



# **CSR** Report 2015

2015 report  
on social, environmental  
and corporate  
information

**Serge Ferrari** 



# **CSR** Report 2015

# A little lightness...

## FORE- WORD

### Nothing is more important than a company's first CSR report. Except for the second.

By its very nature, a CSR report is part of a progressive approach, presenting a comparison of yesterday's reality with today's reality.

That is why, in this second report, we paid careful attention to not only keep all the indicators presented on page 42, but also to respect a similar editorial structure.

Both discerning and unfamiliar readers will find a consistent attitude, inspired to speak of things in simple terms and concentrate our attention on meaningful criteria relating to our industry activity. This attitude has driven Serge Ferrari since our meeting in the 2000s with Thierry Kazazian, who published a remarkable book in 2003: *"There will be an age for lighter things."*

Beyond the work's resonance with the origin of our company, an innovation called Précontraint® that lightens product weight while offering higher performance (see p. 3), we developed an affinity with the thoughts of a man who had no problem facing reality while identifying an ideal to be reached.

*"By setting the foundation for a lighter economy, Thierry Kazazian projected us into a possible future"*

His considerations for water, energy, living environments, architecture, and mobility, along with the boldness of his scenarios for transforming society, were particularly stimulating.

By setting the foundation for a lighter economy, Thierry Kazazian projected us into a possible future.

10 years later, we would like to believe that we are already there, even if significant progress still remains to be made, as demonstrated by this CSR report.

**Romain Ferrari** | Chief Executive Officer



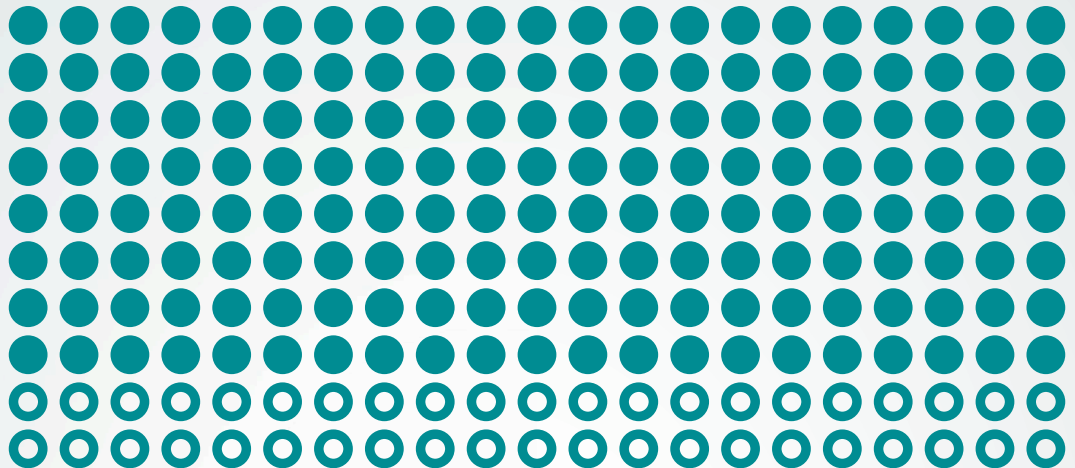
**Thierry Kazazian**, a pioneer in sustainable development applied to design, passed away on January 30, 2006 at the age of 44, ten years ago this year.

Far from ecological fundamentalism, Thierry Kazazian advocated environmentally-respectful aesthetics, which he would summarise by speaking of "sustainable and desirable development." This visionary then expanded his scope of attention to our lifestyles and usages to extract the concept of a "lighter economy." Thierry Kazazian directly assisted the early steps towards Serge Ferrari's progressive approach.



# ...and realism

## → OUR ENVIRONMENTAL IMPACT



● Extraction, Production of raw materials and Transport	80%
○ Transformation, Manufacturing, End-of-life	20%

Source: EVEA - Essentiel Batyline 20080609

The main part of Serge Ferrari's impact occurs upstream of the transformation business.

Extraction, production of raw materials and transport represent a huge majority of overall impact.

This reality fully justifies the strategy carried out by Serge Ferrari, which combines:

- Light weight (reducing material per unit of provided service)
- Re-integration (functionality economy)
- Re-use (second life in a new application)
- Recycling (regeneration of raw materials)

These circular economic actions reduce environmental impact significantly.

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# 29 minutes of useful reading...

An average reader will take just under half an hour to get through this CSR report, which focuses on:

- Significant impacts
- Measures implemented to reduce these impacts
- Initiatives taken to go further



As you read through this document, you will see the term “Enhanced reading,” enabling you to enrich your reading experience with bonus video and audio segments. This extra content is available in the interactive PDF version of this report, available and downloadable on our website.



The first section of this report provides an overview of the company. The second section focuses on its impact. The third section presents our indicators with respect to Article 225 of the Grenelle II Act.

# Our business activities, our products

Serge Ferrari has been designing, manufacturing and distributing innovative flexible composite materials, delivered on reels, since 1973. Starting with a single application, the company has expanded its offering, which now covers three sectors :

## → Innovative composite materials for architecture

Précontraint® composite tensile roofs, solar protection and bioclimatic façades, acoustic solutions and waterproof breathable membranes.

## → Advanced composite materials for professionals

Lightweight, scalable structures for industry, environmental protection, bio-energy, safety and visual communications.

## → Composite membranes for consumer markets

Indoor and outdoor furniture, yachting and solar protection.

**The durability, strength, lightness and recyclability of materials used by Serge Ferrari meet the requirements of sustainable construction:**

- Lower material density
- Energy savings
- Functional strategy
- Circular economy



## CONTRIBUTION

**Dominique Bourg**

“We should not delude ourselves: let us brave a perma-circular approach!”

“The economic growth model of the 1960s, in which we force ourselves to indulge, is no longer viable. Increasing GDP is no longer in phase with growing employment and general well-being, while inequalities have never been so pronounced. Recycling by itself is not a sufficient answer to the depletion of natural resources, the exploitation of which is also becoming increasingly energy intensive.

For example, given the annual rate of growth in steel consumption, recycling only enabled saving 5% of the resources exploited during the XX<sup>th</sup> century. In other words, the growth rate in resource consumption is the factor that sets the stage for the effectiveness of its recycling. These incontrovertible observations should encourage us to choose a new economic approach that strikes the right balance of inequality reduction, employment, well-being and environmental protection.

The circular economy seeks to preserve the fundamental characteristics of our Earth system, while also considering its limits. This model is based on a combination of 4 key factors, the “4 Rs”: reduction, re-use, remanufacturing, and recycling. While industrialists have relatively little control over the first R because it involves a community commitment, they are, on the other hand, responsible for the other three.

The Serge Ferrari group is one of the pioneers encouraging this movement, as some of its initiatives are driven by a strategy of minimal flow reduction, directly related to the circular economy. The Transatube garden chair, designed with a recyclable composite fabric seat, and specially developed for an alternative consumer target, promotes a new mode of consumption that is compatible with a sustainable industrial approach emerging from collaboration between different stakeholders, namely Serge Ferrari, Lafuma and Botanic. This effort is an example of the strong sustainability we need to build: achieving success in business terms and, at the same time, giving direction to society.”

*Dominique BOURG, Professor at the Faculty of Geosciences and Environment of the University of Lausanne*



 enhanced reading

To read more about Dominique Bourg's work, see the article in OFCE no. 145

 enhanced reading

Transatube, a **successful collaboration** between Serge Ferrari, Lafuma and Botanic

## → MILESTONES IN OUR HISTORY

1973

Company founded by Serge Ferrari

1974

First development of the Précontraint® process

1985

Approval of the diversified niche business model

1997

Acquisition of the Batyline® business (Taraflex)

1998

Vinyloop® basic process with Solvay

2000

Acquisition of Swiss-based Tersuisse (Lucerne) (JV with Rhodia Group)

2001

Acquisition of Swiss-based Forbo-Stamoid (Zurich)

2002

Foundation of Serge Ferrari North America (Florida)

2004

Development of Serge Ferrari Japan (Tokyo)

2005

Acquisition of a 100% interest in Tersuisse

2007

Development of Serge Ferrari Asia Pacific (Hong Kong)

2008

2012

New Group ERP (SAP)

2011

Launch of the Serge Ferrari umbrella brand

2012

Foundation of Serge Ferrari Brasil  
Improvement of product mix  
New sales organisation

2013

Re-engineering of formulations  
Industrial efficiency plan

2014

Company becomes a French limited company with a Board of Directors  
Initial public offering

2015

Development of international sales teams and major customer alliances



# Key 2015 data

## → REVENUE

# 148.4 M€

### Revenue breakdown by geographical region

37%

Southern Europe

37%

Europe-wide

26%

Rest of World

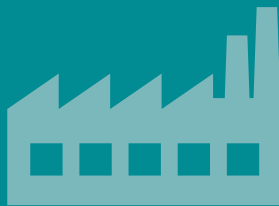
### Revenue breakdown by market

40%



Innovative materials for architecture

36%



Advanced materials for professionals

24%



Composite membranes for consumer markets

## → INTERNATIONAL

- Production and recycling sites  
La Tour-du-Pin (France), Eglisau (Switzerland), Emmenbrücke (Switzerland), Ferrara (Italy)
- Subsidiaries  
United States, Japan, Hong Kong, Brazil
- Offices  
Spain, Turkey, China, Singapore, Dubai

→ HUMAN RESOURCES

**638**

employees



**388**  
production  
logistics



**139**  
sales reps



**111**  
support  
functions



**40** nationalities represented | **42%** of staff for international

→ INNOVATION



R&D Department

**26**  
people



**3** **Laboratories**  
Emmenbrücke  
Eglisau  
La Tour-du-Pin

**€ 5.1**

Annual budget  
**million euros**  
3.6% of revenue



**33** active  
patents

**18** currently  
in-use  
today

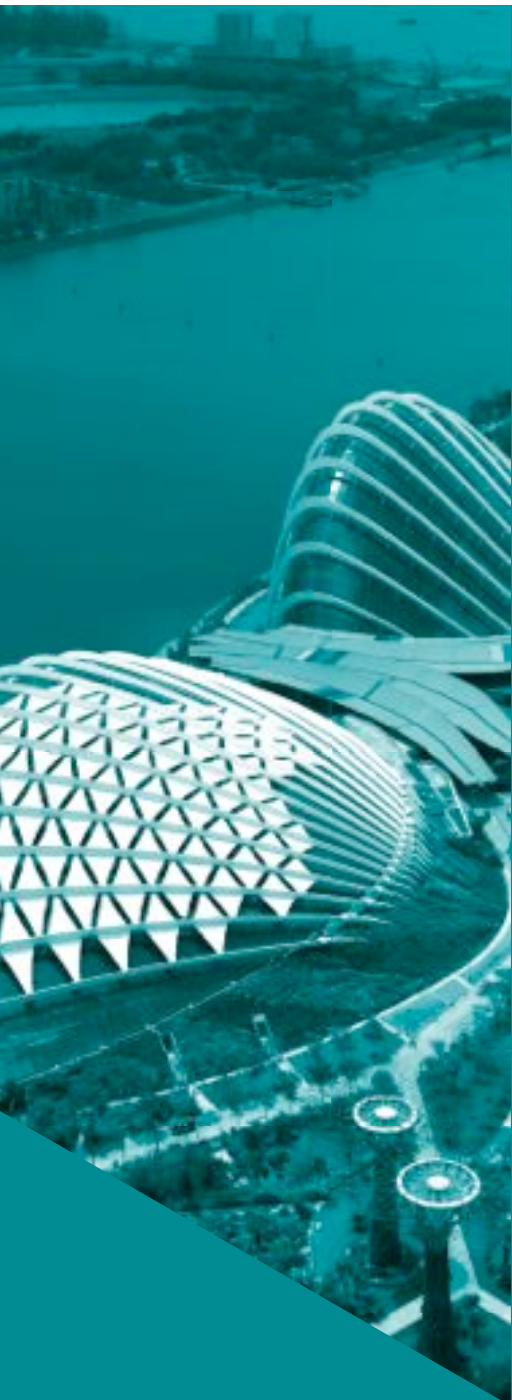


**A network**  
of over **100** distributors



**A portfolio**  
of **1,500** customers in France  
and abroad

# Our model



## → **Innovative industrial production technology**

In 1973, Serge Ferrari invented Préconstraint®, a patented material that combines light weight, strength and durability and offers a weight-performance ratio that meets the requirements of the most demanding projects.

Thanks to this technological advance, the Group continues to expand in numerous markets, notably internationally.

## → **Lightening construction systems**

Using Préconstraint® composite materials helps reduce the material density of structures while increasing the functional density of resources.

