



ACTIVITY REPORT **2019**

AKWEL

EFFICIENT AUTOMOTIVE
SOLUTIONS



FURTHER CONSOLIDATION

For the AKWEL Group, 2019 was a year of consolidating and improving performance in terms of safety, customer satisfaction and profitability. After numerous projects were initiated in 2018, 2019 provided the opportunity to confirm and establish these projects for the long term. The Safety aspects were bolstered, with centralised steering, harmonised objectives and new IT tools. Our Quality performance improved and was recognised several times by our customers, including General Motors and Jaguar Land Rover. In manufacturing, we completed the rollout of the new production system to improve peace of mind. Efforts also focused on upskilling the teams, including a major programme implemented on the SAP ERP software and robotisation as a priority. Lastly, the Group endeavoured to formalise its principles and values through a new ethical charter and the definition of its employer brand with the aim of sharing these more effectively with all of its employees and stakeholders.

2019 was a year of growth. AKWEL's revenue advanced 4.4%. The quality, logistics and development performances that the Group demonstrated enabled market share gains. This growth primarily took place in the cooling, air intake, mechanisms and fuel product families, although they were spread across numerous Group sites, which reached record levels of activity. This development should be viewed relative to the decline in global automotive production of around -5% during 2019, reflecting an outperformance of more than 9%.

Lastly, 2019 was a year of change. To support its customers in an automotive market that increasingly lacks visibility, AKWEL has advanced its product positioning, particularly in electrified vehicles, initiated entrepreneurship projects focused on new product lines such as hydrogen and analysed the possibilities provided by digitisation and artificial intelligence.

Meanwhile, due to the Covid-19 crisis and its health and business consequences, 2020 looks set to be extremely difficult. In terms of safety, AKWEL has implemented the most suitable provisions for this exceptional situation to ensure that all of its employees receive the best protection. In business terms, we have prepared ourselves to contend with a very significant decline in the global automotive market.

We were expecting a crisis and had prepared ourselves for several months, notably by scaling back our investments, although we did not imagine the situation would be so stark. Fortunately, we are able to count on our resilient business model, which is based on full ownership of plants and equipment, a low level of debt, production located as close as possible to customers and heavily integrated activity. In addition to these structural attributes, AKWEL can also draw on the responsiveness of its organisation, a short decision-making chain and the experience its teams acquired during the 2001 and 2008 crises.

I am convinced that this acquired knowledge and these solid foundations, combined with the collaboration and sharing of experience from China, will enable us to traverse this period of very low activity, resume operations under good conditions when possible and survive this extremely trying time.

-
MATHIEU COUTIER
PRESIDENT OF THE EXECUTIVE BOARD

GROUP PROFILE

THE AKWEL GROUP IS A WORLD-CLASS AUTOMOTIVE AND HGV EQUIPMENT AND SYSTEMS MANUFACTURER SPECIALISING IN FLUID MANAGEMENT AND MECHANISMS, OFFERING FIRST-RATE INDUSTRIAL AND TECHNOLOGICAL EXPERTISE IN APPLYING AND PROCESSING MATERIALS (PLASTICS, RUBBER, METAL) AND MECHATRONIC INTEGRATION.



MORE THAN 45 YEARS OF HISTORY

INITIALLY SUBCONTRACTOR AND NOW AN INTERNATIONALLY-RECOGNISED SYSTEMS AND COMPONENTS MANUFACTURER

1972

Founding of Coutier SA, a subcontractor specialising in the manufacture of plastic parts, by the three Coutier brothers, André, Joseph and Roger.

1991 - 1994

Beginning of international expansion in Spain and Turkey followed by China.

1994 - 1998

Continuation of international expansion (Tunisia, Argentina, and Brazil) and strengthening of business activity in France (acquisitions and organic growth).

2004

Deployment in India.

1988 - 1990

Coutier SA begins its transformation through the takeover of MGI and the establishment of MGI Coutier, a components manufacturer specialising in plastics and metal.

1994

Listed on the French Stock Exchange (Paris - Eurolist).

2000

At the start of the new millennium, MGI Coutier implements the SAP management tool in order to efficiently manage its 12 French sites and 9 world-wide subsidiaries.

2005

Doubling of production surface area in Turkey (new site) and in Brazil (extension).



AKWEL designs, develops and distributes high-performance products and systems primarily for a homogeneous market of a dozen global strategic customers, automotive and truck manufacturers.

Through its world class industrial and technological know-how in the application and transformation of materials and in mechatronics, it stands as a trusted partner to its customers. The group's expertise brings it a wide range of opportunities to develop the new products that are needed by the rapidly changing automotive market and to help manufacturers build more reliable and environmentally responsible autonomous and connected vehicles at a competitive price.

To better anticipate and more effectively serve the needs of its customers, AKWEL is organised into **product-line departments that ensure innovation and development, regional industrial departments** that manage manufacturing performance and plants by geographical area, **cross-functional departments that optimise resources and ensure strategic coherence**, and an **aftermarket division for after-sales activities**.

As a resolutely independent family group, AKWEL harnesses **four core values** – *simplicity, reliability, teamwork and performance* – to cultivate its long-term ambitions:

- to establish its position as a recognised international player;
- to adapt to the multiple evolutions of its business and its customers;
- to maintain the balance and diversity of its teams.

2006

Development in Eastern Europe with the opening of a site in Romania.

2011

Strengthening of tooling expertise with the takeover of the mould-manufacturer Deplanche and the implementation of a major external growth transaction through the acquisition of the Avon Automotive components manufacturer in the United States.

2015

The second generation of Coutiers takes the helm with the appointment of Mathieu Coutier as President of the Executive Board.

2018

The MGI Coutier group changes its name and becomes AKWEL. Accelerated growth in Asia with the opening of a 3rd site in China and another in Thailand.

2014

Acquisition of the Swedish components manufacturer Autotube AB.

2016

The group introduces a new organisation structure with the creation of departments dedicated to product lines and industrial departments by geographical zone which manage the group's plants.

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2019, CONSOLIDATING **PERFORMANCE**

During the 2019 financial year, the Group generated record revenue of €1.1012 billion, up 3.7% compared with the previous year and 4.4% at a comparable scope of business and exchange rates.

This growth, which was once again significantly higher than that of the global automotive market, is due to numerous start-ups at almost all of the sites, market share gains and healthy activity at several strategic customers. The sales activity in the field of expertise of Fluid Management experienced an increase of 3.3% to reach a new all-time high. Business in the field of Mechanisms expertise advanced by 5.7%. The Group's top three customers (PSA, Ford and Renault-Nissan) accounted for 63.9% of business, versus 62.7% in 2018. Sales to Ford, the Group's second-largest customer, rose 15.7%, while those to Renault-Nissan were up 9.5%. The biggest growth in business, among the 12 strategic customers, came from BMW (up 64.5%), with this customer now accounting for 3.6% of the Group's total business. In total, the Group's top 10 customers accounted for 86.6% of revenue, compared with 85.5% during the previous financial year. In the space of five years, these major customers' share of business has advanced more than 5 points. Deliveries to customers located in France remain virtually stable at 24.7% of total sales versus 24.1% in 2018.

