

NON-FINANCIAL PERFORMANCE STATEMENT 2022



PANDROL FRAUSCHER DCX CHROME



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Letter from Stéphane Delachaux, Chairman of Groupe Delachaux



For Groupe Delachaux, 2022 marked a special year as it celebrated its 120th anniversary.

For Groupe Delachaux, 2022 marked a special year as it celebrated its 120th anniversary. Four generations of the Delachaux family have succeeded each other in leading the Group and have contributed to its success and development, reflecting our passion for the industry and our long-term commitment.

This anniversary is also and above all a reflection of an industrial and human adventure shared with our companies' employees, customers and suppliers, investors and banks. Together, we have lived through crises and experienced great successes, often closely linked to the history and context of the countries in which we operate or have been present.

So, we have decided to share this great, common story in a book available in three languages, French, German and English. The book has also been translated into several other languages and shared with our employees and business and financial partners.

I am convinced that the autonomy of our employees and teams, the passion for innovation and customer proximity have been, and will be, the paths to success for our Group. The challenges of our time are considerable, and we are facing drastic economic, societal and environmental changes that require companies and their leaders to be courageous, persistent and resilient.

The Group has undeniable strengths which form the basis for ensuring the sustainability of our activities: its human scale, its leading position in niche markets, its technical and technological expertise, its international exposure and its long-term investment capacity.

Thank you to everyone who has helped and is helping shape the Group's story by tackling the challenges and contributing to our greatest successes. Welcome to everyone who would like to join us.

Together, we will continue the unique story of our Group.

Stéphane Delachaux,
*Chairman of the Groupe Delachaux
Board of Directors*

Letter from Guy Talbourdet, Chief Executive Officer of Groupe Delachaux



This year was marked by the strengthening and acceleration of sustainability actions.

This year was marked by the strengthening and acceleration of sustainability actions. The Group's companies have expanded their teams dedicated to reducing the carbon footprint to lead specific internal working groups: one of Pandrol's five strategic ambitions is decarbonisation and teams are working on designing environmentally friendly products or reviewing production processes to reduce their consumption and electrify them, or extending the lifespan and recyclability of products; Conductix-Wampfler has appointed the director of the Belley industrial site as Sustainability and Transformation Manager, with the first task of coordinating and organising measures to reduce carbon emissions, by supporting employees in integrating these behaviours into their working methods; Frauscher has developed a data collection platform for its axle counter systems that makes it possible to monitor the status of its sensors and in the future, to establish diagnostics that will reduce maintenance work and increase the lifespan of systems. These companies have also fully integrated decarbonisation issues into their business strategies, continuing the roll-out and approval with customers of products with a certified environmental footprint (EPD).

On a societal level, this year, the Group wanted to further structure its strategy towards the communities in which it operates. After identifying partners and local initiatives in 2021, an internal awareness-raising campaign on the subject was rolled out in 2022, authorising all employees to propose, participate in and organise community and volunteering actions. To support this momentum, the Group has created a fund, the Delachaux Community Fund, to support projects put forward by employees and establish future partnerships in favour of education with associations in the long term.

For the other three pillars of the WE Programme, our CSR strategy, the management teams focused on implementing action plans following the results of the global engagement survey, WE Share, in 2021, in which more than 2,700 employees took part. In terms of ethics, the emphasis was placed on monitoring sales agents with the implementation of more robust procedures and tools to ensure their integrity. And lastly, in terms of safety, this year's results are mixed and remind us of the importance of training, the implementation of prevention systems and the daily attention this requires.

I hope you enjoy reading this report and would like to thank the teams that contribute together, every day, to building companies that are even more innovative, sustainable and human.

Guy Talbourdet

Chief Executive Officer, Groupe Delachaux

C. Global Compact and SDGs

Groupe Delachaux has been a signatory to the Global Compact since 2017. Mandated by the United Nations (UN), the Global Compact aims to be the catalyst and accompanying force for companies' commitments, actions and innovations in sustainable development, covering human rights, international labour standards, the environment and anti-bribery.

In September 2015, the UN member states adopted a sustainable development programme that will run until 2030, which includes 17 Sustainable Development Goals (SDGs) covering virtually all aspects of society. Groupe Delachaux has therefore decided to link its sustainable development commitments and actions to the SDGs. (see Table: *Performance indicators, 2022 results and 2023 targets*)





2

**PRESENTATION OF
GROUPE DELACHAUX**

A. Groupe Delachaux at a glance

Groupe Delachaux is a global player in engineering and industrial solutions.