These materials are:

- Intrinsically economical in their use of raw materials
- Lightweight, extremely strong and exceptionally durable
- Quick to implement (prefabrication prior to deployment)
- Easily scalable, dismantlable and reusable,
- 100% recyclable via the Taxyloop process

## → **Reducing energy consumption**

Préconstraint® composite membranes help improve the energy footprint of buildings by achieving efficient solar gains. They contribute effectively to reducing the use of air conditioning.

## → **Optimising visual and acoustic comfort**

Thanks to their different texture and transparency options, Préconstraint® composite materials provide the right amount of natural or artificial light, without sacrificing user comfort. Their intrinsic acoustic absorption performance is high and eliminates the need to use bulky absorbent materials.



## Second life for London Olympic Stadium roof

In 2014, the flexible Serge Ferrari Précontraint® composite roof covering the London Olympic Stadium was dismantled entirely in order to reduce the arena's seating capacity from 80,000 to 25,000 people. 33,000 sq. meters of material was fully recycled in 2015 using the Texyloop® process, producing an Ecocert certified second-generation, non-woven material.

**Non-woven Texyloop®**, used for growing mats and filtering layers.



enhanced reading

Texyloop as seen by **Dan Epstein**, Sustainable Development Manager, ODA (Olympic Delivery Authority)

> Respecting our objective to leave a positive mark following the Olympic Games of 2012, the London Olympic Stadium was dismantled and its roof recycled after the event.

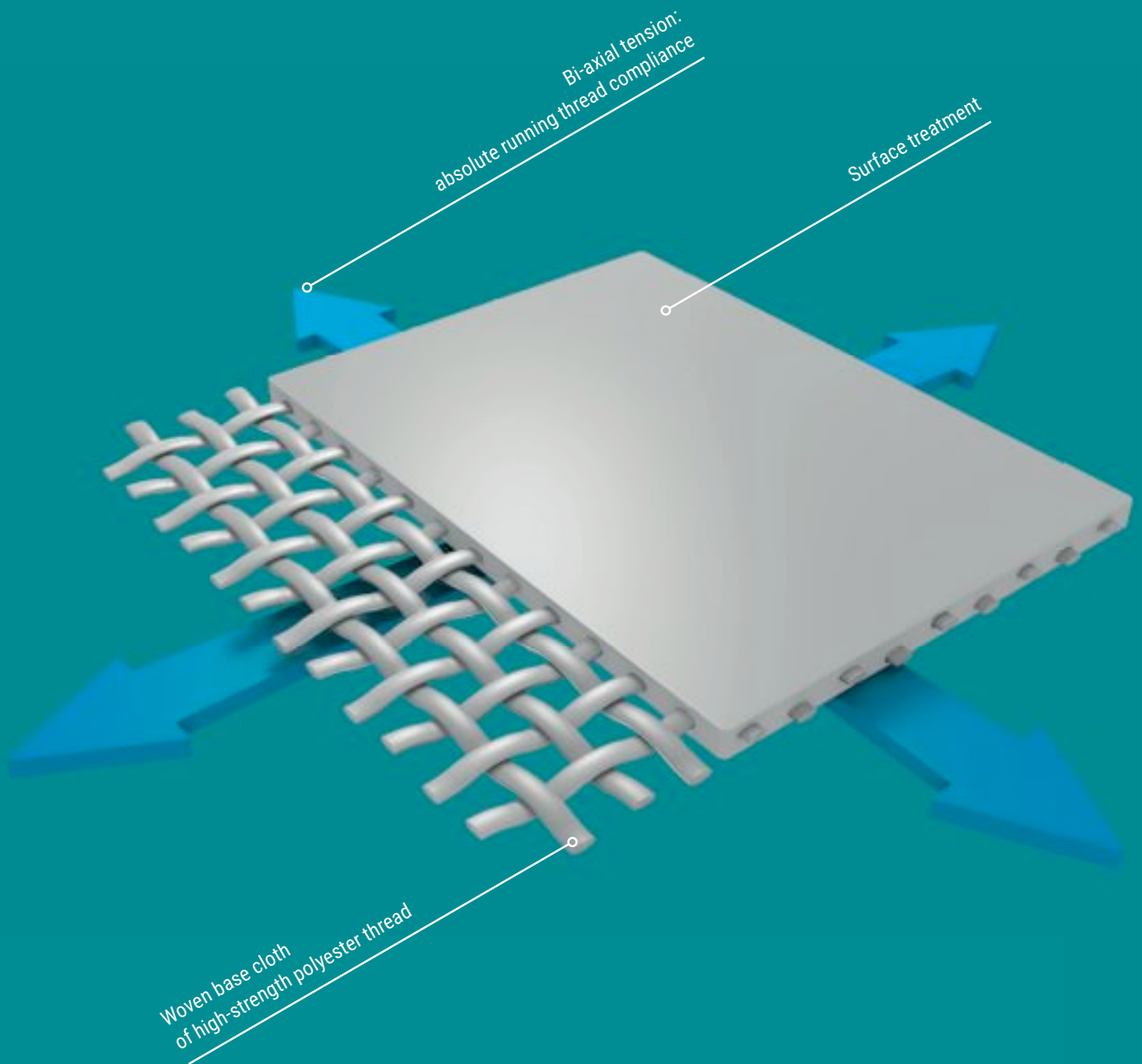
**This action resulted in the following environmental savings:**

6,304 m<sup>3</sup>  
water savings

53 T eq. CO<sub>2</sub>  
CO<sub>2</sub> reduction

1,547,679 MJ  
energy savings

# Our technology



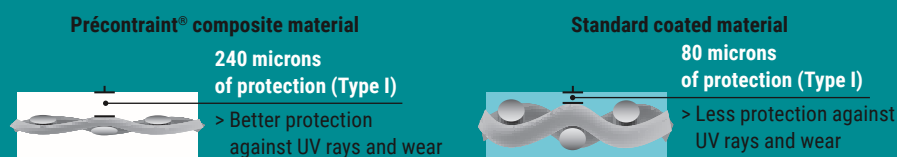
## → Précontraint® technology: the manufacturing process

Précontraint® technology involves **performing the coating operation under bi-axial tension** (both in the warp and weft directions) throughout the manufacturing cycle. The flexible, high-strength PET micro-cable woven base cloth is coated with several layers of polymers while remaining under bi-axial tension: this provides a dual benefit, namely **eliminating distortions** under load and **avoiding the need to periodically adjust material tension** after final assembly.

## → Mechanical and aesthetic durability

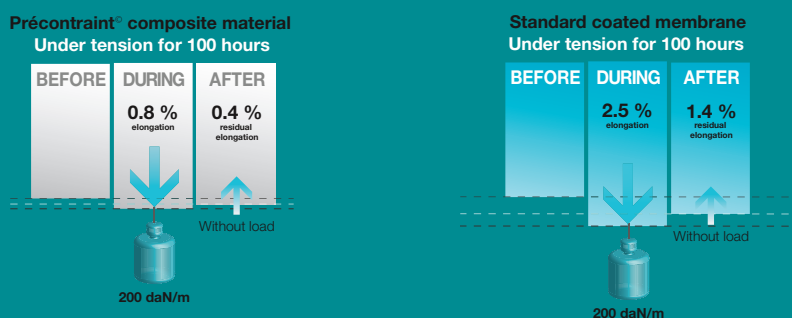
The applied tension results in a flatter membrane. **It is better protected by a very thick, uniform layer of coating on top of the threads.**

Conversely, materials produced using standard industrial technologies display significant shrinkage and are therefore less protected by the coating, leading to faster deterioration.



## → Stable dimensions

Tensioning the membranes throughout the coating process also makes them highly resistant to stretching over the long term. As such, Précontraint® materials offer **resistance to extension that is practically negligible** in the warp direction as compared to conventional materials.





A photograph of an industrial facility, possibly a refinery or chemical plant, with a large cylindrical tank and various pipes and structures. The image is overlaid with a large teal geometric shape that frames the text.

What are our  
**significant**  
and how can we



# **impacts** **reduce** them?



# Our components are based on synthetic chemistry

## → IMPACT

The raw materials we use in our manufacturing processes include a large number of synthetic chemical products, such as : PET and PVC resins, as well as solvents, silicones, varnish and plasticizers.

## → KEY DATA

35,746

the number of sq m produced containing bio-sourced materials

100%

of our products offer an R+ profile

66%

the percentage of our products having undergone an LCA

## → INITIATIVES

We are committed to measuring and reducing the health and environmental footprint of our products with several different methods :

- **We perform Life Cycle Assessments** on our products (LCA, a method of evaluating a product's environmental impact throughout its entire life cycle). At this time, we perform this assessment on 66% of our products. These LCAs, which are ISO 14040-44 certified, are performed by specialized and independent consultants (EVEA Conseil, CIRAIG).
- **We created a committee called VIGI-ALERTE** in 2015 (see p. 24). The goal of this committee is to foresee regulatory changes and recommend alternatives. For example, we developed **phthalate-free products** such as Batyline NON FR, Stamskin ZEN and Stamskin TOP.
- **Above and beyond FDES** (environmental and health declaration forms), **we also produced EPD** (Environmental Product Declarations) for three of our Soltis solar protection screen lines (see p. 34).
- **We enhanced the ECO IDENTITY tool**, developed in 2014, with a communication mechanism : **R+**.



## R+: a tool that promotes the company's efforts and helps users make decisions.

Serge Ferrari exceeds regulatory requirements in matters concerning health and environmental safety. These advances are in line with the company's desire to build excellence in all areas. More generally, they embody its societal and environmental commitments and its ability to innovate. Above all, the advances lead to safer products that are more respectful of the environment. To measure and steer its efforts, Serge Ferrari leverages a specific tool (Eco Identity, presented in the 2014 report) to establish the health and environmental profile of each product. This profile establishes performance in five areas:

health precaution, indoor air quality, environmental footprint, circular economy and renewable content.

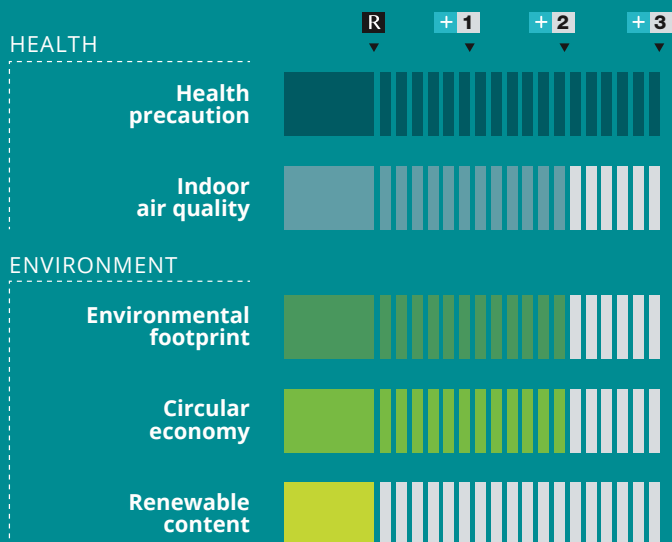
Based on the usage of a given product, this profile enables us to validate specific performance as well as to orient future effort. For example, a product that is used mainly inside buildings (a screen for indoor shutters) is subject to greater attention on the indoor air quality criteria.

To better share its proactive advances, Serge Ferrari chose to equip itself with a simple communication mechanism called

R+, thereby confirming its desire to take measures above and beyond regulatory requirements (R).

This communication mechanism, compliant with the ISO 14021 environmental communication standard (accurate, substantiated, not misleading, verified) guides decisions for stakeholders in the cycle: from maker clients to end users. It helps arbitrate health and environmental priorities, and usages between R&D and the Marketing department.

## SAMPLE FOR STAMSKIN ZEN R+ PROFILE



> **Stamskin ZEN** composite coating material, for intensive-use indoor or outdoor furniture, achieves significant progress for all health criteria: Stamskin ZEN is guaranteed Sanitized® and benefits from a class A+ rating. 100% recyclable, Stamskin ZEN exceeds regulatory requirements concerning environmental footprint and circular economy criteria.



# Our plants consume and discharge



## → IMPACT

Our production sites and offices consume resources, such as water, air, electricity and gas. Our plants also emit pollutants, such as wastewater and VOCs (volatile organic compounds).

## → KEY DATA

0

hours downtime for our VOC mitigation system in France

100%

of our workshops equipped with LEDs by 2017

6

sites certified ISO 50001 in 2015

## → INITIATIVES

By the end of 2016, our goal is to succeed in reducing our total energy consumption relative to our annual production volume.