RESULTS AND PERFORMANCE 2019: **KEY FIGURES**

TURNOVER PRODUCTS
AND FUNCTIONS



€1048.5M
(+3.6%)

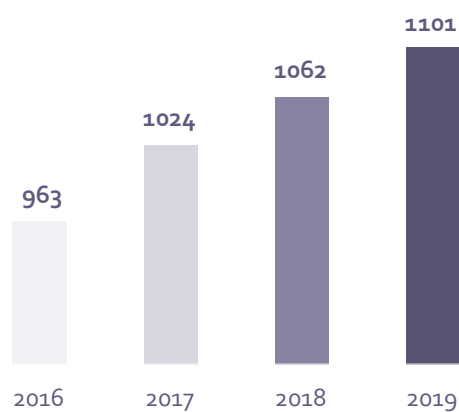
CONSOLIDATED TURNOVER

€1,101.2M

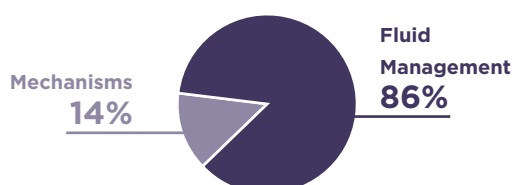
+4.4% AT CONSTANT SCOPE
AND EXCHANGE RATES

4-YEAR GROWTH IN PUBLISHED TURNOVER

(in millions of euros)



TURNOVER BY PRODUCT LINE AND FUNCTION



in €m	2019	Change on last year	% of turnover
Air and Oil	144.8	+2.9 %	13.8 %
Fuel and Control	243.6	+3.3 %	23.2 %
Emission Control	211.0	-3.7 %	20.1 %
Washing	35.7	-5.5 %	3.4 %
Coolant	267.8	+11.4 %	25.5 %
Fluid management	902.9	+3.3 %	86.1 %
Mechanisms	145.6	+5.7 %	13.9 %
TOTAL	1048.5	+ 3.6 %	100 %

TURNOVER TOOLING



€46.0M

(+4.8%)

AN INTERNATIONAL PRESENCE THAT REMAINS STRONG

NORTH AMERICA

1st site in 2000
5 sites
29.9% of employees
Turnover in 2019: €269.1m (+9.1%)
24.5% of total turnover

FRANCE

15 sites
15.2% of employees
Turnover in 2019: €331.5m (-7.5%)
30.1 % of total turnover

EUROPE (EXCLUDING FRANCE), & AFRICA

1st site in 1991
16 sites
37.0% of employees
Turnover in 2019: €335.3m (+5.3%)
30.4% of total turnover

SOUTH AMERICA

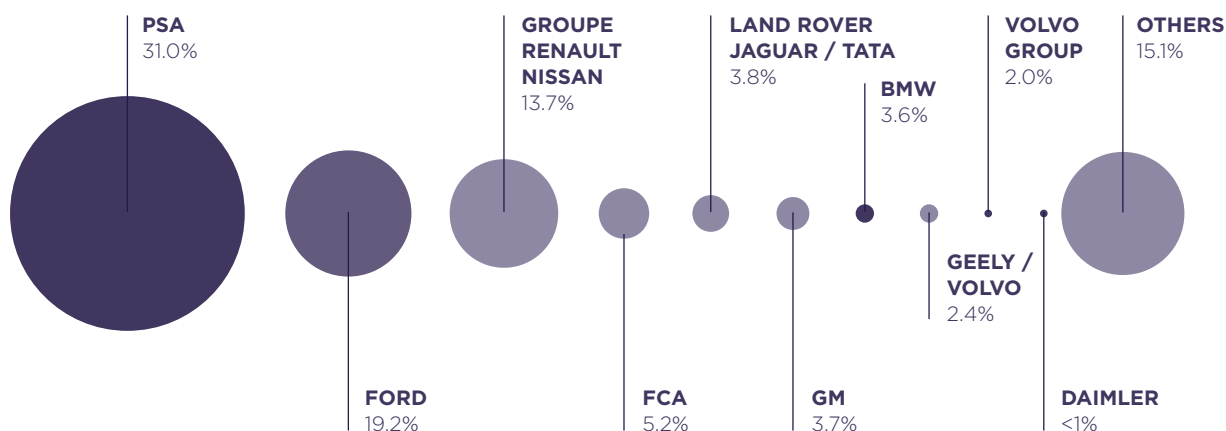
1st site in 1997
2 sites
0.8% of employees
Turnover in 2018: €11.9m (-29.4%)
1.1% of total turnover

ASIA & THE MIDDLE-EAST (INCLUDING TURKEY)

1st site in 1994
11 sites
18.3 % of employees
Turnover in 2019: €156.0m (+23.6%)
14.2% of total turnover

1/3 OF SITES (13 OUT OF 38)
RECORDED A HISTORICAL LEVEL
OF ACTIVITY IN 2019

TURNOVER BY CUSTOMER



In 2019, 84.9% of turnover came from our strategic customers (compared with 83.7% in 2018)

STOCK MARKET DATA

- Euronext Paris
- Compartment B
- ISIN code: FR0000053027
- Share price on 7 April 2020: €10.62
- Total number of shares: 26,741,040
- Market capitalisation: €284m
- Market-making contract: Gilbert Dupont
- Analysts following the stock: Gilbert Dupont / Louis Capital Market / Portzamparc
- Shareholder structure at 31/12/2019:
 - Coutier family: 69.7%
 - Public, treasury shares, employees and managers: 30.3%

5-YEAR SHARE PRICE VARIATION



HIGHLIGHTS IN 2019

IN 2019, IN A GLOBAL
AUTOMOTIVE MARKET DOWN
5%, AKWEL CONTINUED
TO CONSOLIDATE THESE
GAINS AND IMPROVE ITS
PERFORMANCE.
LET'S LOOK BACK AT THE
MAIN HIGHLIGHTS OF THE
YEAR.



