitable IT system allowing for a speedy establishment of teleworking.
Loan of IT equipment to the employees.
Securitisation of our cash-flow.



Maintaining all our planned investments
Forecasting:
. storage of components and finished goods,
. conditions under which the employee may resume their post.



Implementation of an Activity Continuity Plan for our customers in Europe, the USA and China.
Using our skills in each continent.
Throughout the entire health crisis, ensuring our customers were backed up by our Trade and RD teams.



Accelerating our industrial investments in order to reduce our carbon footprint:
. electric presses,
. localisation of tools and of our assembly means,
. new LED products.



Continuation of our local supply policy throughout the world.



Payment of all our suppliers and providers in due time.



Continuation of our CSR actions, whether or not in crisis: customer interactions, ISO 14001 Certification...

Social

Carrying out the professional gender equality index within the French subsidiaries

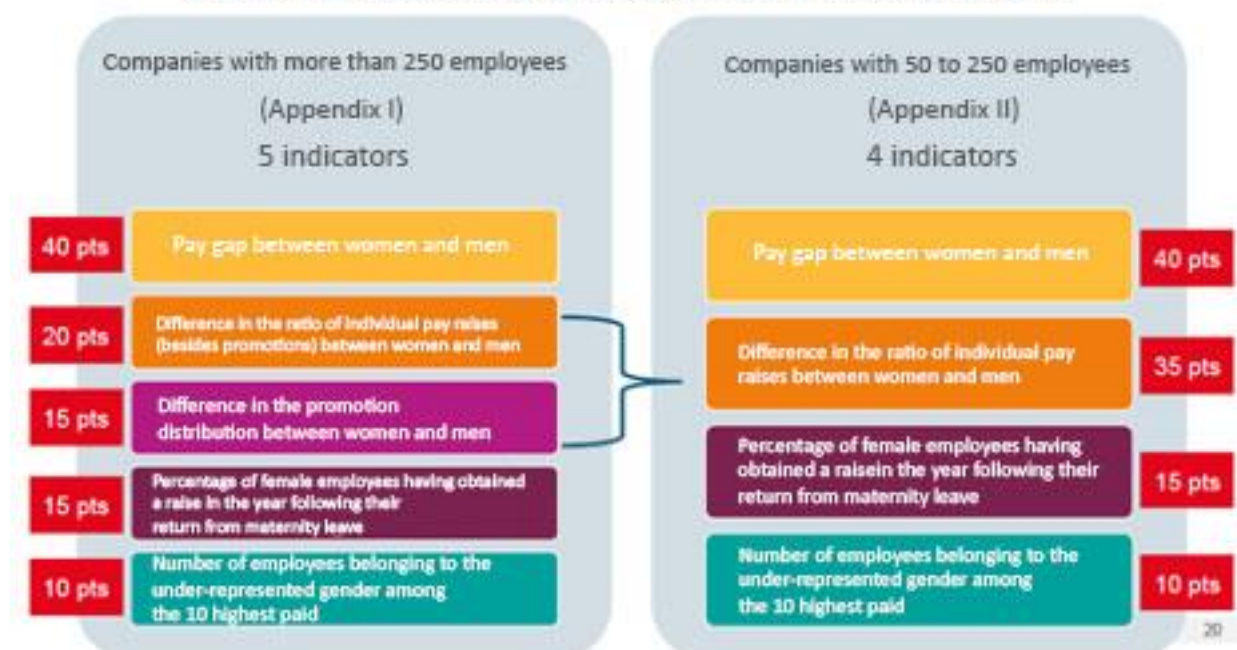


What's the use of an equality index?

Through five criteria, this tool measures whether equally skilled and qualified women earn the same salary than men, and whether they have the same chances of obtaining a raise and a promotion. The tool also assesses whether the female employees are given a pay raise once they return from their maternity leave, once raises are granted. Finally, it measures parity between women and men among the highest pays.

How is this index made up?

4 to 5 indicators and an overall score from 0 to 100



What are Vignal's results for 2020?

84 points out of 100 for Vignal Lyon-corbas and 88 out of 100 for ABL Lights Caen.

Explaining these good scores...

- . 100% of the female employees received an individual raise after their maternity leave,
- . measures have been taken to reduce the pay gap between women and men,
- . women have the same promotion opportunities than men.