### Energy management

- We implemented a **global energy management system** compliant with the ISO 50001 standard, today covering the 6 sites within the UES (social and economic unit) scope of Serge Ferrari SAS.

- **Energy sponsors**, coordinated by the QSE Department, are in charge of deploying our **action plan and its 5 facets**: recovering heat, improving energy utility performance, improving process energy performance, improving energy management, resolving regulatory non-compliance. Example: to reduce electricity consumption generated by production site lighting, neon tubes are being replaced progressively by LEDs, which will equip 100% of our facilities by 2017.

### ISO 14001 certification

- Our French production sites (France UES) Switzerland (Serge Ferrari AG), and the Vinyloop Ferrara Spa recycling plant are **certified ISO 14001** (that is, 72% of the group's sites). On February 12, 2016, the France UES production sites were awarded **ISO 14001 version 2015 certification**.

### VOC mitigation

- We are continuing to apply a **prevention and anticipation plan**, initiated in 2000, enabling us to minimise downtime of our system to mitigate volatile organic compound (VOC) emissions during the varnishing phase, which requires the use of large amounts of solvent. The investment and resulting steering improvements enabled us to achieve an extremely high operating level for our VOC system in France:

- > 2014: 44 hours downtime (for 183 production days)

- > 2015: 0 hours downtime (for 192 production days)





## Serge Ferrari audits its greenhouse gas emissions

In application of French law No. 2012-557, of April 24, 2012, Serge Ferrari acquired a dedicated application, Toovalu, to audit its greenhouse gas emissions.

**Scope 1** concerns the company's **direct emissions** (gas and fuel combustion,

non-energy processes, fugitive air-conditioning emissions); **scope 2** expands on scope 1 to include **indirect emissions**, notably those related to electricity consumption. France and Switzerland are concerned by this audit.

	2014	2015
<b>CO<sub>2</sub> emissions - Scope 1</b>	10,875	10,724
<b>CO<sub>2</sub> emissions - Scope 2</b>	11,614	12,662
<b>Energy consumption (GWh)</b>	62.5	63.5

*Indicators in tonnes of CO<sub>2</sub> (eq)*

## Serge Ferrari is committed to carbon pricing

Taking into account a cost for carbon when making investment decisions enables us to expand the concept of project profitability and to correct for the disconnection between private and social yield.

This approach is sometimes used by public authorities in specific project cost-benefit analyses for both infrastructure and public policy.

In a similar manner, by taking a voluntary and proactive approach, the Serge Ferrari Group decided in 2016 to apply carbon pricing in all investment project evaluations whenever such consideration has the potential to prevent at least 100 tonnes of CO<sub>2</sub> (eq) per year.





# Waste is an issue

## → IMPACT

Our LCAs have shown us that 80% of the impact of our products occurs in the upstream sector of our industry, during raw material extraction and production processes.

## → INITIATIVES

To limit this impact, we leverage the use of our materials by investing in their recycling and re-integration.

### Recycling

• We are expanding the use of our **patented recycling process: Taxyloop**. This process consists of transforming used composite materials in order to obtain a PVC compound (granules) and uniform polyester fibres of very high quality. We developed this process together with an industrial partner, with whom we jointly manage a plant located in Ferrare, Italy, capable of recycling several hundred tonnes of used materials per year. The plant has been operating since 2008. Our collection network now includes 136 industrial companies who



What is the **industrial reality of recycling** via Taxyloop today?

have signed the Taxyloop Charter. Our investment has totalled over 15 M€ since the project's launch in 1998.

• Taxyloop enables us to reduce our impact via **oversetting**, an operation even more efficient than insetting. By recycling 768 tonnes/yr, we reduced the impact of our activities by 18% (tonnes CO<sub>2</sub> eq). A relatively simple calculation shows that recycling 5,000 tonnes of end-of-life products every year would enable us to offset this impact via a "zero-sum" effect.

## → KEY DATA

# 15.4 M€

amount Serge Ferrari has invested in Taxyloop activity since 1998

# 768 tonnes

of composite materials recycled via Taxyloop in 2015

• We are developing **commercial applications for the "secondary" polyester fibres** produced by recycling.

• In parallel with recycling composite membranes, which is merely the culmination of their life cycle, we are working to support options for **re-integrating and reusing them**.



**6,000 sq m green roof** made from Taxyloop fibres at EM Lyon



**Freitag®**, recontextualises used flexible composite materials



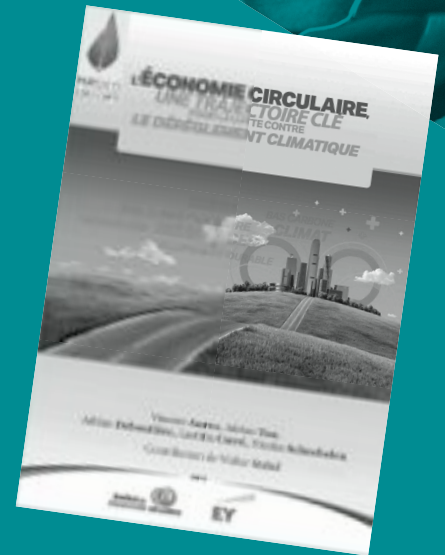
## François-Michel Lambert: materials thinking at Serge Ferrari

A study performed by the Circular Economy Institute and the E&Y Cleantech and Sustainability team, **The Circular economy, a key trajectory to fight against climate change**, attracted the attention of Serge Ferrari for its approach relative to reducing the environmental impact of its products. *“By taking a materials-oriented approach, Serge Ferrari is joining the circular economy movement: the group has become an expert in composite materials, from which it intends to generate value effectively under current market conditions. Positioning certain products for functional savings, and within re-integration cycles, embodies thinking that highlights the efficiency of materials. The Texyloop recycling effort is also involved*

*“The Texyloop recycling effort is involved with this logic, which considered waste as being the state of a given material at a specific point in time, and not its culmination”*

*with this logic, which considers waste as being the state of a given material at a specific point in time, and not its culmination,”* explains François-Michel Lambert, President of the Circular Economy Institute. The actions undertaken by the Serge Ferrari group nonetheless remain isolated. *“It is the work of local initiatives to encourage the intensified use of materials in order to reduce upstream extraction, which represents considerable carbon weight. Adapting materials thinking on a macroeconomic scale requires raising awareness by public buyers and other economic stakeholders, and then citizens by association”,* concludes François-Michel Lambert.

*François-Michel Lambert,  
Founder and president of the Circular Economy Institute*



## Reducing impact by **oversetting**

	Consumption or emissions		Reduction from recycling activities		Savings from oversetting (%)	
	2014	2015	2014 (900 t)	2015 (768 t)	2014	2015
<b>Energy (GWh)</b>	62.5	63.5	-8.88	-7.58	<b>-14%</b>	<b>-12%</b>
<b>CO<sub>2</sub> (t equiv.) Process - Scope 1</b>	10,875	10,724	-2,295	-1,958	<b>-21%</b>	<b>-18%</b>
<b>Non-Hazardous Waste (t)</b>	2,046	1,899	-246	-210	<b>-12%</b>	<b>-10%</b>



# Our operators may work under difficult conditions

## → IMPACT

The teams working at our production facilities are exposed to noise, high temperatures, substances and electromagnetic fields.

## → KEY DATA

7/7 days

corresponds to the Coating/Polymer facility activity, with the implementation of a team of 10 alternates to optimise the load on our production tool.

€120,000

dedicated to research and toxicology lab tests on endocrine disruptors (EDCs)

## → INITIATIVES

To limit exposure for our production teams, we are reinforcing our risk prevention and management program.

### “VIGI-ALERTE” Committee

• In order to be more proactive, we created a **VIGI-ALERTE committee starting in November 2015**. Under the responsibility of the group’s CEO, this committee unites internal experts from R&D, the QSE department, purchasing and, depending on the topic, outside experts. Its action, which focuses far upstream from current regulations (such as REACH), seeks to detect early signs of health and environmental risks related to substances or technologies.

• **The work performed by the VIGI-ALERTE committee led us to undertake studies on exposure to nano-particles** at all sensitive areas of our production sites, and to implement new PPEs, Personal Protective Equipment such as air-supply hoods for eye and respiratory protection, and cuffs for protecting the most exposed skin areas. Its work to continually monitor and prevent potentially dangerous substances for human and environmental health helps us consider alternatives for substitution, such as blowing agents and thermal stabilisers).

### Health and Safety at Work

• To improve monitoring of exposure conditions for our employees, we acquired a software application dedicated to health and safety at work. Operational as of the second half of 2016, this software will centralise and update all health-safety data using a single tool. This concerns both regulatory aspects such as the Single Document (an analysis of occupational risks) and operational aspects (choice of personal protection equipment, declaration of work-related accidents, chemical risks, etc.).

Serge Ferrari is working in partnership with the software developer to adapt and design new features to increase responsiveness within its organisation.



## The VIGI-ALERTE committee as seen by **Jacques de Gerlache**, eco-toxicologist and co-founder of GreenFacts<sup>1</sup>

“The VIGI-ALERTE committee offers a continuation of initiatives related to activity sustainability undertaken by the Serge Ferrari for the past many years. It reaches even further with respect to

**“VIGI-ALERTE: staying one step ahead on all topics that involve Group strategy and which could be subject to restrictions by authorities”**

anticipating regulatory changes. The focus of the VIGI-ALERTE committee is demonstrated by its studies on nanoparticle exposure – which are not covered by current legislation – as well as tests carried out regarding potential alternatives for some current products:

staying one step ahead on topics involving group strategy that could be subject to restrictions by authorities.

This approach applies both to raw materials and technologies used in production processes. It is all the more important because some topics are a source of concern with respect to certain risks perceived by public opinion and Group customers.

It took about a dozen years to determine that plasticizers used by the Group, for PVC applications in particular, do not represent any health risk<sup>2</sup> under their usage conditions. Hence the public’s interest in having access to accurate and reliable information on these topics. That is exactly why GreenFacts was created.

<sup>1</sup> GreenFacts is a non-governmental association that publishes, on its website, factual summaries and confirmations of international reports on health and environmental topics in terms designed to reach non-specialists.

<sup>2</sup> It is important not to confuse danger related to the intrinsic properties of a given product, and risk related to the probability of being exposed to that danger. If one is not, or little, exposed to a danger or dangerous product, there is no risk: it is the authorities’ duty to set limits.

While major groups have implemented similar programs over the past several years, the VIGI-ALERTE committee is still an original initiative for a mid-sized company such as Serge Ferrari. It is an example to be highlighted for other SMEs involved in other business sectors, as it affects a company’s ability to innovate and adapt. It is also a means to optimise investment policy and R&D policy.”



enhanced reading

See the **GreenFacts video** on this topic: [www.youtube.com/watch?v=PZmNZi8bon8](https://www.youtube.com/watch?v=PZmNZi8bon8)

# We are not immune to the risk of accidents

## → IMPACT

Our industrial activity represents risks for our employees

## → KEY DATA

€127,594

total budget dedicated to investment in safety

€97,794

invested in health-safety training for our employees

243

people have received health & safety training (including mandatory training) for France UES

## → INITIATIVES

We took a survey of our employees in order to deploy a global program to encourage good practices.

### Survey

• In 2015, we continued our training initiatives related to preventing risk and controlling safety rules, dedicating a budget of over €97,000 on health-safety training group wide. In parallel, we **conducted a safety survey** among our employees at the La Tour-du-Pin site. This survey confirms that technological solutions (equipment), no matter how evolved they may be, are not sufficient to ensure optimal safety.

### Group Safety Charter

• In addition to existing initiatives, we decided to deploy a **Safety Charter** covering all of our production facilities in order to prevent the risk of accidents and to reinforce our safety policy. Expressed in four **universal safety rules (USR)**, the Charter targets behavioural aspects and reconfirms that safety is a strategic point for the Group, at the same level as economic performance and innovation. **It addresses all employees, with each helping to implement a mindset based on horizontal safety covering all of the Group's activities.** The program's effectiveness will be evaluated by 2018, with the goal of **improving individual and collective awareness regarding good practices and behaviours to be adopted regarding safety risks.**

### Specific safety rules

• In parallel, **specific safety rules (SSR) were written by and for users, taking into account differences in work environments.** The SSRs will be rolled-out progressively throughout France in 2016 (La Tour-du-Pin pilot site), to be continued in Switzerland in 2017.

### Indicators

• The **absenteeism rate** is relatively low: it reached 4.15% overall for the Group (within France and Switzerland) in 2015.

• **The severity rate** of reported accidents is also below average compared to other companies in the sector: 0.42 (compared to 1.7 for the textile industry).