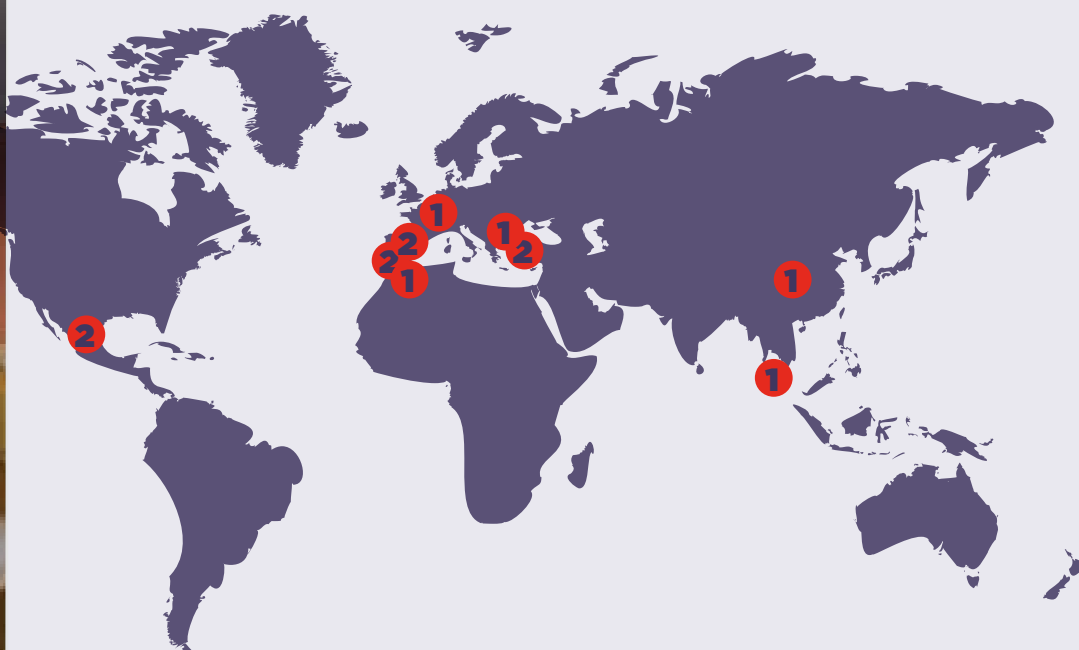


COLLAPSE OF THE ROOF AT PLANT A IN ROMANS IN JUNE FOLLOWING BAD WEATHER

EXTENSION OF THE PLANT IN GEBZE (TURKEY



THIRTEEN SITES POSTED RECORD LEVELS OF REVENUE



PATENTS, AWARDS AND INNOVATION

56

PATENTS
FILED IN 2019



6.6%

OF TURNOVER
DEDICATED
TO R&D

CLOSE TO
200

PATENTS FILED
IN THE PAST 5 YEARS

AWARDS

• GENERAL MOTORS SUPPLIER OF THE YEAR

Among the best suppliers in 15 countries and recognised for its innovation and quality

• JAGUAR LAND ROVER SUPPLIER EXCELLENCE

"Silver" Award for its excellent contribution. 15 suppliers rewarded on 3500

• AKWEL VIGO (SPAIN) RECOGNISED FOR ITS ECONOMIC AND SOCIAL CONTRIBUTION

3rd out of 33,000 companies analysed by the Vigo Free Zone Consortium

• 2018 SUPPLIER QUALITY AWARD FOR CADILLAC (USA)

Cadillac site has been awarded by General Motors for the launch of the A1XX platform

INVESTMENTS

After two years of substantial industrial investment (€87m in 2017 and €77m in 2018), in 2019 AKWEL prioritised optimisation of its operating conditions, particularly given the lack of market visibility with tighter control of WCR. As expected, net investment flows slowed to €48.1m.

- Research and development accounted for 6.6% of turnover.
- More than 400 robots have been installed, including 122 new ones during 2019, as part of the 'Plant 4.0' project.

A man with dark hair, wearing a blue work jacket over a grey hoodie and purple work gloves, is focused on working on a metal part. He is using a small tool, possibly a drill or a screwdriver, on a cylindrical metal component. The background shows a factory setting with blue structural beams and other workers in the distance. A wooden box filled with various tools is visible in the foreground.

A FAMILY GROUP WITH AN INTERNATIONAL **DIMENSION**

PANORAMA

A world-class Tier 1 equipment manufacturer specialised in fluid management (86% of 2018 turnover) and mechanisms (14% of 2018 turnover), AKWEL boasts an extensive international presence. The group is present in 20 countries on 5 continents, with 41 industrial sites and 7 representative offices. It currently employs nearly 12,000 people worldwide.

TWELVE STRATEGIC CUSTOMERS

WORK IN THREE MARKET SEGMENTS:

GENERAL PURPOSE LIGHT VEHICLE
PREMIUM LIGHT VEHICLE
UTILITY VEHICLE AND TRUCK

MORE THAN 30 BRANDS

PEUGEOT, CITROËN, OPEL, DONGFENG,
FORD, CHANG'AN, GEELY, GENERAL MOTORS,
CHRYSLER, FIAT, RENAULT,
DACIA, NISSAN, SAMSUNG
JAGUAR, LAND-ROVER, VOLVO,
DS AUTOMOBILE, BMW,
MERCEDES-BENZ, INFINITI, RENAULT TRUCKS,
VOLVO TRUCKS, MACK, UD, EICHER, DAIMLER,
MITSUBISHI ...

OPERATING INCOME 2019

€88.9M

AKWEL IS AN
INDEPENDENT FAMILY GROUP,
OWNED **69.7%**
BY
THE COUTIER FAMILY.

2019 TURNOVER

€1,101.2m

TWO AREAS OF EXPERTISE
+ A DEDICATED AFTER-SALES DIVISION

FLUID MANAGEMENT:

86%
OF 2019
TURNOVER

STORAGE, TRANSFER,
COOLING, HEATING,
DOSING, SEPARATION,
MIXING, FILTRATION,
TEMPERATURE AND
PRESSURE MEASURE-
MENT

MECHANISMS:

14%
OF 2019
TURNOVER

HINGES,
LOCKS,
OPENING
CONTROLS,
PEDAL BOXES

**AFTERMARKET – MANUFACTURER REPLACEMENT
AND DISTRIBUTION (VIA THE SEIM BRAND).**



A GOVERNANCE THAT GUARANTEES INDEPENDENCE

AKWEL is one of the few equipment manufacturers of its size to retain a family-based structure. A full 69.7% of the company's capital is owned by the Coutier family, the second generation of which is now in command. The group places great stock in maintaining its independence and reflecting its values in its organisation structure. AKWEL's legal structure is built around a small executive body composed of a supervisory board and an executive board.

THE EXECUTIVE BOARD MANAGES:

- the Executive Committee: this committee assists the Executive Board by formulating opinions and recommendations and encourages dialogue and the cross-cutting dissemination of best practices throughout the group's areas of activity;
- the cross-functional departments, which provide assistance and uniformity, guarantee the consistency of strategies, and optimise resources, including the Business Development department which manages the product lines – coolant, emission control, air and oil intake, fuel and control, mechanisms and washing systems – as well as innovation and material and product development;
- the regional industrial departments, under which the plants are grouped by geographical zone;
- an aftermarket division dedicated to the after-sales market;
- joint ventures.