“When it comes to professional equality, we wish to move from an obligation of means, which has prevailed to this day, to an obligation of results, which should become the new rule.”

 FRENCH REPUBLIC

Edouard Philippe
French Prime Minister



ODD8: encourage a sustained economic growth, shared and sustainable, productive full employment and decent work for all.



Diploma course for the staff linked to the production

Skills development

Vignal Group
CSR Charter
excerpt.


The Group associates its employees to its development and supports everyone's involvement in skills trainings. By developing its employees' skills, Vignal favours their employability in a social responsibility approach. The qualified teams allow Vignal to provide added value to its customers, all over the world and to bring technical and geographical development.



In February 2020, 6 Team leaders and the Production Assistant have brilliantly obtained their "Self-contained Production Team Facilitator" diploma certified by the *Union des Industries et Métiers de la Métallurgie* (French Union of Metallurgy Industries or UIMM).

During key missions in the course of their activities, the employees have boosted their skills, among which the practice of team management and leadership, the expertise of the necessary tools to achieve on-site operating efficiency, taking hindsight in order to stimulate further ideas, along with the global perspective of the company and its environment. This experience is unique for our operators.

In the context of a continuous transformation context, Vignal wishes to enhance the leadership and technical skills of its operators. Indeed, the Team leader follows the company's on-site strategic projects on a daily basis. They represent an essential link in the success of the Vignal Group's collective project.

<p>4 QUALITY EDUCATION</p> 	<p>1</p> <p>understanding the co-creation of value between Vignal and its customer.</p>	<p>2</p> <p>acquiring the basics skills of the Team Leader position.</p>	<p>3</p> <p>a positive teaching method: sharing experiences, giving background, self-diagnostic test.</p>
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According to the countries in which Vignal is established, Vignal commits to contributing to the SDG and to one of the following goals :

SDG "A QUALITY EDUCATION"

Goal 4.3 "By 2030, ensuring that women and men have access to quality and affordable technical, professional or service training, including college education, in the same conditions."

- Vignal brings a special attention to developing teams at every level of the organization.

Result of the “Health and Well-Being at Work” Barometer



Individual assessment and company barometer

Vignal Systems regularly produces a “health and well-being at work barometer alongside its employees in order to review their personal situation regarding their way of life and work well-being.

This responsible approach is led with our partner Malakoff Humanis, a health, provision and retirement professional.

Observations

The employees’ health and well-being is a corporate performance condition. The company is a wonderful place to carry out preventive measures. More than half of our time is spent within the company.

An approach for the good of all

For the Vignal employee: a support for his or her health capital management.

For the Vignal Group: enhancing the working conditions and the social protection costs.

For the insurer: containing the loss ratio of the healthcare/preventative risk.

“41% of the Vignal employees wished for Vignal’s support concerning sleep issues”.

What is the link between sleep and work ? Lack of concentration, memorisation issues and bad mood are the signs of poor quality sleep. The lack of sleep equally reduces the commitment, the innovation and finally, the efficiency of the Vignal employees.

What are this course’s highlights ? Promoting employee awareness about the consequences of a recurrent **sleep debt**, broadening their knowledge on **sleep management**, encouraging them to improve their **way of life**, and transmitting **technical practices** applicable in their daily work life.

Who is concerned by Vignal’s course on sleep ? This company course on sleep benefits each and every employee, whatever the occupation or the area. It is particularly appreciated in the production sector with staggered hours.



Founding documents

CSR Charter updated in 2020, first pages excerpt

1.1 a CSR policy embodying the vision for the Group's issues

The Vignal Group aspires to become a global actor in lighting and safety for both on-road and off-road industrial and commercial vehicles, in accordance with the environment and regulation, while unfolding an ambitious Corporate social responsibility (CSR) policy.