## Deploying a safety mindset at a Group level, a priority direction in the training plan

The Safety Charter confirms a significant cultural change for the Serge Ferrari group. Applying the Charter involves providing support through our training plan implemented in 2015. In addition to inter-industry professional qualification, which includes a safety course, our employees working at production facilities take required training for driving vehicles, and additional training focusing on health and safety at work. Training is also provided for managers in charge of relaying the universal safety rules

described in the Charter to their teams. A program encouraging employees to take responsibility for safety was initiated in 2015. The goal is to develop, over time, a mindset based on horizontal safety and to ensure that these everyday rules are shared by all employees. More specifically, employees are brought to examine their own practices and the conditions under which they exercise their jobs, while continuing to participate in defining specific safety rules (SSR).

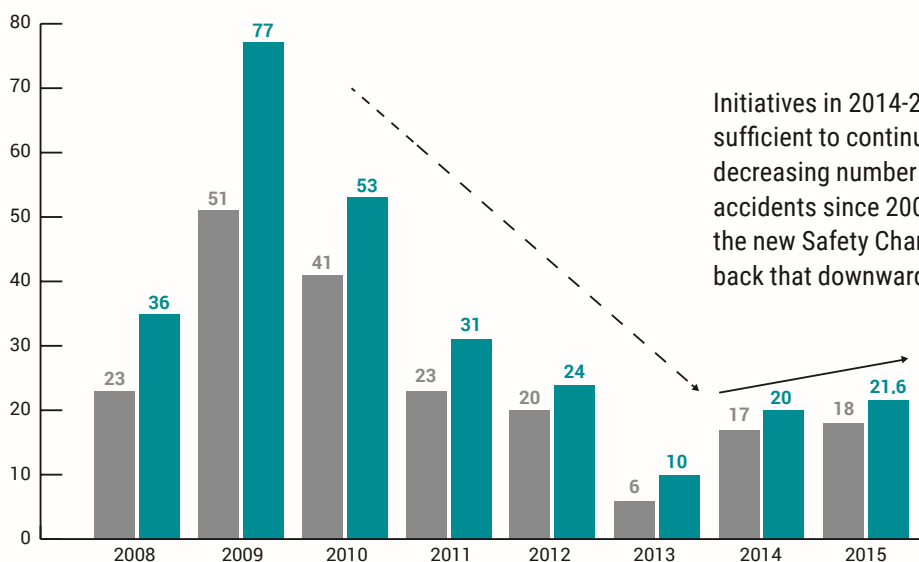
## Work-related accidents and absenteeism (France and Switzerland)

	2014	2015
<b>Accident frequency rate (TF1*)</b>	NC	17.67
<b>Accident frequency rate (TF2**)</b>	21	20.03
<b>Accident severity rate (TS2***)</b>	0.55	0.42
<b>Absenteeism rate (illness and lost time)</b>	4.15%	4.17%
<b>Number of days absent</b>	4,831	5,011

\* TF1 = Number of accidents with lost time x 1,000,000 / hours worked

\*\* TF2 = Number of reported accidents x 1,000,000 / hours worked

\*\*\* TS = Number of lost work-days x 1,000 / hours worked



Initiatives in 2014-2015 were not sufficient to continue the decreasing number of reported accidents since 2009. The goal of the new Safety Charter is to bring back that downward trend.

### For France UES

- Frequency rate of declared accidents (TF1)
- Frequency rate of declared accidents (TF2)



# Our human capital is to be preserved and developed

## → IMPACT

Given the physical nature of the jobs performed within the Group, the increasing average age of our employees represents a challenge for extending their careers.



## → INITIATIVES

With our employees' job experience being a strong sign of their commitment and expertise, we strive to maintain this wealth for the company.

### Physical hardship plan

• In 2015, we continued to **roll out the physical hardship plan** initiated in 2011. Machines created partly by our engineering office were implemented at our production facilities in order **keep employees from having to carry heavy, repetitive loads**. 5 of our 7 sites are now equipped. Initiatives to raise awareness were undertaken with employees to inform them about the risks of not wearing hearing protection in production areas. An Occupational Health Nurse was hired in September to complete our prevention action, and to become more attentive to our employees' health overall. Meetings were held to focus on the topic of physical hardship in all departments, with the goal of **renewing the physical hardship agreement and the generation agreement planned for 2016**.

### Promoting teams

• At the same time, we are committed to **promoting the skills and work performed by our production employees by:**

- Informing operators about the final applications of the products they make in the workshop every day, and the most representative commercial successes.
- Allowing managers the independence required to develop their teams.

### Salaries within France UES

• We implement a **compensation policy that is higher than the national average** on the production side, within the scope of France UES.

- The teams receive a salary equivalent to 1.9 times the French minimum wage overall.
- A profit-sharing scheme has been set up that includes both production management staff and staff in the direct labour category. These employees share in the profits proportionally to the Group's overall performance in terms of productivity and quality.

• All Group employees benefit from **complementary and indirect income:**

- French employees have benefited from a family mutual insurance, as well as personal insurance, for many years. Serge Ferrari also finances healthcare insurance for all of its foreign employees.
- The Company has had a mandatory profit-sharing agreement since December 16, 2004.
- A collective retirement savings plan (PERCO) was set up on December 6, 2011. Over 55% of employees have enrolled in the plan to date.
- A Serge Ferrari collective employee shareholder mutual fund (FCPE) was set up on April 28, 2014. 49% of employees have subscribed to the fund.





## → KEY DATA

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€320,000

invested over three years to introduce  
the physical hardship plan (France)

48%

of the French employees  
became shareholders when  
the Group was listed on the stock  
exchange in 2014

92%

of the Group's employees  
are on permanent contracts  
(France & Switzerland)

7.3%

employee turnover rate  
(France and Switzerland)

# Our human capital is to be preserved and developed

## Developing our employees' skills

The high technical level and the quality of the products we produce are linked directly with our goal to maintain and increase our employees' skills continually. For that reason, Serge Ferrari invests approximately 3% of the overall payroll on employee training every year.

In response to needs expressed by production managers, inter-industry professional qualification programs with certification, have been deployed in workshops since 2012. These long training sessions – 70 hours total per person – offer employees an opportunity to take an industrial equipment driving exam upon completion of the program. Sessions are provided directly at production facilities, which enables us to maintain work volumes, and staff salaries, during quiet activity periods. Given the specificity of our products and professions, we have increased the

number of internal training initiatives, currently handled by 8 trainers – one for each professional focus. Designed to integrate new employees, parallel programs also help build value from internal training actions. In addition to a 6-month tutorial process, which includes regular evaluations, advisers, different team managers, are in charge of both teaching them their jobs, and transmitting corporate values and culture.

Training is also provided for managers, who now have a leading role in relaying safety policy to their teams (see p. 27). Other training programs are offered to sales teams on topics such as team management, managing distributor networks, and more, in order to support the Group's international development. A total of 278 employees received training in 2015, representing nearly 7,000 hours.

### → KEY DATA for France UES

278  
people trained

6,996  
hours of training provided

16  
employees obtained  
professional qualification



## Summary of training

Areas covered by training: safety, management, communication, multi-skilling

### → INVESTMENT IN TRAINING DURING 2015 (FRANCE UES)

Total training cost in Euros						
	Women		Men		Total	
	2014	2015	2014	2015	2014	2015
Supervisors	17,044	5,377	76,666	98,796	93,710	104,173
Executives	36,533	77,939	76,903	145,568	113,436	223,507
Employees	30,600	27,233	13,438	6,754	44,038	33,986
Production operators	264	2,269	66,185	153,305	66,449	155,574
Total	84,441	112,818	233,192	404,423	317,633	517,240

### → BREAKDOWN OF EMPLOYEES WHO COMPLETED AT LEAST ONE TRAINING COURSE IN 2015 (FRANCE UES)

Number of people who benefited from a training course						
	Women		Men		Total	
	2014	2015	2014	2015	2014	2015
Supervisors	5	3	33	52	38	55
Executives	13	29	39	46	52	75
Employees	20	30	7	5	27	35
Production operators	1	6	53	107	54	113
Staff trained	39	68	132	210	171	278
% of staff trained	46%	74.73%	53%	80.15%	51%	78.75%

### → KEY DATA (TRAINING BUDGET IN 2015)

€517,240  
invested in training in 2015

6

in-house trainers

78.75%

employees who took  
a training course in 2015  
(France UES)

# Our human capital is to be preserved and developed

## Combining technique and a flow-based approach in workstation ergonomics

Launched in 2011, the physical hardship plan began with an initial internal audit phase focusing on equipment and activity flows. This study showed us that 40% to 50% of the flows related to preparing orders could be handled differently, in a manner that would eliminate the need for our employees to carry heavy loads. For the remaining workflows, our engineering office leveraged standard machinery available on the market to elaborate and develop accessories adapted to our operations. Three pieces of equipment were set up successively in site logistics areas from 2012 to 2015: an entirely automated forklift able to pick parts located 2 to 8 metres from the ground, thereby eliminating all carrying operations for operators; a forklift designed to lift rolls stored perpendicularly in aisles; and a forklift able to lift rolls off the ground, with length up to 3 metres and weighing as much as 100 kg, placed in parallel along aisles.

### A long-term approach

These initiatives are the result of significant investment driven by a long-term approach. *"It's about enabling an operator to prepare orders until the end of his or her career. But the job is hard on the body, which is why it is important to*

*improve employees' work conditions in order to prolong their career. If we think about it in "dry time", that is, if we only look at immediate productivity, an operator who lifts a 50 kg roll directly by hand offers better performance than a machine. However, that operator has to repeat the task for 8 hours in a row. In the long-term, it's the machine that proves to be more efficient. In addition, if we include the inconveniences generated by handling operations, such as sick leave, vocational rehabilitation, and more, the demonstration is even clearer,"* explains Gilles Gauzargues, logistics manager in charge of these deployments. He adds: *"Of course, not everything involves technical aspects. The relationship with this new equipment requires appropriation time, which leads to assimilating new movements and new postures. Managing change with employees is therefore just as important as the inventions created by our engineering office, which are themselves derived from prior consideration for our activity workflows."*

Other arrangements are planned for 2016, notably the integration of a new packaging line without any heavy lifting needed on old-generation inspection machines at the transformation facility.





## Internal communication: we can do better!

Often considered as a weak point in mid-sized companies, internal communication nonetheless has numerous virtues: developing a feeling of belonging, distributing horizontal information about company life, providing keys for understanding strategy and, lastly, driving structural initiatives such as Corporate Social Responsibility.

By leveraging a strong tradition of oral communication, "walking management", the company no doubt neglected to produce regular materials, now more than ever considered to be necessary, given

the increased number of sites and international development strategy. This situation was revealed in a qualitative study based on interviews conducted in Q2 2015.

There are several areas for progress. The study points out, among other things, the irregularity of internal information, panels in the workshops not updated (even though they were renovated in 2012), and a lack of strategic information as well as the order of distribution (with external targets often taking priority over internal teams). The observation is indisputable, itself worthy of an action programme to rectify the situation. Thinking on this topic, which was launched by ordering the study, is heading in that direction and should, starting in 2016, lead to several major initiatives to reverse the trend. The first of these is to ensure that this CSR report is distributed first internally to each employee. It is all the more important to communicate effectively at this time when a new strategy is being implemented and new managers and sales representatives are joining the company.

# We must raise customer awareness

## → IMPACT

Our customers want to better promote the health, environmental and societal performance of our products in their markets.



LCAs produced by Serge Ferrari for **Locabri** as seen by Éric Dewinter.

## → INITIATIVES

We help our customers measure the environmental footprint of their products and services.

### Life Cycle Assessments

• We perform **Life Cycle Assessments (LCAs)** on our products to measure our environmental impact. We also manage LCAs for some of our customers' applications to help them measure the environmental impact of their solutions. These LCAs are performed by a specialised, independent auditor. 7 LCAs have been managed for our customers since 2011, each one covering a specific area.

### Alter-consumption

• We also manage **alter-consumption studies** for customers with products designed for consumer market. This enables them to understand a new user target – “alter-consumers” – highly sensitive to recycling, and seeking product offers whose environmental footprint is measurable. Transatube garden chairs, with their interchangeable textile finishings, were developed jointly by Lafuma and Botanic in 2010, meeting these new needs precisely (see p. 11).

### Prescription supported by R+

• The **R+ mechanism**, which establishes the health and environmental profile of our products, and highlights the proactive measures taken by the company, represents an additional guarantee for our customers who are subject to strong environmental constraints, such as architects and engineering offices.

R+ complies with the ISO 14021 environmental communication standard: accurate, substantiated, not misleading and verified.

R+ also enables transformers and international distributors to meet their own end-customers' expectations, often sensitive to arguments concerning the qualitative origin and ecological impact of products.