Groupe Delachaux companies design and manufacture products, systems and services that are essential for the safety, efficiency and reliability of their customers' equipment and infrastructures.

Key figures for 2022



4 GROUP COMPANIES
have a leading position
in their markets

GLOBAL PRESENCE

40 COUNTRIES
are home to employees in a factory
and/or sales and support office
and/or distribution centre

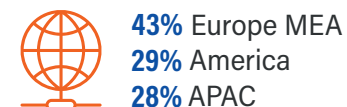
SALES TURNOVER OF

€1,123 M
+33% over the past 5 years

SALES BY COMPANY ⁽¹⁾



AND REGION



NUMBER OF EMPLOYEES

3,981
EMPLOYEES

40.5%
Europe MEA

18.9%
France

23.8%
APAC

16.8%
America

22%
women
(+ 2% vs 2021)

CSR HIGHLIGHTS

24% reduction
in greenhouse gas emissions
(Scope 1+2)
between 2019 and 2022

Systematic training
of employees
in the ethics code

Creation of the
**Delachaux
Community Fund**

Frequency rate of
lost time incidents
of 6.5

4.5% OF SALES TURNOVER
DEDICATED TO R&D

51 ACTIVE PATENTS

For
120 years
DELACHAUX FAMILY
majority shareholder

(1) KLK sold in mid-2022 represents 1% of 2022 sales turnover

B. History of Groupe Delachaux

1902

Clarence Delachaux founds the company in Saint-Ouen, France. It provides overhead power line equipment for Parisian trams.

1917

The company expands to include the production of metals and ferro-alloys. It rolls out the aluminothermic rail welding technique. Clarence Delachaux builds a production unit in Gennevilliers, France, to support the company's expansion.

1920

Delachaux participates in **the electrification of the Shanghai Metro**, one of the company's multiple international development initiatives.

1941

Philippe Delachaux, Clarence's eldest son, **takes over management of the family business with his three brothers** and implements a policy of innovation and development in rail welding, electrification of metros and tramways, energy transmission by conductor bars, and chromium metal production.

1974

François Delachaux takes over Group management from his father. Under his leadership, the company accelerates its policy of external growth and internationalisation.

2011

The Group's family control is reorganised, and the Group is delisted from Euronext Paris. **Stéphane Delachaux**, cousin of François Delachaux and son of André, takes control of the Group alongside the investment company CVC Capital Partners.

2007

The Group acquires the German company Wampfler, which specialises in products for the electrical and data management of mobile industrial equipment.

2003

The Group acquires Pandrol (UK), a major player in rail fastening systems.

1992 - 2000

The Group successively acquires Mec (Italy) and Raoul Lenoir (France) in the field of magnetism.

1985

The Group is **listed on the Paris stock exchange** and continues its external growth by making **numerous acquisitions** in the following years

2017

The Group creates WE, Our Worldwide Engagement, a corporate social responsibility programme, and joins the UN Global Compact. All Group companies dedicated to railway infrastructure activities merge to become Pandrol.

2018

CVC Capital Partners sells its Delachaux shares to CDPQ (Caisse de Dépôt et Placement du Québec) and **the Delachaux family, which expands its majority at the same time.**

In the same year, the Group acquires the company LJU (Germany) in the field of energy and data management systems (EDMS) to strengthen its automation technology portfolio. The acquisition of Jay Electronique the following year has the same objective.

2019

The Group **acquires Frauscher Sensor Technology** (Austria) in the railway signalling sector.

2022

Delachaux celebrates its 120th anniversary and creates a fund, **the Delachaux Community Fund**, reinforcing its commitment to social responsibility and sustainable development.

1. Board of Directors

The Groupe Delachaux Board of Directors has eight members.