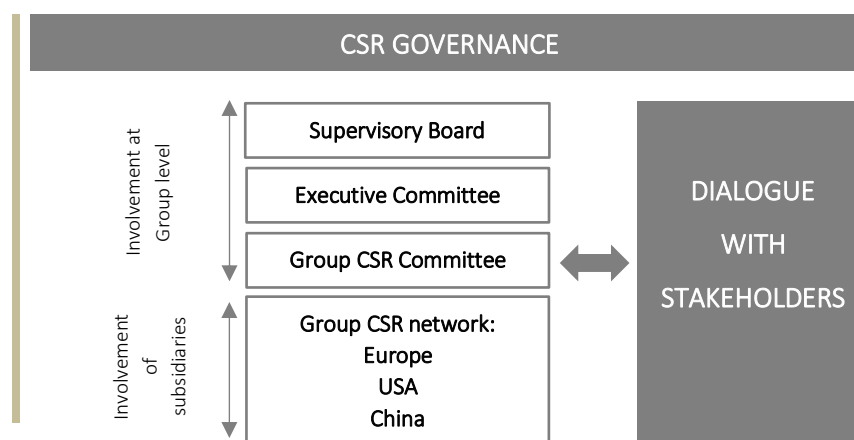
Initiated more than 20 years ago in line with the Group's values, the Vignal Group CSR policy has always been one of the growth strategy's cornerstone. It is unfolded within a framework designed to create and amplify a progress dynamic regarding a federative programme and aspirations shared by the subsidiaries as a whole. This policy is followed consistently and inspires if not leads our actions, while holding a steady growth on course.

1.2. a governance dedicated to CSR

COLLECTIVE LEADING and creating smart synergies

The commitment of Vignal for Sustainable Development is based on a governance and commitments that involves managers at all levels of the Group and at the highest level of the organisation. The various natures of this commitment reflect our very Group: rich and diversified. We double our efforts and innovations in order to limit our activities' impacts and enhance our CSR skills, reaching right to the heart of the Supervisory Board with a strong determination to progress continually at all levels of the Group.

A UNIFIED vision



**SHARED
commitments**

COMMITMENTS		
Code of Ethics	Code of conduct for commercial relations	ISO 14001
CSR Charter	United Nations Global Compact	IATF 16949

1.3. based on international ethical principles

**UNIVERSAL
values**

The CSR policy is defined in accordance with the Vignal group’s ethical principles and its desire to respect and promote the principles affirmed by :

- the Universal Declaration of Human Rights ;
- the fundamental ILO conventions, including Convention 29 concerning forced or compulsory labour, Convention 87 concerning freedom of association and protection of the right to collective action, Convention 98 concerning the application of the principles of the right to collective action and bargaining, Convention 100 concerning equal pay for men and women for work of equal value ; Convention 105 concerning the Abolition of Forced Labour, Convention 111 concerning Discrimination in Respect of Employment and Occupation, Convention 138 concerning Minimum Age for Admission to Employment, Convention 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour ;
- The United Nations Global Compact to which the Group adhered in 2015.
- furthermore, by the policies it carries out in the course of its priority issues, Vignal Group acts directly and indirectly on the United Nations’ 17 Sustainable Development Goals.



Joining the fight against climate change

2016-2019 : 22% decrease of our ratio : tons eq. of CO² in turnover

All the subsidiaries of the Vignal Group are concerned with their sustainability.

In order to help us reduce our environmental footprint, we measure our greenhouse gas emissions.

Therefore, every year, under the umbrella of the Industrial Manager and CSR, the Vignal Group carries out a carbon footprint assessment under scopes 1, 2 and 3.

What was the main reason for our carbon emission reduction ?

In introduction, a precision has its importance. Regarding the Vignal Group activity, more than 97% greenhouse gas is produced when the light is used on an industrial vehicle. The research and development teams have taken action and raised the challenge to lighten our carbon footprint.

One of the main measures was to ensure the switch from lightbulbs to LED lights. This new generation of LED lights allow to reduce a light's electric consumption by 80%.

LEDs reduce
a light's electric
consumption :

-80%

Furthermore, our lights' electronic and thermal design allows our LEDs to have longer lifetime than that of the vehicle.

Beyond switching to LED lights . . . other commitments to reduce our carbon footprint

scope 3

- offering sustainable and economically viable light solutions to our customers.
- designing products with a longer lifetime than that of the vehicle.
- facilitating the products' recyclability.
- localising our products and sources in order to avoid transport by either boat or plane.
- organizing the "lean production" in order to optimise the buildings' use.

scope 2

- investing in low-energy machines.
- innovating in adiabatic cooling systems.
- generalizing LED lighting in our buildings.
- considering the installation of solar panels.

scope 1

- insulating our buildings.



important investments in electric presses

For several years, the industrial management encourages the group's subsidiaries to invest in buying fully electric presses in substitution of its hydraulic presses.