THE EXECUTIVE BOARD

From left to right:

Jean-louis Thomasset,
Finance Director

Nicolas Coutier,
Director of Industrialisation and Standardisation

Mathieu Coutier,
President

Benoit Coutier,
Legal Director

Frédéric Marier,
Director of Industrial Performance

THE SUPERVISORY BOARD

From left to right:

Christophe Besse,
Christophe Coutier,
Emilie Coutier,
André Coutier,
Geneviève Coutier,
Nicolas Job.



A man and a woman are looking at a device together. The man is on the left, looking down at the device. The woman is on the right, smiling and looking at the device. They are both wearing white shirts. The woman's shirt has "AKVEL" written on it. In the background, there is a whiteboard with a grid and some blue and yellow sticky notes. A red horizontal line is above the text.

OUR BUSINESS LINES **AND THEIR EMPLOYEES**

SKILLS IN TWO FIELDS

THE AKWEL GROUP HAS LONG BEEN POSITIONED IN TWO FIELDS OF EXPERTISE, IN WHICH IT MASTERS THE ENTIRE RANGE OF KNOW-HOW AND THE PRODUCTION CHAIN.

FLUID MANAGEMENT

for which AKWEL is able to provide a complete management capability in terms of storage, treatment, distribution, transfer, cooling, reheating, dosing, separation, mixing and filtration, as well as temperature and pressure measurement...



MECHANISMS in many application areas: opening, closing and articulations.



OIL

CYLINDER HEAD COVERS, PIPING AND BLOW-BY HEATING CONNECTORS...

THERMAL MANAGEMENT (AIR/LIQUID) APPLIED TO TRADITIONAL, ELECTRIC AND/OR HYBRID VEHICLES

COOLING

PIPES, CONNECTORS, DEGASSING TANKS, WATER INLET/OUTLET VALVES...

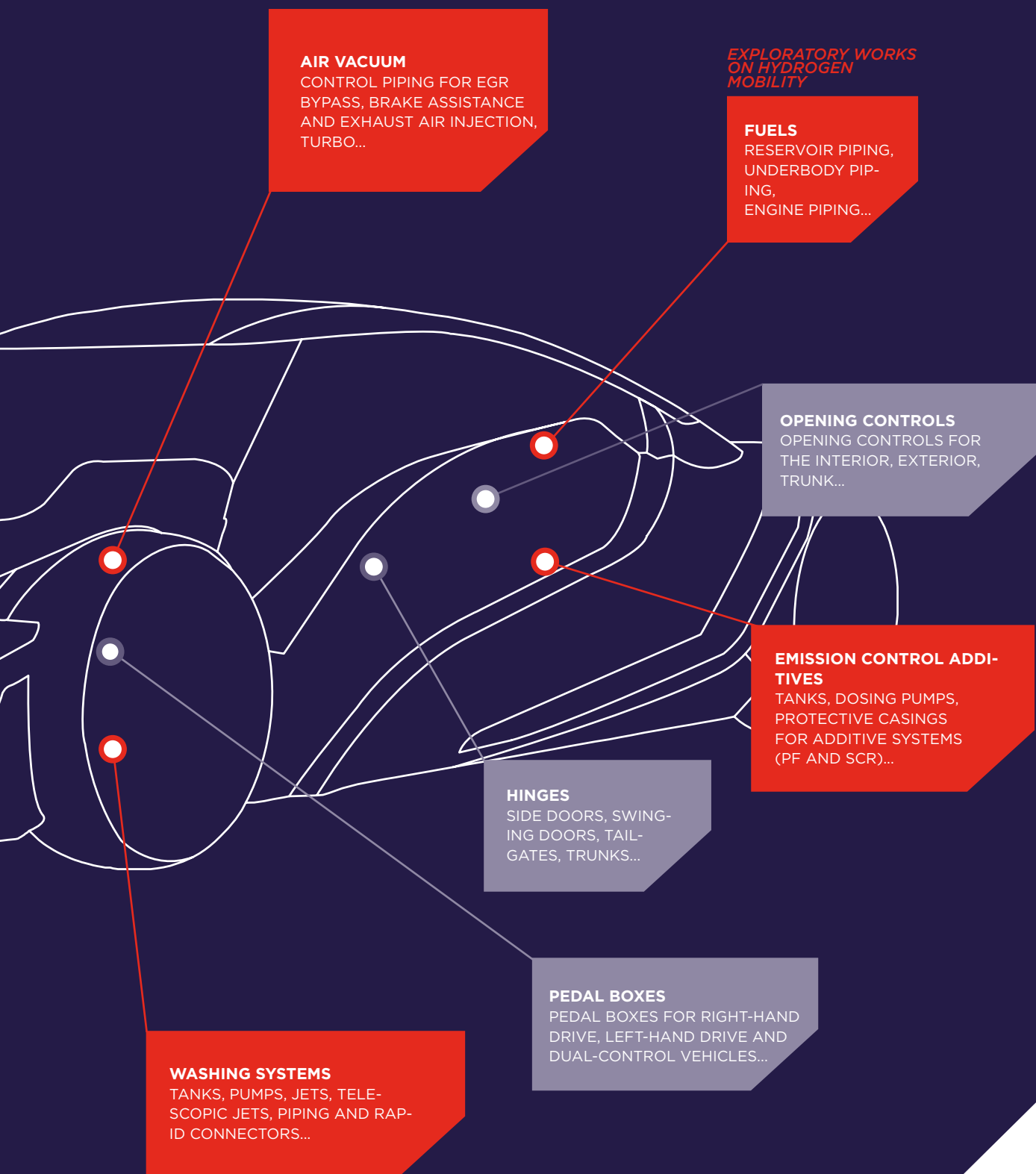
LOCKS & STRIKERS

HOODS, TRUNKS, SWINGING AND SLIDING DOORS...

EXPLORATORY WORKS ON HYDROGEN MOBILITY

AIR INTAKE

DISTRIBUTORS, TURBO INLET DUCTS, TURBO AND INTERCOOLER OUTPUT DUCTS, BATTERY COMPARTMENT VENTILATION SOLUTIONS, COOLANTS, LOW-PRESSURE DIESEL ENGINE COMMON RAIL CIRCUITS...



AN ORGANISATION SYSTEM CENTRED AROUND **PRODUCTS AND PERFORMANCE**



Quality and performance are key to the satisfaction of AKWEL's customers. To safeguard their trust, the group has organised itself around the quality and development of its products, from design through to after-sales service.

The **Business Development** cross-functional department oversees all product lines (fuel and regulations, cooling, mechanisms and cleaning, emission control and oil/air intake) from innovation to product sign-off in order to constantly provide reliable and competitive products for future mobility. New products and processes are developed by international project teams, assisted by industrial development teams based at the production sites. The Group equips them with world-class communication, laboratory, testing, validation and prototyping resources.