- **Mr Stéphane Delachaux**
Chairman (ANDE Investissements)
- **Mr Alain Cianchini**
(CDPQ)
- **Mr Pierre Durand de Bousingen**
(appointed by ANDE Investissements)
- **Mr Damien Faucher**
(appointed by ANDE Investissements)
- **Mr Jean-Marie Fulconis**
- **Ms Olivia Larmaraud**
(Independent Director)
- **Mr Lorenzo Levi**
(CDPQ)
- **Mr Guy Talbourdet**
Chief Executive Officer

The Board of Directors implements its actions through three committees:

▪ **the Audit, Risk and Ethics Committee** is responsible for overseeing matters relating to the preparation and verification of accounting and financial information and its relevance, risk management and questions relating to ethics. This Non-Financial Performance Statement is submitted to this Committee for review and comment. As part of its mission, this Committee is required to examine the effectiveness of the internal control and risk management systems. It reports to the Management Board on its work and, if necessary, proposes measures to improve internal control mechanisms.

▪ **the Nomination and Remuneration Committee** assists the Board of Directors with the composition of the managing bodies of Delachaux and its subsidiaries and the determination and assessment of the remuneration of members of the management team and provides it with advice in relation to remuneration issues of any kind.

▪ **the Strategy Committee** provides the Board of Directors with opinions or recommendations on the definition and implementation of the Group's areas of strategic focus, proposes priorities for growth and selects investment opportunities.

After two years marked by the health crisis, the Board of Directors decided in 2022 to intensify its visits and meetings in the field with the Group's teams, with the aim of building stronger links, better understanding the actual situation on the ground and measuring progress made. The four visits took place in St. Marienkirchen in Austria at Frauscher, Weil and Potsdam in Germany at Conductix-Wampfler, and Raismes and Marly in France at Pandrol and DCX Chrome respectively. The directors also participated in InnoTrans, the world's leading trade fair for transport technology, alongside the Frauscher and Pandrol teams.



2. Executive Committee

The Groupe Delachaux Executive Committee (ExCom) has six members. It brings together the managers of the Group's key companies and business activities. Its task is to "create the conditions for the success of Groupe Delachaux companies, including the Group's sustainable development model".

It meets four times a year. Group employees or external participants may be invited to attend, depending on the topics covered.

COMPOSITION OF THE EXCOM AS AT 31 DECEMBER 2022

Mr Guy Talbourdet
*Chief Executive Officer
of Groupe Delachaux
and Chief Executive of Pandrol**



Mr Bruno Dathis
*Chief Financial Officer
of Groupe Delachaux*



Ms Eléonore Tauveron
*Human Resources Director
of Groupe Delachaux*



Mr Fabrice Seewald
*Deputy Chief Executive
Officer of Pandrol*



Mr François Bernès
*Chief Executive Officer
of Conductix-Wampfler*



Mr Michael Thiel
*Chief Executive Officer
of Frauscher*



(*) Mr Nicolas Groult
*was appointed Chief Executive Officer of Pandrol
and joined the Delachaux Executive Committee on 13 March 2023.*

D. Presentation of the business model

MEGATREND

Urbanisation

Green mobility

Digitalisation

Energy efficiency

Infrastructures safety and sustainability

RESOURCES & STRENGTHS

Sizeable Group

3,981 employees

Global presence and local roots

39 production sites in 18 countries
46 sales and distribution entities in 31 countries

Innovation capacity

4,5% of turnover dedicated to R&D
24 R&D centres/innovation offices
533 employees in R&D department
51 active patents

Long-term investment

Delachaux family majority shareholder for 120 years

Ethical and civic commitment

Code of Ethics
Anti-corruption policy
Delachaux Solidarity Fund

Responsible industry

Carbon footprints audits since 2018 for scope 1&2 and scope 3 in 2019

SAVOIR-FAIRE



Global player in engineering and industrial solutions for strategic markets, mainly the rail sector, port industry, intralogistics and aeronautics.

The Delachaux Group has developed a business **support model for its entities** that combines **great operational autonomy with exemplary management practices**.

Through our companies, we offer our customers **innovative solutions** to maximise the value **throughout the life cycle** of their infrastructure and major equipment.

Our commitment - WE Program

- Act as **an innovative key component of our customers' value chain** while controlling the impact of our operations
- Promote the **well-being and development of people**, both in our teams and in the surrounding communities.