Indeed, the new electric presses allow to **reduce** the **electric** consumption by **60%**.

This argument fits our energy reduction goals perfectly and makes sense with the demands expressed by our stakeholders.



arrival of a new electric press - Vignal CEA (Switzerland)

eco-designing our products

In 2020, an eco-design approach is carried out for repositories managed by the Group's Research and Development department.

The following approach's scope is to devote a reflection on carbon emissions, the material's recyclability, the material's safety and the products' design.

Vignal therefore reaffirms its wish to provide tangible solutions to its stakeholders and to reach the objectives of international communities.



"dismountable" products

When designing products, the Vignal project managers pull together in order to fulfil our CSR values, which are respecting people and the planet.

Their approach, defined by a high level of requirements, is expressed by the determination to introduce the products' concept of "disassembly".

In 2020, films were produced and posted on our group's website in order to show our stakeholders that, by means of simple tools, it is possible to easily disassemble our products. Furthermore, the on-line release of movies related to other products of the group is planned throughout the following months.

A partnership regarding our products' recycling has been developed with a branch. We equally disclose this possibility to our customers.



from Vignal ABL US – Mosinee – Wisconsin - United States - examples of CSR measures

social

reducing injuries

- Eradicating shoulder injuries due to the use of a screwdriver.
 - ↳ The Production Manager is in charge of this issue.
 - ↳ Creating a new modus operandi to make sure that the staff use the screwdrivers correctly, without excessive force. A course was organised in May for all the employees.
 - ↳ Creating a preventive maintenance procedure in order to ensure the good use of screw nozzles.
 - ⇒ Results : no injury since the beginning of the project in February.
 - ⇒ Results : staff motivated and involved since the beginning of the project in February.

reducing the operators' turnover ratio

- ↳ The Mosinee site Manager and the Production Manager are in charge of this issue.
- ↳ Creating a procedure for hiring operators :
 - ✓ goal : being independent and efficient regarding the recruitment of operators.
 - ✓ in-house implementation of our hiring process in order to recruit staff according to our requirements.
- ⇒ Results : to be checked during a more stable situation (see Covid-19).

environment

paper reduction

- ↳ EDI process in full integration phase:
 - ✓ suppressing order prints sent by customers.
 - ⇒ Results : congratulations of Caterpillar, CNH, John Deere, Volvo.
- ↳ Computerizing the production lines:
 - ✓ proceeding with the integration of the “Silver” ERP in order to eliminate paper from the production process.
 - ⇒ Results : implementing plans, sketches in the ERP base in April.
 - ⇒ Results : proceeding to the issue of paper reduction in production lines.

cardboard reduction

- ↳ Manufacturing components in-house as far as possible
- ↳ Acquiring the others in returnable containers from local suppliers.