The **marketing** of AKWEL products is organised according to proximity. To be as close as possible to markets and customer needs, the group's sales teams are divided by geographic area and by customer.

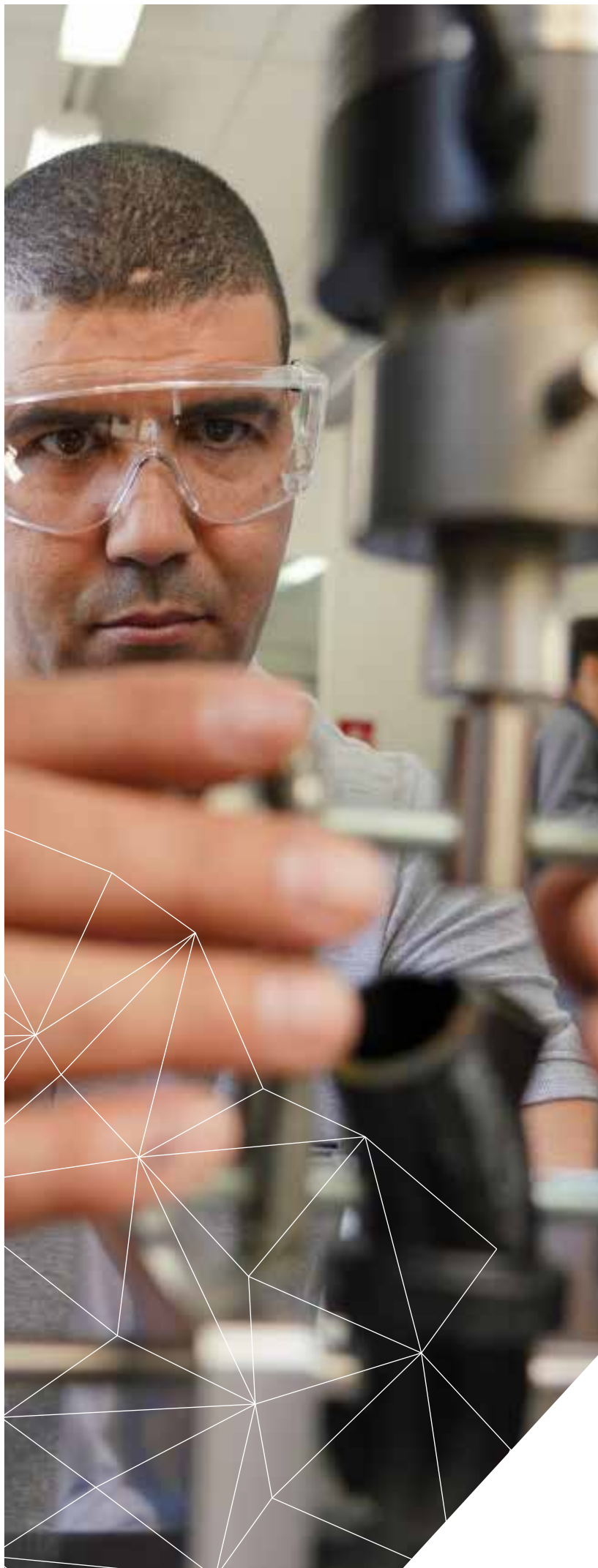
In the same way as marketing, **operational activity** is organised by geographical area. Forty-one plants are divided into six regional industrial departments. Each production site is managed by a plant manager.

Finally, an aftermarket **division** is entirely dedicated to after-sales activities, manufacturers or independents.

These entities are supported by the centralised and international management of purchasing, quality, human resources, industrial performance and standardisation.

... BACKED BY LEADING-EDGE INDUSTRIAL AND MATERIALS EXPERTISE

To further enhance its products and its two areas of expertise, AKWEL organises all of its know-how in the fields of **plastic, rubber, metal** and **mechatronics**. This cross-functional expertise is indispensable for the transformation of raw materials. Upstream and downstream, the group also incorporates state-of-the-art tooling skills (design, production, development), in **complex assembly** (welds, couplings, collars, overmouldings, snap-fasteners) and **electronic hardware expertise** (innovation, development, prototyping) and **software** (development and validation).



PLASTIC

INJECTION, BLOW MOULDING,
EXTRUSION, FORMING

18,000 TONNES

OF PROCESSED MATERIALS

MORE THAN **420 PRESSES**,
BLOW MOULDERS AND EXTRUDERS

RUBBER

INJECTION, EXTRUSION, MOULDING

25,000 TONNES

OF PROCESSED MATERIALS

MORE THAN **110 PRESSES**,
BLOW MOULDERS AND EXTRUDERS

METAL

MACHINING, CUTTING, STAMPING,
BENDING, SHAPING

25,000 TONNES

OF PROCESSED MATERIALS

MORE THAN **45 PRESSES**
AND BENDING MACHINES

MECHATRONICS

18% OF TURNOVER

32 MILLION

PARTS, FROM SWITCHES
TO ELECTRONIC BOARDS

429 ROBOTS INSTALLED,

INCLUDING **122 NEW ONES** IN 2019,
AS PART OF THE "PLANT 4.0" PROJECT

OUR TEAMS, A TRUE WEALTH

EMPLOYER BRAND

The group's change of name in 2018 provided an opportunity to take a long look at the group, its history and its future and to give thought to its identity, its mission, its culture, its values and its ambitions. It's necessary to know ourselves well when choosing a name which accurately represents us and unites us.

To further enhance the sense of belonging and internal cohesion, the group worked on the definition of its employer brand with the help of a communication agency. An assessment was carried out based on interviews with the Coutier family, members of the management team and also questionnaires sent to all human resources managers and dozens of new recruits across the different sites.



4,778

RECRUITMENTS IN 2019

11,871

EMPLOYEES WORLDWIDE

EMPLOYEES BY GEOGRAPHICAL REGION

37.0%

EUROPE (EXCLUDING FRANCE) AND AFRICA

29.9%

NORTH AMERICA

> 1%

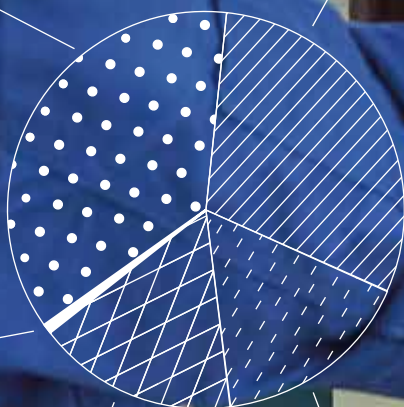
SOUTH AMERICA

14.3%

FRANCE

18.3%

ASIA AND THE MIDDLE EAST (INCLUDING TURKEY)



COMMITMENT +



Working at AKWEL means taking part in the adventures of an independent family group which takes the long-term view in terms of its history and its future.