Our 5 businesses:

- Rail Infrastructure
- Rail signalling
- Energy and data managementsystems
- Chrome metal
- Magnetism



SUSTAINABLE VALUE CREATION

Employees

Leadership training for managers since 2019 (details p.48)
1,641 People Reviews completed, i.e., + 30% per year since 2021 (details p.49)
22% women, including 17% managers
88% participation in the 2021 engagement survey and 43% of employees very satisfied
68% fewer lost-time accidents between 2015-22

Finance

Turnover of €1123M, i.e., 33% growth in 5 years (since 2017)
Turnover spread evenly over the 3 continents (details p.24)
258.4 million in gross compensation paid
32 M€ in taxes paid worldwide (1)

Social

Regular training of employees to the Code of Ethics since 2019 (details p.45)
Anti-corruption training for employees since 2018 (details p.46)
Volunteering and patronage development (details p.60)

Environment

24% reduction in greenhouse gas emissions (tCO2eq) in scope 1+2 between 2019 and 2022
11 EPD certifications (2) achieved

(1) This figure corresponds to the amount of tax paid by the Group companies on their taxable profits, excluding the amount paid in respect of other taxes, duties and contributions.

It should be noted that approximately one third of this amount is not paid to the tax authorities but is paid to the ultimate controlling party of a national tax group, a group showing a tax loss.

(2) EPD: Environmental Product Declaration

D. Presentation of the business model

1. Our manifesto

The world is **changing rapidly** and facing major opportunities and risks related to the green transition, globalisation and the digital revolution.

Faced with these challenges, we must **be the guarantors** of an **innovative, sustainable and human development** model in all our companies.

We want to **lead by example** in everything we do and have a positive impact on our natural, social and human environment.

Through our **WE-Our Worldwide Engagement programme** and its five pillars we are committed to:



Safety



Environment



Ethics



Management Practices



Community

Operating as a strong and **innovative link** in our customers' value chains, while also controlling the impact of our operations;

Promoting personal well-being and **development**, within our teams and in surrounding communities.

2. Our raison d'être

*"To live and bring to life
a long-term, human and
industrial adventure,
a source of pride for all our stakeholders."*

D. Presentation of the business model

3. Our strategy

The growth of Groupe Delachaux is driven by structural trends: urbanisation, green mobility, digitalisation, energy efficiency, safety and sustainability in infrastructure.

The strategy of each of our companies is to strengthen our position in mature markets while exploiting the growth opportunities offered by emerging markets. We support our development through constant investment in innovation, unwavering commitment to our customers and targeted acquisitions to consolidate our technological and geographic leadership.

Four of our five companies (Pandrol, Frauscher, Conductix-Wampfler and DCX Chrome) are structured around common characteristics:

- being a world leader in their field,
- specialising in high value-added businesses,
- having an in-depth knowledge of the value chain and the commercial, technological and regulatory environment in which each brand operates, and
- having a global presence and local expertise.

With 86 sites in almost 40 countries, our uniquely interconnected model, which is both global and local, brings together responsiveness, flexibility and customer proximity. This decentralised and collaborative management method means the Group's teams have accurate knowledge of the value chain and the commercial, technological and regulatory environment in each of the markets in which we operate. Using this model, our intention is "to offer the best of Delachaux all over the world".

The Groupe Delachaux development model is structured around:

- innovation focused on customer requirements, with specialised products to tackle industrial issues. The Group has 51 active patents in 2022.
- integration of societal developments, with environmental excellence, creating operational and commercial performance, and irreproachable ethics,
- performance created with respect for employees and their professional development,
- the long product development and certification cycle, for a use and maintenance phase of more than five years,
- continuous improvement, with almost 4.5% of our sales turnover represented by research and development expenses,
- complex technological and industrial ecosystems, so as to contribute to defining the latest industry standards on the market.



D. Presentation of the business model

4. Our teams

The strength and sustainability of Groupe Delachaux lies in the know-how and commitment of the men and women within the Group.

We respect and value the identity, heritage and expertise of each of our companies while being united by common characteristics, which we cultivate among our 3,981 employees:

- **The autonomy of individuals and teams** to develop their skills, strengthen our offering and contribute to the success of their company and the Group,
- **The team spirit** of actively cooperating within our organisations and across countries, so that individual efforts contribute to our collective success,
- **Innovation**, which is at the heart of our strategy and our relationships with customers,
- **Operational excellence and continuous improvement**, to remain a strong and innovative link in the value chains in which we operate.