governance

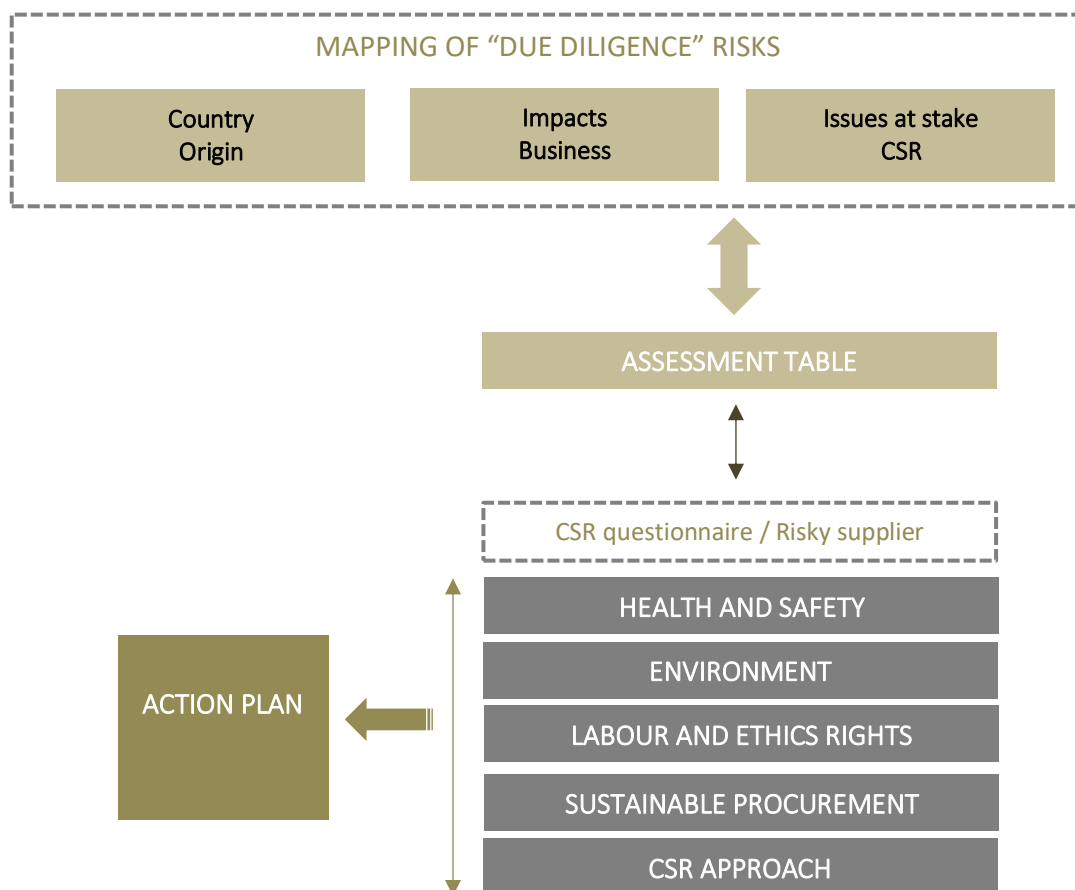
- ↳ Obtaining the ISO 14001 certification.
- ↳ Establishing a team trained for emergency situations :
 - ✓ creation of emergency situation procedures (spillage, fire, tornado).
 - ✓ organising tests throughout the whole year (fire drill, ...).

Sustainable procurement

Auditing . . . to respect the fundamental principles

For several years, the Vignal Group has exercised great caution regarding the materials, their origin and the way the products are designed alongside their suppliers.

Therefore, based on the traceability and compliance of the most rigorous national and international regulations, the Procurement Management carries out audits of its risky suppliers based on its assessment table.



a priority... pulling itself together to localise the procurement according to the consumption areas

The Vignal Group favours a localisation strategy in accordance with the demands of economic competitiveness and is involved in the economy's local integration.

This strategy is specifically enforced in the United States (Vignal ABL US) and in China (Vignal Changzhou), in the subsidiaries deployed by the Group.

This proximity allows us to reduce the carbon emissions linked to transportation, support local employment and satisfy the local stakeholders' expectations (customers, communities and States).

In 2020,

- in the USA, we localised the production of rotating beacons, introduced a production line for the "Atlas" light and proceeded to replacing halogen products by LED products.
- in China, new production lines of products designed in France were implemented in the Vignal Changzhou site in order to supply Chinese customers directly.

Certification policy - ISO 14001

Vignal's long-term success depends as much on the strength of its economic model than both its environmental footprint and citizen impact.

By 2020, all of the firms had obtained the ISO 14001 environmental certification.

100%

of Vignal's subsidiaries are certified.

THE VIGNAL SPIRIT

Vignal was created in 1909.

To this date, Vignal gathers 5 industrial subsidiaries in France, in Switzerland, in the United States and in China.

Every one of them has never been so respected.

Their success relies on the CSR values which drive their actions and leads them to progress over the years.

Vignal has turned sustainable development into one of its strategic focus. Naturally, Vignal contributes as much as possible to following the United Nations Global Compact's 10 principles.

THE 10 PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT.

Human rights

Support and respect the protection of international human rights law within its sphere of influence.
Ensure that you are not complicit in violations of these rights.

Labour rights

Ensure respect for freedom of association and recognise the right to collective bargaining.
Eliminate all forms of forced or compulsory labour.
Ensure the effective abolition of child labour.
Eliminate discrimination in employment and occupation.

Environment

Support a preventive approach to environmental challenges.
Undertake initiatives to promote greater environmental responsibility.
Encourage the development and diffusion of environmentally friendly technologies.

Fight against corruption

Commit to fighting all forms of corruption within its sphere of influence, including extortion & bribery.

Cop 2020 - United Nations Global Compact
Industrial and CSR Direction
Vignal Group - October 2020.

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