RESPECT +



Working at AKWEL means working based on reciprocal commitments in which everyone has the same opportunity to succeed within the group.

ACTION +



Working at AKWEL offers the possibility to gain new skills. It also means being pragmatic, to come up with the best solution for each problem in a creative and agile manner.

SHARING +



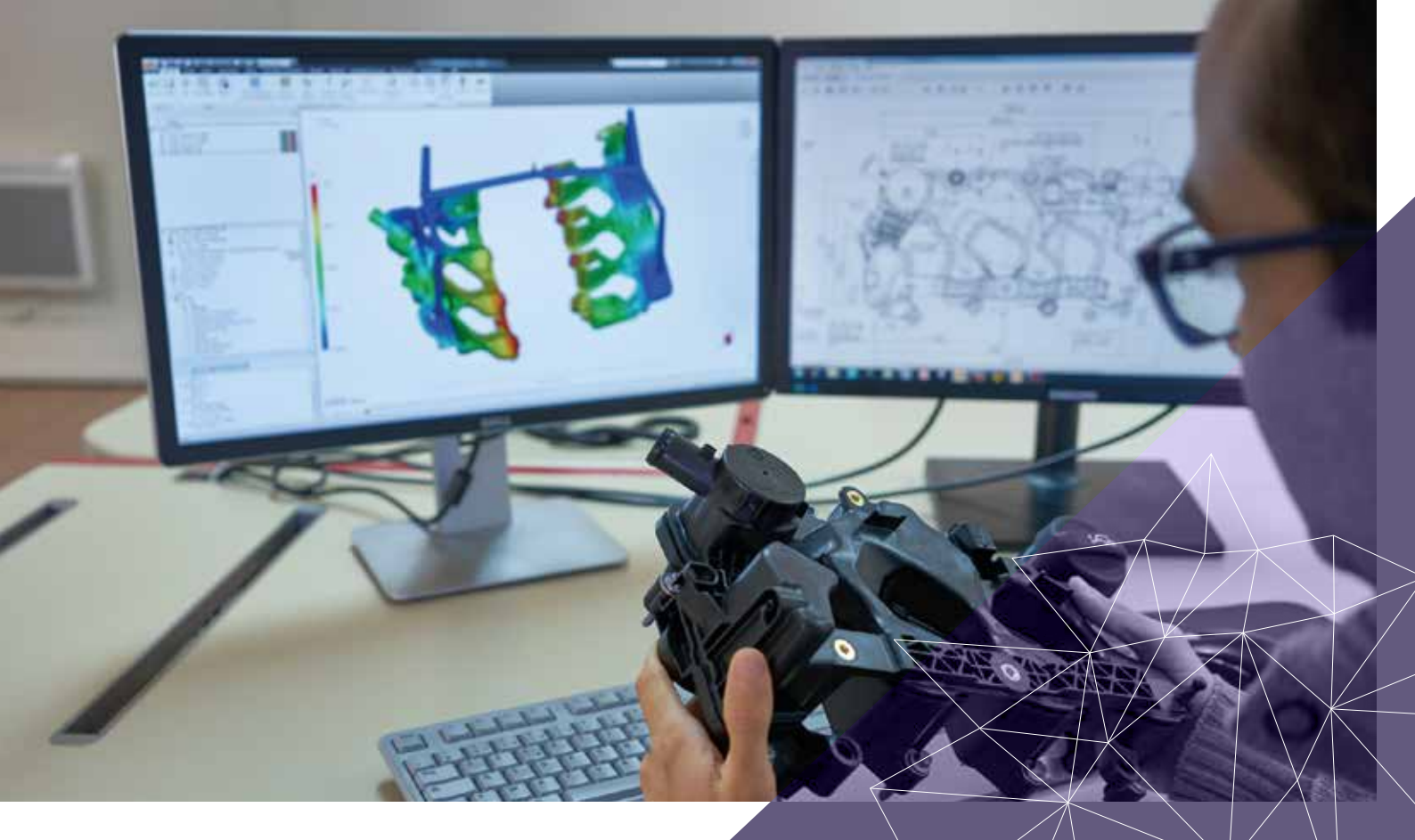
Working at AKWEL means having the chance to learn from your peers and to acquire unique skills based on a 360° view of your job but also developing excellent professional interpersonal skills.

GROWING +



Working at AKWEL means growing individually as a person and also collectively, while acquiring the means to surpass yourself and excel.

PLANNING **FOR** **THE FUTURE**



In an automotive market in the midst of a revolution, with deep-seated changes in the car maker ecosystem and the emergence of new types of vehicle, AKWEL is making every effort to adapt its strategy and continue to offer its 12 strategic customers the innovative solutions that will enable them to stand apart in the future in this changing environment.

The automotive market is faced with major upheavals in the medium term. The development of completely redesigned vehicles, combining multiple engines, varying degrees of autonomy and a diverse range of configurations and usages is at the forefront of these challenges.

Further major challenges include the globalisation of customers and projects, local production, the arrival of new players, and the more stringent requirements on the environment and risk management. In this context, some products will be forced to evolve while others will disappear, replaced by new products and solutions. But the need for reliable equipment manufacturers successfully combining quality and competitiveness, global projects and local production will only increase for car makers.

To meet these many challenges, AKWEL is leading a **long-term strategy** driven by the industrial performance and adaptation of its products.

This strategy is based on five pillars:

- industrial and operational performance;
- an appropriate product offering;
- innovation;
- international presence;
- structuring external growth.

Strengthened by these fundamentals, AKWEL aims to boost its leadership in its key markets, businesses and

products, so as to remain a benchmark and trusted partner for its 12 strategic customers.

In this way it intends to:

- **pursue the globalisation of its product lines so as to stand as a benchmark supplier;**
- **strengthen its development in Asia – especially in China – where it aims to generate 30% of its business in the future;**
- **forge closer relations with Chinese car makers such as Dongfeng, Changan and Geely;**
- **develop new products adapted to the revolution in vehicles and their engines (hybrid, electric, hydrogen).**

This vision is based on AKWEL's ability to harness its expertise and its mastery of materials to conceive new products, the increasing use of mechatronics, a continually evolving organisation structure, an ever finer understanding of customers needs and the ongoing training of its teams.

In short, an evolution without revolution to help customers build environmentally responsible autonomous and connected vehicles at a competitive price.

PERFORMANCE, THE KEY FACTOR



Part of the group's DNA from the very beginning, a culture of performance, efficiency, results and customer satisfaction drives the development and progress of AKWEL.

Industrial performance is an essential asset for winning and keeping the trust of its customers, and the level of this performance must be identical in all countries where AKWEL supports them.

Industrial performance hinges on the standardisation of equipment, manufacturing processes, validation methods and plant management, in order to ensure smooth production ramp-ups and to allow customers, wherever they are, to recognise the group's identity.