### EPD

• We give our customers access to the official **EPD (Environmental Product Declaration) reports for our solar protection screens**: Soltis 86, Soltis 92 and Soltis 99. Governed by the European standard EN 15804, these EPDs are also available in the IBU database (Institut Bauen und Umwelt e.V), in compliance with the International EPD System.

## EPD: offering a reliable point of comparison between a product and its future use

Environmental Product Declarations (EPD): present the results of a product's Life Cycle Assessments (LCA) for a given function and market, based on very precise rules. These declarations make it possible to check whether a product's LCA corresponds to the recommended usage, and to measure the benefits induced by the application context.

In 2015, Serge Ferrari established EPDs for its Soltis line of solar protection screens. These EPDs are an extension of FDES declarations – the French equivalent to EPD – which interest our direct customers as well as end-users, notably architects, who are subject to strong environmental constraints.

Given the high cost of these studies, the elaboration of our future EPDs will be guided by users' needs. For example, engineering offices are required to comply with new standards and environmental evaluation methods for buildings (such as BREEAM), which involve providing precise data regarding the materials used in a given building to calculate the overall environmental footprint. Over the longer term, the Group would like to implement EPDs for all of its products.

### Environmental Product Declaration

**SOLTIS 92**  
Technical Textile

According to  
ISO 14025



**Publisher**  
UL ECO-INSTITUT GmbH  
Sachsenring 69  
50677 Cologne  
Germany



**Programme holder**  
Institut Bauen und Umwelt e.V.  
Panoramastr 1  
10178 Berlin  
Germany



**Author of the Life Cycle Assessment**  
EVEA Conseil  
35 Rue Crucy  
44000 Nantes  
France



**Owner of the Declaration**  
Serge Ferrari  
BP 54  
38352 La Tour-du-Pin  
France





# We are expanding our cooperation with our stakeholders

## → INITIATIVES

• **We are continuing our commitment to the industrial sector**, notably through a network of makers-installers, "Serge Ferrari Experts," which today comprises nearly 90 members across 8 European countries.

• **We are consolidating our partnerships with industrial companies** that want to recycle their used composite materials. A member of the Taxyloop recycling network since 2007, Compagnie Internationale André Trigano (CIAT) confirmed its commitment by entrusting us with the end-of-life management of canvas bungalows from its Campéole open-air hotel business. 37 bungalows were recycled in 2015.

• **We are thinking up new areas of application for our products.** Following four years of design and development efforts by our R&D teams, in collaboration with Norwegian engineering offices, Serge Ferrari delivered a composite membrane to create an 80 tonne underwater pocket that was installed in a Norwegian aquafarm during the summer of 2015.

• **We support key research activities for studying the effects of climate change on ecosystems.** Since 2009, the teams at TARA Océans have been mapping the biodiversity of marine plankton, which not only produces half of our oxygen, but is also at the base of the ocean food chain that feeds fish and marine mammals.

## → KEY DATA

89

Serge Ferrari Experts  
in 8 European countries

37 bungalows

recycled at their end-of-life  
in 2015 for CIAT

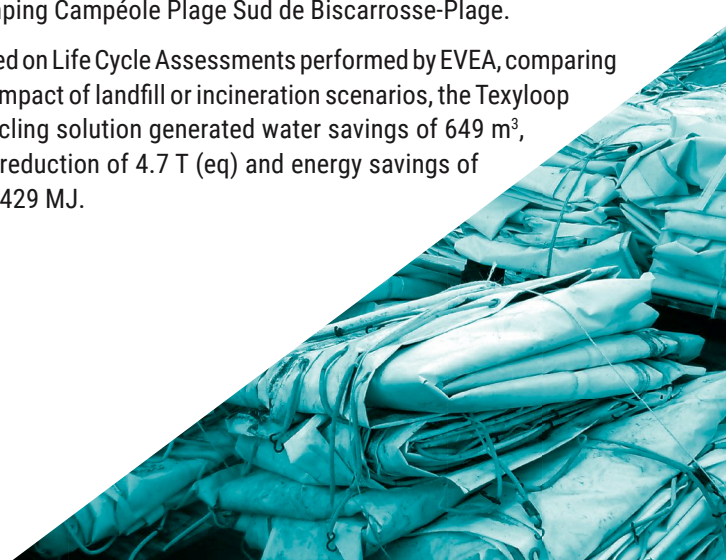
## → CIAT is committed to the circular economy

Compagnie Internationale André Trigano (CIAT) produces canvas structures for campground professionals and municipalities. Since 2007, the company has transferred nearly 92 tonnes of material scraps from its mesh-making workshops to the Taxyloop division.

In 2015, CIAT's Campéole open-air hotel business went even further, sending its end-of-life canvas bungalows to Taxyloop for recycling. *"The covers for 37 bungalows were recycled through Taxyloop. It seemed natural for us to make sure that when we change our bungalows, the canvas would not simply vanish into a traditional disposal circuit, where it most likely would be incinerated. Instead, we wanted it to be recycled and reintegrated into a current usage context,"* says Laurent Champion, director for the

Camping Campéole Plage Sud de Biscarrosse-Plage.

Based on Life Cycle Assessments performed by EVEA, comparing the impact of landfill or incineration scenarios, the Taxyloop recycling solution generated water savings of 649 m<sup>3</sup>, CO<sub>2</sub> reduction of 4.7 T (eq) and energy savings of 132,429 MJ.





## → TARA Expéditions: Large-scale evaluation of the impact of climate change on ocean ecosystems

The partnership between Serge Ferrari and Tara Expéditions began in 2009, when the schooner TARA set out to explore seas and oceans around the world to study plankton and the impact of global warming on the planet.



Presentation by **Romain Troublé**, Secretary general of Tara Expéditions, at the "Climat Comprendre et Agir" conference organised by Serge Ferrari alongside COP 21

Over the course of a four-year expedition, 35,000 samples were collected to examine the biodiversity of marine plankton, their interactions and the manner in which they behave and react in their environment when faced with different variables, including temperature.

Representing an unprecedented knowledge base for the scientific community, this data is expected to alter the approach to climate change and its impact on humans.

Éric Karsenti, director of Tara Océans and research director at EMBL (European Molecular Biology Laboratory) and CNRS (Centre National de la Recherche Scientifique), says: *"Beyond the cutting-edge scientific research that was carried out, this adventure also shows how very important oceans are for our own well-being."*



## EcoCage: a concept that supports eco-responsible aquaculture

More than ever, "blue growth" needs to move towards lower impact solutions, notably reducing discharges and limiting the use of antibiotics.

In 2015, testing began on a brand new 80-tonne EcoCage at the Sulefisk As Solund sea farm in Norway.

Equipped with a membrane specially designed by Serge Ferrari (which required four years of work and development to resist the extreme conditions of the North Sea), the EcoCage is sealed: the sea floor is entirely protected from any pollution or discharges.

Another advantage related to the performance of this membrane, a closed circuit enables aquaculture production to be increased without the intensive use of antibiotics. For example, nearly 1.2 million salmon weighing 1 kg each, will be raised in this EcoCage.

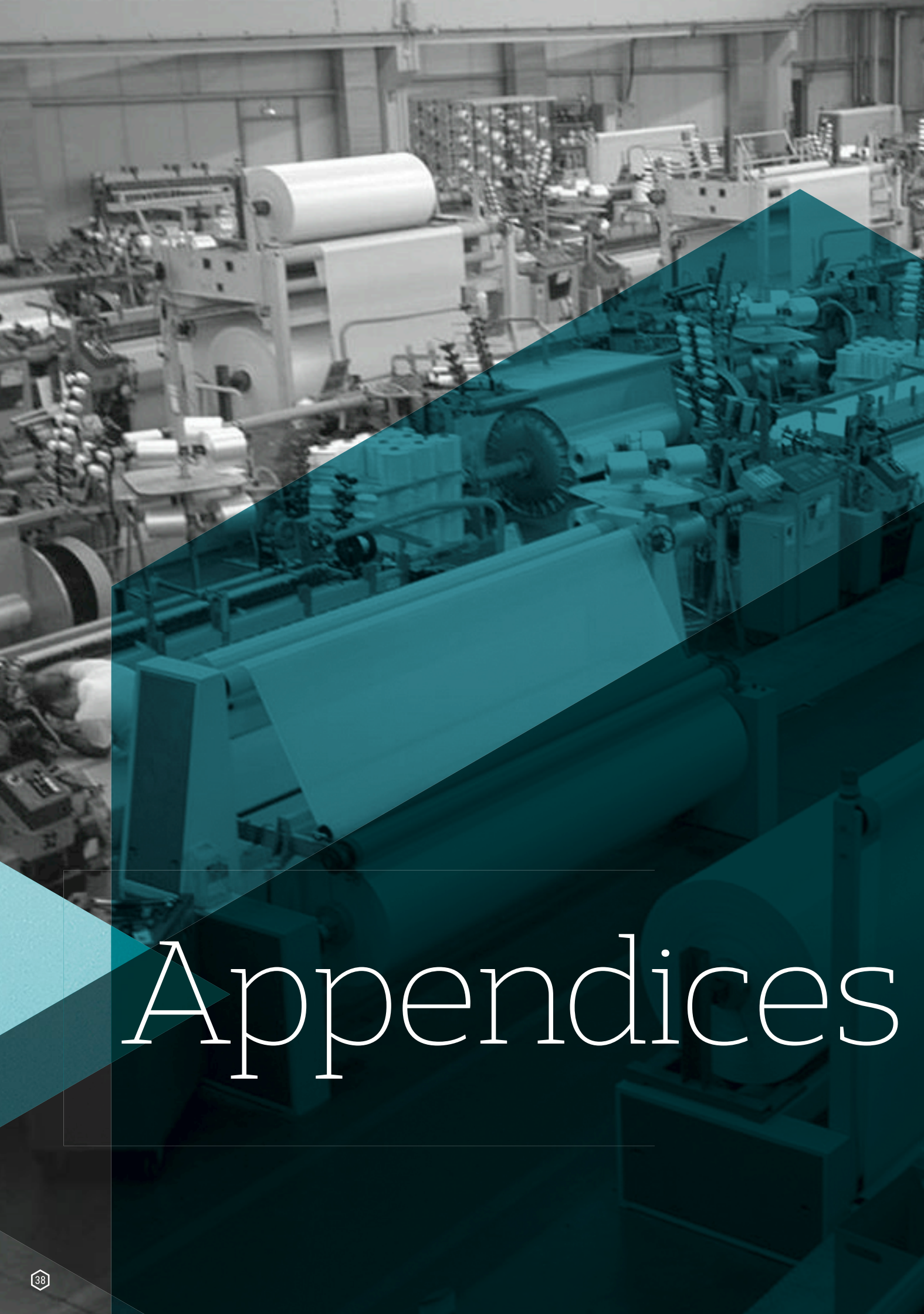
At end-of-life, the Taxyloop process ensures materials recycling.