Further upstream, performance relies on industrial and technological choices ensuring the peace of mind of the teams as well as customer satisfaction. The successful development of a project begins with an understanding of the customer's need, the preparation of a sound technical and economic proposal, as well as excellent communications between developers and producers throughout the pre-project phase.

Industrial performance is also measured in the daily work of teams as part of a continuous progress and improvement approach, but also in the ability of the group to identify best practices and roll them out at all its plants.

SUPPORTING THE ARRIVAL OF THE VEHICLE OF TOMORROW

The coming years will see the confirmation of the prevailing trend that is disrupting the automotive ecosystem: the car, in the midst of a revolution, will be completely rethought. The change will concern engines (petrol, diesel, hybrid, electric or hydrogen), autonomy (from total driver control to complete autonomy) and configuration (re-defined number of seats, rental/purchase, type of use).

For an equipment manufacturer such as AKWEL, this calls for a change in products and functions, with the appearance of new solutions and the disappearance of existing offers. Our know-how will help us to calmly deal with this transition by focusing on thermal control, mechatronics, hydrogen technology, new mechanisms and the complementarity of plastic-metal-rubber-electronics combinations.

In 2019, the global automotive market will remain as it was in the 2nd quarter of 2018, with lots of volatility and significant uncertainties on the markets, along with developments in diesel's market share throughout Europe. For AKWEL, 2019 will be a year of consolidation after two years of significant investment and several years of strong growth. We will benefit from slower growth in our turnover, which should stabilise around €1.2 billion in 2020, as we strengthen our bases and perfectly support our customers.

We will work to meet their changing needs and support them in their transformations because we possess the human, technological and financial resources to do so. We will

also pursue our efforts to improve our quality performance and reduce the level of guaranteed returns.

In terms of new technologies, and beyond those developed for our customers, we will be analysing new opportunities offered by the latest advances (artificial intelligence, etc.) and, where necessary, integrate them within our organisation and tools via 'Plant 4.0' and 'Innovation and Entrepreneurship' initiatives.



COMMITMENTS, **A SHARED RESPONSIBILITY**

SAFETY OUR ABSOLUTE PRIORITY

In keeping with our fundamental values of reliability, collaboration and performance, AKWEL has put safety at the heart of all of its processes. Everything is done each day and in each gesture to ensure that our teams are protected as part of a healthy and safe working environment.

The group's policy, charter of ethics and anti-corruption code are designed to enforce worldwide compliance with the legal requirements and ethical and professional rules in force, by means of objectives that are adjusted locally to the specifics of each site.



OSHA FREQUENCY RATE
(NUMBER OF WORK ACCIDENTS
DIVIDED BY THE NUMBER OF
WORKING HOURS MULTIPLIED
BY 200,000):

8.43

SEVERITY RATE:

0.21



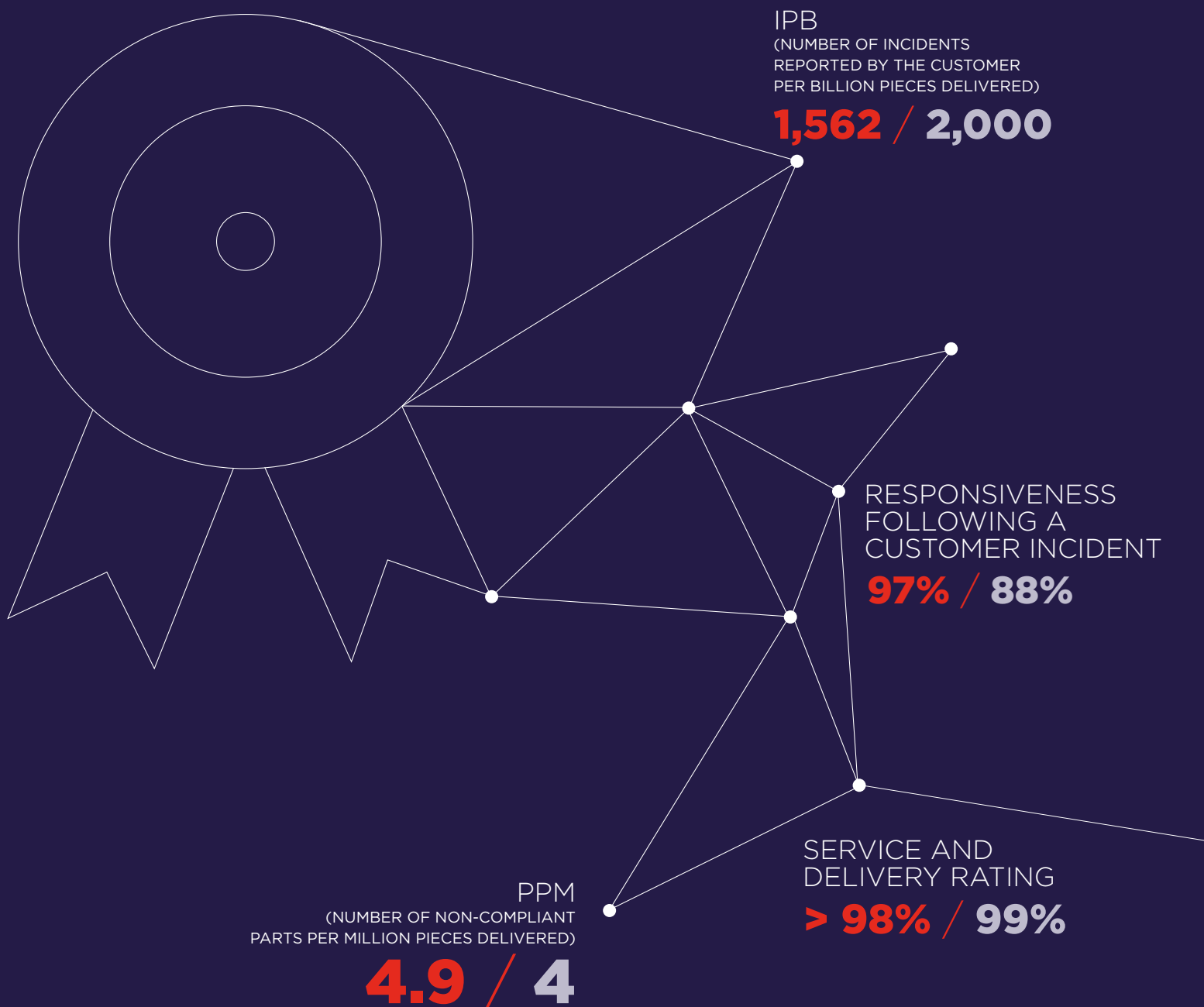
**NUMBER OF COLLECTIVE
AGREEMENTS CONCLUDED:**

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QUALITY, THE PILLAR OF CUSTOMER SATISFACTION

Constantly seeking more reliable and competitive solutions for our customers, AKWEL has made the quality of our products and solutions a must. From the outset, this has been the cornerstone of the culture of performance and customer satisfaction forming the basis of the group's development. This requirement of excellence, present at all levels and at each site, is central to our business plan. It allows us, year after year, to meet and often exceed our objectives on key indicators.