Marine aquaculture of the future



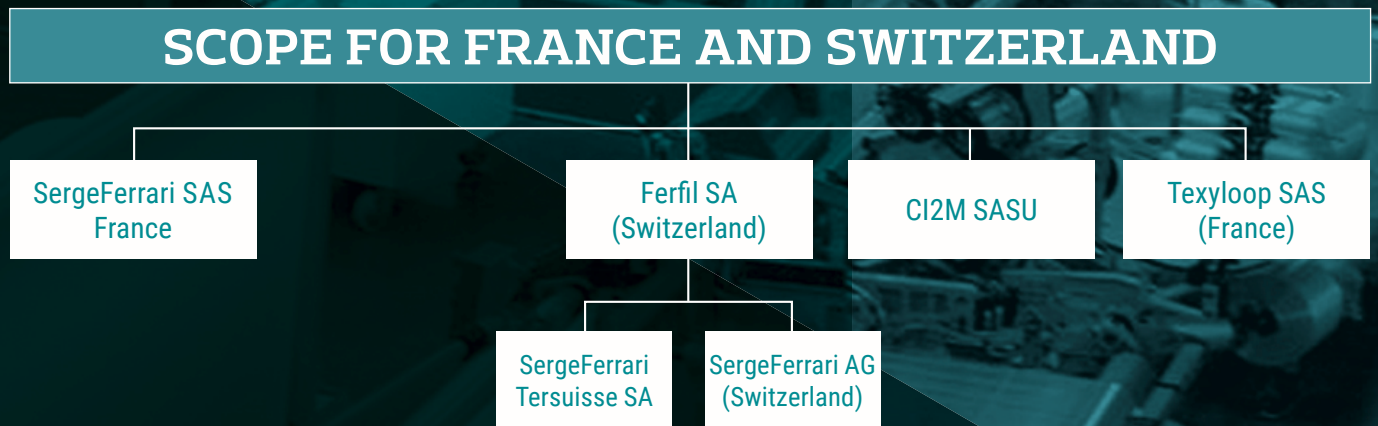
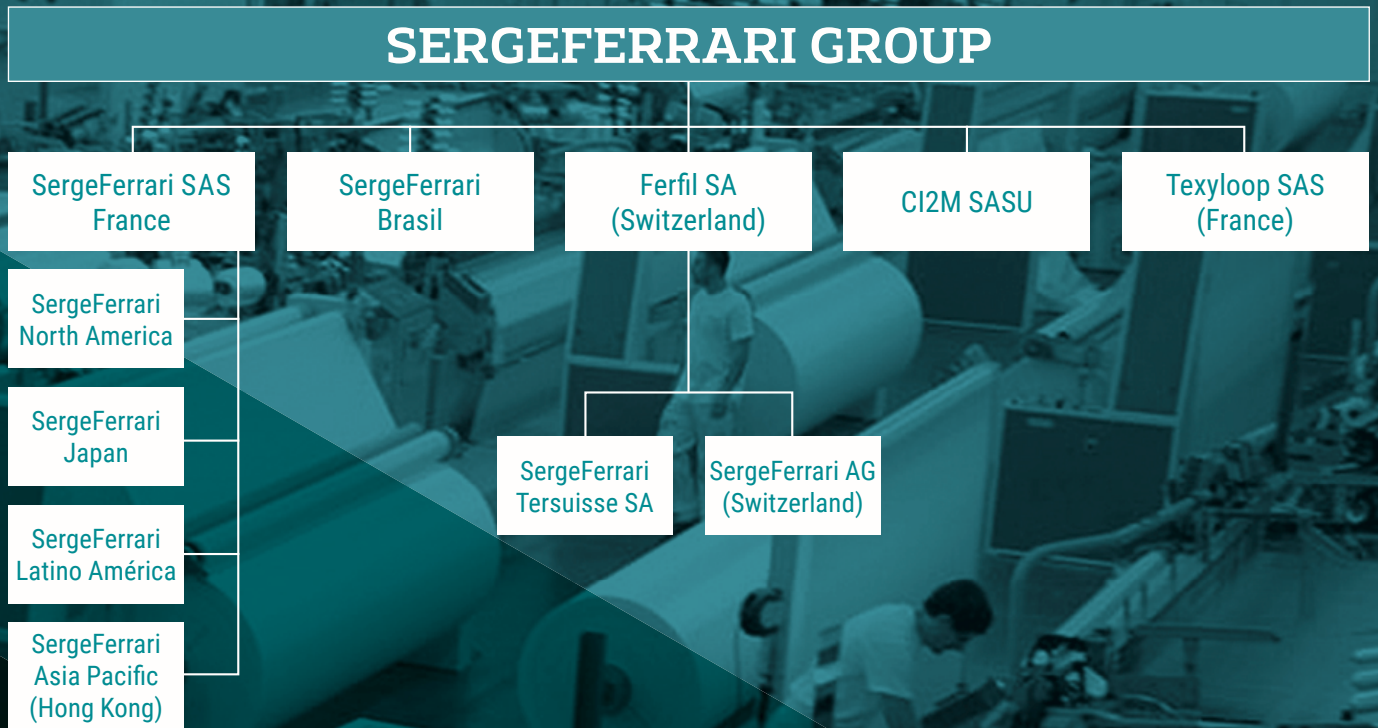




# Appendices



# Scope of this report



# Notes about methodology

## 1. ORGANISATION AND METHOD OF REPORTING

Quantitative data was collected from the various departments (Human Resources, Quality, Safety & Environment, Accounts) at each facility (France and Switzerland unless stated otherwise). The data provided by the various contributors was then consolidated on a Group level (unless stated otherwise in the cross-reference table or text body).

The quantitative social and environmental data included in this report was collected and aggregated on a Group level using our consolidation software (Staff and social information: ADP for French payroll, Excel spreadsheets for the other units. Environmental data: shared business application databases).

The qualitative data was collected via targeted interviews with Group and external personnel and controlled in-house by Executive Management, and the Human Resources and Safety departments.

The Senior Vice President has been given responsibility for Group CSR reporting.

Data consistency is checked by a CSR report drafting committee, comprising representatives of Executive Management and the HR and Safety departments, at each stage of the report preparation process.

## 2. REPORTING SCOPE AND PERIOD

The staff, social and environmental reporting covers the fiscal year ended December 31, 2015 and the following companies: Serge Ferrari Group SA, Serge Ferrari SAS, Serge Ferrari Brasil, Ferfil SA, Serge Ferrari Tersuisse SA, Serge Ferrari AG, Texyloop SAS, CISM SASU, Serge Ferrari North America, Serge Ferrari Latino America, Serge Ferrari Asia Pacific and Serge Ferrari Japan.

These companies are all fully integrated within the CSR reporting scope. Vinyloop Ferrera S.p.A., a joint venture in which Texyloop

holds 40%, is excluded from the reporting scope.

Some indicators are excluded from the aforementioned scope, owing to a lack of information regarding Group facilities located outside France. These exceptional exclusions are clearly specified individually in the cross-reference table provided in the report. They do not involve significant issues.

The data collected covers the period from January 1, 2015 to December 31, 2015 inclusive.

## 3. RELEVANCE OF SELECTED INDICATORS

The choice of relevant indicators was made by the report project team, comprising: Executive Management and the HR and QSE departments. The relevance of the chosen indicators was assessed with regard to the social and environmental impacts of Group company operations and the occupational risks associated with the professions exercised.

Given Serge Ferrari Group operations, the following information was deemed irrelevant and was not included in the report: "Other initiatives implemented to promote human rights" and "Fighting food waste."



## 4. DETAILS ON METHODOLOGY

**Energy consumption** includes the energy used to heat buildings and for production processes in France (La Tour-du-Pin) and Switzerland (Eglisau and Emmenbrücke). The published data corresponds to the invoiced totals for the period in question.

**Water consumption** includes general usage and cooling systems. Consumption is calculated according to the criteria recommended by ISO 14040-44 for life cycle assessments. Under these criteria, water used in cooling systems is considered to be “consumed”.

All energy and water measurements for France and Switzerland are made using the same method, that is, from physical meter readings or invoices defining the consumption period. Among commercial subsidiaries, the energy and fluid usage of companies with very low consumption was not included. As most facilities have an ISO 14001-certified management system, these readings are audited on an annual basis.

**CO<sub>2</sub> emissions** consist of fossil fuel emissions generated by our processes and emissions caused by the oxidization of solvents used to process flexible composite materials at the La Tour-du-Pin and Eglisau production plants. This information is taken from a greenhouse gas assessment. Therefore, CO<sub>2</sub> emissions from goods transportation and, in particular, employee business trips are not included.

**Hazardous and non-hazardous waste** corresponds to the volumes of waste collected at the production plants in France (La Tour-du-Pin) and Switzerland (Eglisau and Emmenbrücke). These volumes are monitored in accordance with classification established by EU law.

Regarding **staff**, French employees are governed by French employment law and foreign employees by the laws of their

respective countries. The headcount calculated as of December 31, 2015, includes hires and departures during the year, employees on permanent and fixed-term contracts and professional qualification, apprenticeship, “wage portage” and expatriate employees (expatriates and Volunteers for International Experience).

Regarding remuneration and changes thereto, the remuneration paid to corporate officers of Serge Ferrari Group and Serge Ferrari Participations is included in the reported quantitative data. Payroll includes salaries, employer’s social security contributions and profit-sharing.

**Absenteeism**: absence due to illness including occupational illness and industrial accidents. Long-term illnesses (longer than one year) are excluded. Calculation methods are based on working days.

Industrial accidents consist of work accidents occurring in 2015, excluding relapses.

The frequency rates are calculated as follows:

TF1 = Number of reported accidents with lost time x 1,000,000 / hours worked.

TF2 = Number of reported accidents x 1,000,000 / hours worked.

TS = Number of lost work-days x 1,000 / hours worked

**Training hours** include e-learning provided by external providers, the personal training allowance (CPF), face-to-face training, training eligible or not for funding under the company training plan, and both in-house and external training.

**The disabled employee ratio** is based on the number of persons employed.

\* We include consideration for long-term illnesses and relapses when calculating rates.

## 5. EXTERNAL AUDITING

This corporate, social and environmental information is audited by an independent third-party organisation, Mazars SAS, a member of the Mazars SA network, your Company’s statutory auditors, accredited by COFRAC (French accreditation

commission) under number 3-1058. The scope of accreditation may be found on [www.cofrac.fr](http://www.cofrac.fr).

The auditors’ findings are presented at the end of the report on **page 56**.

# Indicators and cross-

The data and figures set out in this section cover the Group overall unless otherwise specified.

Headings in Article 225 of the Grenelle II Act	Indicators	Quantified 2014 items	Quantified 2015 items
<b>ENVIRONMENTAL INFORMATION</b>			
<b>A   General environmental policy</b>			
<b>Manner in which the company is organized to take environmental issues into account and, where applicable, environmental assessment or certification initiatives.</b>	% of facilities concerned by environmental certification	<b>53%</b> ISO 14001	<b>72%</b> ISO 14001
	Percentage of articles covered by an LCA (Life Cycle Assessment)	<b>NC</b>	<b>66%</b>
	Number of customers who benefited from environmental assessment support	<b>6</b>	<b>7</b>
	Product ranges concerned by FDES environmental and health declarations and EPDs	<b>2</b>	<b>3</b>
<b>Initiatives implemented to train and inform employees about protecting the environment</b>	Number of employees trained on environmental protection	<b>110</b>	<b>96</b>
	Expenses incurred for health & safety training > Scope: France > Scope: France and Switzerland	<b>€85,544</b> <b>NC</b>	<b>€88,980</b> <b>€97,794</b>
<b>Resources dedicated to preventing environmental risks and pollution</b>	Initiatives taken to prevent environmental and health risks		
	Percentage of products concerned by a health and environmental measure indicator	<b>95%</b>	<b>100%</b>
<b>Provisions and guarantees for environmental risks</b>		<b>€486,153</b>	<b>€486,152</b>
<b>B   Pollution and waste management</b>			
<b>Measures to prevent, reduce and remedy discharges into the air, water or soil that have severe impact on the environment</b>	Initiatives launched		
	Hazardous waste (tonnes)	<b>432</b>	<b>456</b>
	Non-hazardous waste (tonnes)	<b>2,046</b>	<b>1,899</b>
	Wastewater (tonnes, VOC) > Scope: France > Scope: France and Switzerland	<b>60</b> <b>NC</b>	<b>37.7</b> <b>39.5</b>

# reference table **Grenelle II**

Qualitative items	More details
<p>In 2015, our production facilities in France (France UES) and Switzerland (Serge Ferrari AG), and the Vinyloop Ferrara S.p.A. recycling plant, were certified ISO 14001. We implemented a global energy management system compliant with ISO 50001 certification at 5 of our facilities.</p>	<p><a href="#">Page 20</a></p>
	<p><a href="#">Page 18</a></p>
<p>7 customer LCAs have been performed since 2011, for the following companies: Lafuma-Botanic, Locabri, Mediamax, Roeder, Buisson Effilochage, Filature du Parc and SOCCA</p>	<p><a href="#">Page 34</a></p>
<p>We updated the ACV, EPD and FDES files for Soltis 92, 86 and 99 solar protection screens in compliance with the EN 15804 construction standard.</p>	<p><a href="#">Page 34</a></p>
<p>People receiving specific training on fire safety (notably on fire containment measures).</p>	<p><a href="#">Page 26</a></p>
<p>&gt; In November 2015, we set up a VIGI-ALERTE committee, whose action seeks to detect early signs of health and environmental risks related to substances or technologies. &gt; We commissioned a campaign to measure exposure precisely at all sensitive areas of our production facilities (France UES). This campaign follows up on our 2013 campaign on volatile organic compounds (VOC).</p>	<p><a href="#">Page 24</a></p>
<p>The R+ program we created applies to 100% of our finished goods.</p>	<p><a href="#">Page 19</a></p>
<p>Financial guarantee to be established with respect to depollution requirements (Metaleurop judgement, Bachelot Law). Serge Ferrari chose to implement this cost progressively starting July 1, 2014.</p>	
<p>Creation of secure above-ground storage for flammable liquids.</p>	
<p>% reduction taking into account Taxyloop recycling: - 10%</p>	<p><a href="#">Page 23</a></p>
	<p><a href="#">Page 20</a></p>

# Indicators and cross-

The data and figures set out in this section cover the Group overall unless otherwise specified.

Headings in Article 225 of the Grenelle II Act	Indicators	Quantified 2014 items	Quantified 2015 items
<b>ENVIRONMENTAL INFORMATION</b>			
<b>B   Pollution and waste management</b>			
<b>Measures for preventing, recycling and eliminating waste</b>	Investment dedicated to Texyloop	<b>1 M€</b>	<b>1.5 M€</b>
	Number of tonnes of materials collected per year	<b>460</b>	<b>428</b>
	Number of tonnes of materials recycled per year	<b>907</b>	<b>768</b>
	Number of Texyloop Charter signatories	<b>113</b>	<b>136</b>
<b>Measures regarding noise nuisance and any other form of pollution specific to a business activity</b>	Number of people trained	<b>21</b>	<b>125</b>
<b>C   Sustainable use of resources</b>			
<b>Water consumption, water supply with respect to local constraints Scope: France &amp; Switzerland</b>	Water (m <sup>3</sup> x 1,000)	<b>628</b>	<b>846</b>
<b>Consumption of raw materials and measures taken to improve efficiency of their use Scope: France &amp; Switzerland</b>	PET, resins and other polymers (tonnes)	<b>11,050</b>	<b>12,031</b>
	Fillers & additives (tonnes)	<b>2,781</b>	<b>2,180</b>
	Plasticizers (tonnes)	<b>3,142</b>	<b>3,240</b>
	Solvents (tonnes)	<b>1,431</b>	<b>1,332</b>
	sq m of products containing bio-sourced materials	<b>100,000</b>	<b>35,746</b>
<b>Energy consumption, measures taken to improve energy efficiency and the use of renewable energies Scope: France &amp; Switzerland</b>	Energy (GWh)	<b>62.5</b>	<b>63.5</b>
<b>Land use</b>			
<b>D   Climate change</b>			
<b>Adaptation to the consequences of climate change</b>	Actions taken Processes only		
<b>Greenhouse gas emissions Scope: France &amp; Switzerland</b>	Tonnes, CO <sub>2</sub> Scope 1	<b>10,875</b>	<b>10,724</b>
	Scope 2	<b>11,614</b>	<b>12,682</b>



# reference table **Grenelle II**

Qualitative items	More details
15.5 M€ since 1998.	
As collection began in 2004 (and recycling in 2008), we have inventory to recycle, which explains why we have focused more on recycling than collection.	
Our Ferrare facility was halted for 2 months in 2015 to implement technical changes.	Page 22
Txyloop has united and grown a European-wide network that collects its own end-of-life composite materials, and/or those of third-party companies, including workshop scraps and used materials.	
125 people received specific training on noise nuisance and radiation protection with respect to the use of measurement materials requiring accreditation.	
Water consumption is related to equipment cooling. Water is discharged as-is into the natural environment, with an increase in temperature restricted to 3°C.	
	Page 18
We are currently developing eco-designed products comprising plasticizers that are exclusively bio-sourced in order to obtain the necessary approvals for our requirements.	Page 18
<p>The 62,540 MWh that we consume break down as follows:            Gas: 21,600 / heating oil: 9,700 / electricity: 32,200            % reduction taking into account Txyloop recycling: - 11%            &gt; To reduce electricity consumption for production facility lighting by 50%, neon bulbs are progressively being replaced by LEDs, which will equip 100% of our workshops by 2017.</p>	Pages 20, 21
The Group's production facilities are not located on sensitive sites.	
Our applications (bioclimatic facades, urban shade screens and green roofing) provide technical solutions in a context of rising temperatures.	
In 2015, the Serge Ferrari Group undertook in-depth analysis of its greenhouse gas emissions. Generated using dedicated Toovalu software, this data is referenced in the ADEME database.	Page 21

# Indicators and cross-

The data and figures set out in this section cover the Group overall unless otherwise specified.

Headings in Article 225 of the Grenelle II Act	Indicators	Quantified 2014 items	Quantified 2015 items
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## ENVIRONMENTAL INFORMATION

E | Protecting biodiversity

Measures taken to develop biodiversity

## STAFF INFORMATION

A | Employment

Total headcount, breakdown of employees by gender, age and geographic region	Total headcount	605	638
	Number of employees working in France	350	370
	Average length of service – Scope: France	11	11.7
	Number of women in total headcount	125	140
	Number of men in total headcount	480	498
	Number of people assigned to commercial functions	122	139
	Number of people assigned to production / logistics functions	377	388
	Number of people assigned to support functions	106	111
Hires and departures excluding professional qualification contracts – Scope: France	Breakdown by age group Scope: France	< 30 yrs: 37 30 to 39 yrs: 100 40 to 49 yrs: 133 > 49 yrs: 80	< 30 yrs: 46 30 to 39 yrs: 108 40 to 49 yrs: 135 > 49 yrs: 81
	Hires	26	40
	Dismissals	1	3
Remuneration and evolution thereof	Other departures	18	17
	Overall payroll	€38,649,000	€40,246,000
	Percentage of employees who benefit from an incentive scheme Scope: France UES	100%	100%
	Percentage of employees who are shareholders in the Company – Scope: France UES	49%	48.2%
	Percentage of employees who are members of a retirement savings scheme - Scope: France UES	55%	60.1%
	Percentage of employees covered by a mutual health insurance company - Scope: France	100%	100%

# reference table **Grenelle II**

Qualitative items	More details
We are contributing to the development of pisciculture with low environmental impact, via the EcoCage application.	Page 37
We hired 73 new employees, 13 of whom are in commercial functions, in order to accelerate the Group's international development goals.	Page 11
	Page 11
<p>With respect to remuneration, the Serge Ferrari Group ranks above the average for its professional sector in terms of the salaries paid for blue and white collar positions (excluding profit-sharing/incentive scheme).</p> <p>All French employees are covered by an incentive scheme, but only staff belonging to the so-called "Available Labour" category and production management staff are covered by a system of variable incentive bonuses based on performance measured in terms of productivity and quality.</p> <p>A Serge Ferrari collective employee shareholder fund (FCPE) was set up on April 28, 2014. 48.2% of the employees have subscribed to the fund at this time.</p> <p>A retirement savings scheme (PERCO) was set up on December 6, 2011 via an amendment to the profit-sharing agreement. Today, over 60.1% of the employees are enrolled in the PERCO.</p> <p>All French employees are covered by family mutual insurance and personal insurance. The company also finances healthcare insurance for all of its foreign employees.</p>	Page 28

# Indicators and cross-

The data and figures set out in this section cover the Group overall unless otherwise specified.

Headings in Article 225 of the Grenelle II Act	Indicators	Quantified 2014 items	Quantified 2015 items
<b>STAFF INFORMATION</b>			
<b>B   Work organisation</b>			
<b>Employment contracts</b> - 2014 data concerns France only. - 2015 data concerns France and Switzerland including specific contracts for foreign employees in Switzerland	Percentage of permanent employees	92%	91.95%
	Percentage of production employees with fixed-term contracts	4%	4.53%
	Percentage of employees with temporary contracts	3%	5.01%
	Percentage of work-study contracts	1%	2.70%
<b>Organisation of working hours</b>	Number of people assigned to production/ logistics functions	377	388
	Number of part-time employees working in France	15	18
<b>Absenteeism</b> Scope: France & Switzerland	Absenteeism rate (illnesses and industrial accidents)	4.15%	4.17%
	Number of days absent (illnesses and industrial accidents)	4,831	5,011
<b>C   Employee relations</b>			
<b>Organisation of employee relations, including information processes and processes for consulting and negotiating with employees</b>	Participation rate in trade union elections	72%	-
	Works Council		
	Health, Safety and Working Conditions Committee (CHSCT)		
<b>Summary of collective agreements</b>	Number of agreements signed	2	2
<b>D   Health and safety</b>			
<b>Health and safety conditions at the workplace</b>	Initiatives implemented to improve health and safety conditions at the workplace		
<b>Summary of agreements on health and safety at work signed with trade union organisations or employee representatives</b>	Physical hardship plan (France)		
	Group Safety Charter		



# reference table **Grenelle II**

Qualitative items	More details
<p>Serge Ferrari aims to increase its teams' loyalty in order to retain its know-how. Hence a particularly high number of permanent employees.</p>	
	Page 29
<p>Serge Ferrari is committed to maintaining its manufacturing base in order to control its manufacturing process and product quality. Hence a high number of employees in production and logistics.</p>	
	Page 11
<p>The Group's absenteeism has remained stable, below the average rate for the same sector.</p>	
	Page 27
<p>The last elections were held on November 13, 2014. The next elections will be held in 2018.</p>	
<p>The Works Council comprises 16 people, divided into three groups: The 1<sup>st</sup> group includes Workers and Employees.</p>	
<p>The 2<sup>nd</sup> group includes Supervisors.</p>	
<p>The 3<sup>rd</sup> group includes Engineers and Executives. The Works Council meets once a month.</p>	
<p>The Works Council and Personnel Representatives elected 6 members for a Health, Safety and Working Conditions Committee. This committee meets once a quarter.</p>	
<p>In 2015, we signed an agreement concerning equality between men and women, along with required annual negotiations.</p>	
<p>&gt; Specific safety rules (SSR) written by and for users, will be rolled out progressively in France throughout 2016 (with La Tour-du-Pin as the pilot site), then in Switzerland starting in 2017.</p>	
<p>&gt; We acquired a software application for health and safety that will be operational in Q2 2016.</p>	Pages 26, 28
<p>We are continuing to roll out the physical hardship plan initiated in 2011. We have designed and implemented, at 5 of our 7 production facilities, machines that prevent employees from having to carry heavy or repetitive loads.</p>	Page 28
<p>We are continuing to roll out our Safety Charter, initiated in 2015, for all of our production facilities, with the goal of finishing in 2017.</p>	Page 26

# Indicators and cross-

The data and figures set out in this section cover the Group overall unless otherwise specified.

Headings in Article 225 of the Grenelle II Act	Indicators	Quantified 2014 items	Quantified 2015 items
<b>STAFF INFORMATION</b>			
<b>D   Health and safety</b>			
<b>Workplace accidents, notably their frequency and severity, together with occupational illnesses</b>	Accident frequency rate (TF1)		
	> Scope: France	<b>NC</b>	<b>20.63</b>
	> Scope: France and Switzerland	<b>NC</b>	<b>17.67</b>
	Accident frequency rate (TF2)		
	> Scope: France	<b>21</b>	<b>24.07</b>
	> Scope: France and Switzerland	<b>NC</b>	<b>20.03</b>
Accident severity rate (TS)	> Scope: France	<b>0.55</b>	<b>0.55</b>
	> Scope: France and Switzerland	<b>NC</b>	<b>0.42</b>
Number of occupational illnesses	Scope: France & Switzerland	<b>0</b>	<b>0</b>
Number of work-related accidents	> Scope: France	<b>17</b>	<b>14</b>
	> Scope: France and Switzerland	<b>NC</b>	<b>17</b>
<b>E   Training</b>			
<b>Training policies implemented</b>	Overall budget dedicated to training		
	> Scope: France UES	<b>€317,633</b>	<b>€517,240</b>
	> Scope: France and Switzerland	<b>NC</b>	<b>€579,708</b>
	Number of in-house trainers		
	> Scope: France UES	<b>8</b>	<b>6</b>
	> Scope: France and Switzerland	<b>NC</b>	<b>18</b>
<b>Total number of training hours</b>	Total number of training hours		
	> Scope: France	<b>4,213</b>	<b>6,996</b>
	> Scope: France and Switzerland	<b>NC</b>	<b>9,366</b>
	Percentage of employees who took at least one training course during the year	<b>51%</b>	<b>78.75%</b>
	> Scope: France UES		
<b>F   Diversity, equal opportunity / equal treatment</b>			
<b>Policy implemented and measures taken to promote gender equality</b>	Number of women hired	<b>11</b>	<b>14</b>
	> Scope: France		
<b>Policy implemented and measures taken to promote the employment and inclusion of disabled persons</b>	Employment rate of disable persons (% of total headcount)		
	> Scope: France UES	<b>2.70%</b>	<b>3.97%</b>
	> Scope: France	<b>NC</b>	<b>4.05%</b>
	Number of jobs concerned - Scope: France	<b>9</b>	<b>15</b>
<b>Policy implemented and measures taken to prevent discrimination</b>	Number of young people (under 26) hired		
	> Scope: France UES	<b>6</b>	<b>14</b>
	> Scope: France and Switzerland	<b>NC</b>	<b>15</b>
	Number of nationalities within the Group	<b>33</b>	<b>40</b>

# reference table **Grenelle II**

**Qualitative items**

**More details**

Calculation obtained according to standards recognized by CARSAT.  
The accident frequency rate is within the average of companies in the same sector.