PERFORMANCE / OBJECTIVES



THE ENVIRONMENT AND ENERGY EFFICIENCY AT THE HEART OF THE CUSTOMER APPROACH

Mindful of its impact on the environment, as well as the importance of ecological issues for its customers, the AKWEL group acts in several ways in this respect. First of all, the group offers innovative solutions to its customers for meeting environmental challenges (emission control, weight reduction) and energy issues (local production, recycling).

The group also ecodesigns its parts (bio-polymers, sustainable resources, recycled materials) with a view to protecting biodiversity and ecosystems by reducing its environmental impact.

Lastly, each of our sites strives to act as a responsible manufacturer respectful of its ecosystem. Our local production strategy contributes to limiting the global environmental footprint and the impact of products on climate change by reducing polluting transport and logistics operations. It also does so by reducing energy expenses, greenhouse gas emissions and discharges from each of our plants.

This concern is reflected in the group-wide implementation of an ISO 14001-certified environmental management system, used to specify adapted objectives for each site.

Since 2018, our French sites in Champfromier, Beaurepaire, Confort, Vieux-Thann, Monteux and Romans, which represent 75% of our energy bill for France, have been certified ISO 50001. Lastly, AKWEL calls on all of its partners to join in this approach, serving to protect the environment and control energy use.

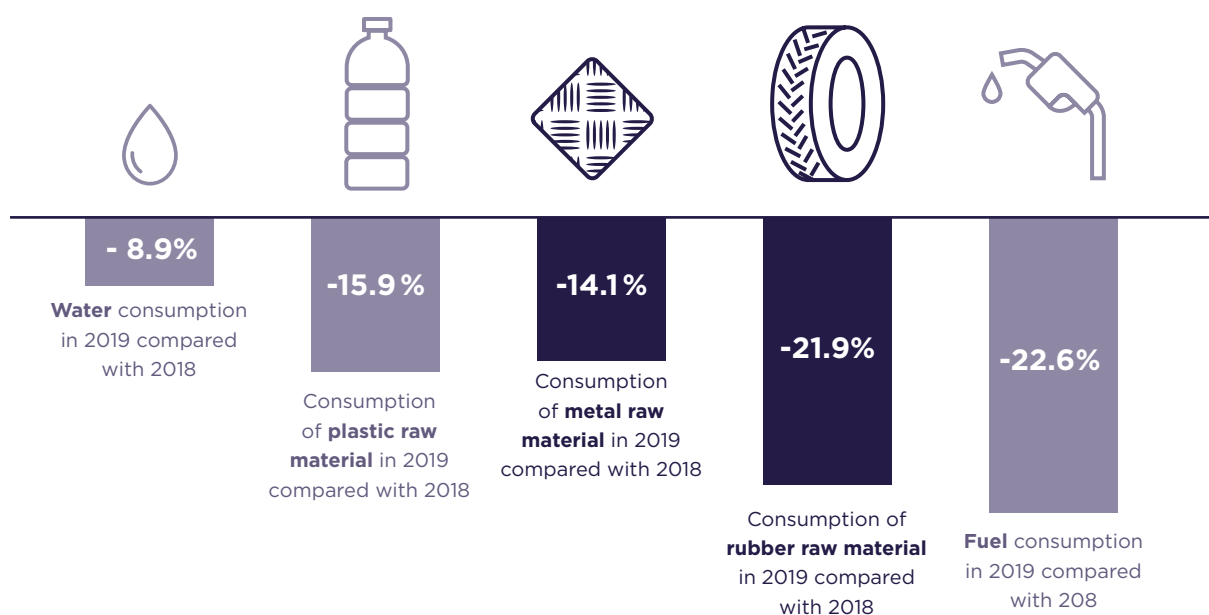
EXPENSES INCURRED
IN 2019 TO AVERT THE
CONSEQUENCES OF
AKWEL'S ACTIVITY ON
THE ENVIRONMENT

€1,872K

(e.g. installing wastewater treatment facilities, LED lighting to reduce electricity consumption, equipment for sorting waste, etc.)

SAVINGS FROM WASTE
RECOVERY
(EXCLUDING METAL
WASTE)

€200K





THE QSE² MANAGEMENT SYSTEM, THE EMBODIMENT OF A STRATEGIC VISION

AKWEL's corporate Quality, Safety, Environmental and Energy Management System (QSE²MS) is the concrete expression of these priorities, which are central to the group's strategy. The group's integrated and certified system - rare to the profession - applies to all the teams in their daily actions and underlines AKWEL's requirement to adopt an exemplary approach. Based on the 2S2D philosophy (Simple, Solid, Dependable, Doable), the system brings together the best practices and tools developed by the company and guarantees that it will reach the level of performance expected by our customers worldwide. All these initiatives comply with prevailing international standards and regulations (ISO 9001, ISO 14001, ISO 18001, ISO 50001 and IATF 16949) and with a policy of continuous improvement.



SO THE ADVENTURE LAST FOR GENERATIONS TO COME

Since its foundation in 1972, the family-owned AKWEL group has been based on values of simplicity, reliability, collaboration and performance, and shares those values with its teams, partners and customers. This mindset has supported the international expansion of AKWEL, which now serves vehicle manufacturers worldwide.

To ensure that the Group's adventure and development continue for generations to come, and given the global nature of the Group today, we have decided to formalise the practices guiding our conduct in the form of an Ethics Charter. The purpose of this document is to set down standards for conduct for everyone in the company. It specifies the rules that govern our operations and our relationships with all our stakeholders, wherever in the world they may be.

AKWEL's priority has always been to conduct our activities in an ethical manner, whether in France or elsewhere in the world. Consequently, it is particularly important that all of our employees, managers and corporate officers should know and comply with all laws and regulations regarding the fight against bribery and influence peddling in relationships with customers, suppliers and, more generally, AKWEL's partners.

Not only are bribery and influence peddling illegal and contrary to the fundamental values of our Company, but they also restrict competition and have an impact on growth.

The aim of this Code Against Corruption and Influence Peddling is to implement measures to ensure that all our employees, managers and corporate officers, wherever they are located, can prevent any involvement by AKWEL in practices involving bribery and influence peddling and, where relevant, report any practices involving bribery and influence peddling.

Finally, AKWEL's procedure sets out the practical details of the professional whistleblowing alert mechanism (hereinafter the "Alert Mechanism") implemented by AKWEL as part of its ethical strategy and duty of care to its parent company.

ETHICS + FIGHTING CORRUPTION + WHISTLEBLOWING +

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EFFICIENT AUTOMOTIVE
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