Page 27

Calculation obtained according to standards recognized by CARSAT.  
Accidents mainly involved falls, cuts, sprains, fractures, and contusions.

For France and Switzerland, the budget breaks down as follows:  
Supervisors: €109,600 / Executives: €239,344 / Employees: €66,342 / Workers: €164,422

Pages 30, 31

Training hours were provided for each employee category in France as follows:  
Supervisors: 76 / Executives: 91 / Employees: 66 / Workers: 190

Page 30

These training courses covered the following areas: safety, jobs, psycho-social risk, communications and organisation.

Hires of women break down as follows:  
Permanent contracts: 6 / Apprenticeship: 2 / Professional qualification 2 / Fixed-term: 4

# Indicators and cross-

The data and figures set out in this section cover the Group overall unless otherwise specified.

Headings in Article 225 of the Grenelle II Act	Indicators	Quantified 2014 items	Quantified 2015 items
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## STAFF INFORMATION

G | Promotion and compliance with the recommendations of the ILO Fundamental Conventions regarding:

**Freedom of association and the right to collective bargaining**

**Eliminating discrimination in employment and occupation**

**Eliminating forced or mandatory labour**

**Effectively abolishing child labour**

## SOCIAL INFORMATION

A | Regional, economic and social impact of the company's activities

**In terms of regional employment and development**

Partnerships with regional bodies working to promote employment

**On neighbouring and local communities**

Discussions with local associations regarding the implementation of the Damsely Biodiversity Plan



# reference table **Grenelle II**

Qualitative items	More details
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The Serge Ferrari Group takes care to establish transparent, sincere and respectful social dialogue with employee representative bodies, in accordance with the principle of respecting employees' rights.

The Serge Ferrari Group is committed to banning any form of discrimination in terms of recruitment and hiring stages, as well as during the performance or at the end of the employment contract.

The Serge Ferrari Group is committed to banning any forced or mandatory labour, notably through dialogue with the employee representative bodies. In addition, with the majority of our suppliers being European, the risk of exposure to forced or mandatory labour is negligible.

The Serge Ferrari Group complies with international conventions regarding the protection of children's rights. Furthermore, the Group's suppliers and sub-contractors are not manufacturing companies (they belong to the chemical and synthetic chemical sectors). As such, any exposure to the risk of child labour is negligible. Furthermore, most of our suppliers are European.

We have set up a number of partnerships with regional bodies working in the areas of employment and training (on a permanent and work-study basis):

- Chamber of Commerce and Industry
- La Tour-du-Pin Sub-Prefectural Territorial Coordination Projects
- District groupings
- Regional junior high schools and high schools
- Apprentice Training Centre
- Rhône-Alpes DIRECCTE (Regional Department for Companies, Competition, Consumption, Labour and Employment)
- CEPITRA (Rhône-Alpes Textile Industry Development Centre): regional professional training body
- OPCALIA (training fund-collection body)

We are in contact with three local associations regarding implementation of the Damsel fly Biodiversity Plan:

- SMABB (Public-Private Development Association for the Bourbre Basin) > <http://www.smabb.fr>
- Les Vallons de La Tour (district grouping) > <http://www.lesvallonsdelatour.fr>
- Action Bourbre Responsable > <http://www.action-bourbre-responsable.org>

The Steering Committee meets once a year. Operating meetings are organized at least once a quarter.

# Indicators and cross-

The data and figures set out in this section cover the Group overall unless otherwise specified.

Headings in Article 225 of the Grenelle II Act	Indicators	Quantified 2014 items	Quantified 2015 items
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## SOCIAL INFORMATION

### B | Relations with persons and organisations having an interest in the Company's business activities

<b>Conditions for dialogue with these persons and organisations</b>	Relations with partners, distributors, specifiers, suppliers, subcontractors, customers, shareholders, Government authorities, associations and other stakeholders.		
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<b>Partnership or sponsorship initiatives</b>	Amount invested in sponsorship initiatives	€200,000	€200,000
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### C | Sub-contracting and suppliers

**Inclusion of social and environmental issues in the company's procurement policy**

<b>Extent of sub-contracting, inclusion of suppliers' and sub-contractors' social and environmental responsibility in relations with them</b>	Use of sub-contracting		
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### D | Fair practices

**Anti-corruption measures**

**Measures taken to promote consumer health and safety**

# reference table **Grenelle II**

## Qualitative items

Serge Ferrari organises dialogue with each stakeholder depending on the issues, identifying the relevant information channels and setting up appropriate locations and frameworks for dialogue, as necessary. Serge Ferrari is also a member of several organisations and institutes working to promote sustainable development, CSR and the circular economy:

- The Orée association > <http://www.oree.org>
- French Circular Economy Institute > <http://www.institut-economie-circulaire.fr>
- Greenfacts > <http://www.greenfacts.org/fr> (founding member)
- French Institute for Building Performance > <http://www.ifpeb.fr>
- Entrepreneurs d'Avenir > <http://www.entrepreneursdavenir.com>

Pages  
9, 25, 37

Since 2009, we have supported Tara Expéditions, a French not-for-profit initiative that organises scientific expeditions to study and understand the impact of climate change on oceans (<http://oceans.taraexpeditions.org>)

Page 37

Our procurement policy is based on long-term partnerships. As such, 2/3 of our purchases are made from reliable suppliers with which we have long-standing relations (over 20 years).

These partnership relations enable us to:

- > Maintain the competitiveness of our long-term purchases (TCO assessment: Total Cost of Ownership)
- > Jointly develop new products and new concepts in a collaboration-oriented manner (e.g. Taxyloop, with Solvay).

The Group is highly vertically integrated, and only leverages sub-contracting on a very occasional basis. This integration covers production, as well as production equipment manufacturing and maintenance.

The risk of corruption is managed globally by separating consumption and execution tasks carried out by the Procurement Department and via the first risk-mapping process carried out in 2014, which identified the risk of corruption as possible and significant.

In 2009, the Group launched a campaign to achieve compliance with EU regulations on REACH-classified chemical substances. Substitutes were found for 25 products used in the manufacturing process, including 5 materials substituted in 2015.

Page 18



# Report by the Independent Third-Party Organisation on the consolidated corporate, social and environmental information provided in the management report

## > FISCAL YEAR ENDED DECEMBER 31, 2015

To the Shareholders,  
In our capacity as an independent third-party organisation, and member of the Mazars network, statutory auditors for Serge Ferrari, accredited by the French accreditation commission (COFRAC) under number 3-1058<sup>1</sup>, we hereby present our report

on the corporate, social and environmental information for the fiscal year ended December 31, 2015 presented in the Management Report (hereinafter the "CSR Information"), pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code.

## > THE COMPANY'S RESPONSIBILITY

The Board of Directors is responsible for establishing a Management Report including the CSR Information provided for in Article R. 225-105-1 of the French Commercial Code, prepared

in accordance with the procedures and definitions applied by the Company (hereinafter the "Standards"), a summary of which is provided in the Management Report, available upon request.

## > INDEPENDENCE AND QUALITY CONTROL

Our independence is determined by regulations, our professional code of ethics, and the provisions set out in Article L. 822-11 of the French Commercial Code. In addition, we have implemented a quality control system that includes documented policies and

procedures aimed at ensuring compliance with business ethics rules, professional practice standards and applicable legislation and regulations.

## > THE INDEPENDENT THIRD-PARTY ORGANISATION'S RESPONSIBILITY

**It is our responsibility, on the basis of our work:**

- To certify that the required CSR Information is included in the Management Report, or that any omission is explained pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Certificate of inclusion of CSR Information);
- To draw a conclusion expressing reasonable assurance regarding the fact that all the significant aspects of the CSR Information, taken as a whole, are presented in a fair manner, in accordance with the Standards (Reasoned opinion on the fairness of the CSR Information).

Our work was performed by a team of five people over a period of around six weeks from February to March, 2016.

We performed the work described below in accordance with professional standards applicable in France and with the decree of May 13, 2013 setting out the conditions under which the independent third-party organisation performs its assignment, and with the ISAE 3000<sup>2</sup> international standard with respect to the reasoned opinion on fairness.

<sup>1</sup> The scope of which may be accessed on [www.cofrac.fr](http://www.cofrac.fr).

<sup>2</sup> ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

## 1. CERTIFICATE OF INCLUSION OF CSR INFORMATION

We familiarized ourselves, through interviews with the managers of the concerned departments, with the presentation of the sustainable development objectives, in accordance with the social and environmental consequences linked to the Company's activities and its social commitments, and, where applicable, to the resulting initiatives or programs.

We compared the CSR Information set out in the Management Report with the list provided for by Article R. 225-105-1 of the French Commercial Code.

In the event that some consolidated information was missing, we checked that explanations had been provided in accordance

with the provisions of the third paragraph of Article R. 225-105 of the French Commercial Code.

We ascertained that the CSR Information covered the consolidation scope, that is, the Company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code, and the companies that it controls within the meaning of Article L. 233-3 of that Code, within the limits specified in the methodology note set out in the Appendices of the CSR document. Based on this work, and given the limits set out above, we hereby certify that the required CSR Information is included in the Management Report.

## 2. REASONED OPINION ON THE FAIRNESS OF THE CSR INFORMATION

### Nature and scope of the work

We held around ten meetings with the individuals responsible for preparing the CSR Information at the departments in charge of collecting the information and, where applicable, with the individuals responsible for internal control and risk management procedures, in order to:

- Assess the appropriate nature of the Standards in terms of their relevance, completeness, reliability, objectivity, and comprehensibility, taking industry best practices into consideration, where applicable;
- Verify that an information collection, compilation, processing and control process had been implemented, with a view to the completeness and consistency of the Information, and familiarise ourselves with the internal control and risk management procedures relating to the preparation of the CSR Information.

We determined the nature and extent of our checks and controls in accordance with the nature and significance of the CSR Information, in view of the Company's specific features, the social and environmental challenges posed by its business activities, its sustainable development strategy and industry best practices.

In the case of the CSR Information that we considered to be most relevant<sup>3</sup>:

- At the level of the consolidating entity and related entities, we consulted the documentary sources, and held meetings in order to corroborate the qualitative information (organisation, policies and initiatives). We then carried out analytical procedures on the quantitative information, checked the calculation and consolidation of the data on the basis of spot checks, and ascertained that it was coherent and consistent with the other information provided in the Management Report;
- At the level of a representative sample of entities or operations

<sup>3</sup> Total headcount and number of men and women; payroll for the total headcount; frequency and severity rates for industrial accidents and number of industrial accidents; number of training hours per employee; energy consumption; amount (in tonnes) of hazardous and non-hazardous waste collected; and financing of retraining programs by the FONGECIF from an employment and regional development standpoint.

that we selected<sup>4</sup> on the basis of their activities, their contribution to the consolidated indicators, their operating location and a risk assessment, we held meetings in order to ascertain the correct application of the procedures, and performed detailed tests on the basis of samples, which consisted in checking the calculations performed and cross-checking the data with the supporting documents.

The sample selected in this manner represented an average of 57% of the staff, and between 60% and 70% of the quantitative environmental information.

Regarding the other consolidated CSR Information, we assessed its consistency based on our knowledge of the Company.

Lastly, we assessed the appropriateness of the explanations, as necessary, relating to the fact that some information was wholly or partly missing.

We believe that the sampling methods and the size of the samples that we selected by exercising our professional judgement enable us to draw a conclusion expressing moderate assurance. A higher level of assurance would have required

<sup>4</sup> *Serge Ferrari SAS*

more extensive auditing work. Given the use of sampling techniques, and the other limits inherent to the operation of any information and internal control system, the risk of a material misstatement not being identified in the CSR Information cannot be completely eliminated.

## Conclusion

Based on our work, we did not identify any significant misstatements likely to call into question the fact that the CSR Information, taken as a whole, is presented in a fair manner, in accordance with the Standards.

Paris La Défense, March 15, 2016  
The Independent Third-Party Organisation  
Mazars SAS

Emmanuelle Rigaudias  
CSR and Sustainable Development Partner

**This report was designed and executed following a collaboration-oriented approach between Serge Ferrari and HISTOIRE DE COMPRENDRE.**

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**We sincerely thank all the people who contributed their testimonials and knowledge to help elaborate this report.**

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**Photos of workshops and people at work used to illustrate this report are extracted from reports created within the Group. We sincerely thank all those employees who agreed to participate.**





[www.sergeferrari.com](http://www.sergeferrari.com)

**SergeFerrari Group**

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