As at 31 December 2022, the Group had a total of 3,981 employees (active and inactive workforce), compared to 3,908 at the end of 2021. The railway business workforce accounted for 56%, of which 40% was for rail infrastructure business and 16% was for signalling business. The EDMS (energy and data management systems) sector represented 40% of the workforce. The remaining 4% relate to chrome and magnetism activities as well as the *Corporate* Group function.

a) Breakdown of the active and inactive workforce (permanent contracts, fixed-term contracts, apprenticeships - excluding temporary staff) by category

Blue-collar workers represented 44% of the total workforce. Managers and experts (in particular engineers and sales managers) make up 18% of the total and teams dedicated to Research and Development represent 14% of our overall workforce. The rest of the population is made up of white-collar workers, technicians, supervisors and administrative staff.

The total workforce is up 1.8% compared to 2021.

TOTAL WORKFORCE BY POSITION TYPE AS AT 31 DECEMBER 2022

	2022	2021	2020	2019	2018
Managers and experts	725	605	695	640	558
Blue-collar workers	1 735	1 769	1 654	1 721	1 489
Other*	1 521	1 534	1 428	1 428	1 216
TOTAL	3 981	3 908	3 777	3 789	3 263

*Administrative, white-collar workers, technicians

D. Presentation of the business model

b) Geographical distribution of active workforce

The Group is present in almost 40 countries. Of these, 10 countries employ more than 100 permanent staff and represent 90% of the global active workforce.

ACTIVE WORKFORCE BY COUNTRY

	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018
France ⁽¹⁾	746	712	720	747	664
Germany ⁽²⁾	523	510	509	523	511
USA	503	486	420	457	438
Austria ⁽³⁾	411	383	315	293	14
India ⁽⁴⁾	351	290	263	278	147
United Kingdom	310	306	299	288	263
Australia	251	241	234	235	259
China	240	254	261	249	261
Spain ⁽⁵⁾	113	172	186	176	179
Brazil	106	115	113	110	115

(1) Significant growth in France in 2019 linked to the integration of Jay Electronique (55 people)

(2) Significant growth in Germany in 2018 linked to the integration of LJU (91 people)

(3) Significant growth in Austria in 2019 linked to the integration of Frauscher (277 people)

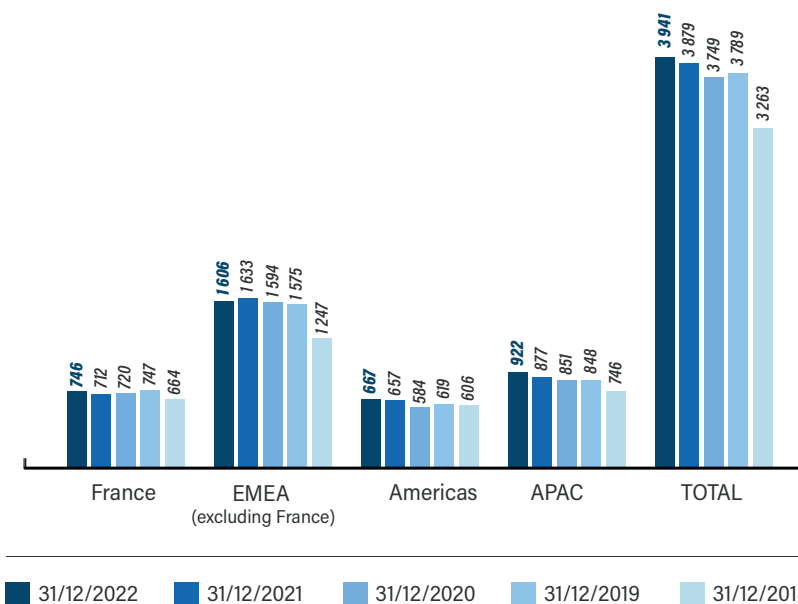
(4) Significant growth in India in 2019 linked to the integration of Frauscher (113 people)

(5) Significant change in Spain in 2022 linked to the sale of KLK (69 people)

France still leads the Group in terms of workforce within Delachaux, with a slight increase compared to 2021, linked among other things to an increase in activity within the Conductix-Wampfler site.

In Spain, the downward trend is linked to the sale of KLK in July 2022. In India, the increase in the number of employees at Frauscher is mainly due to the growth of the business and the creation of a new application engineering department.

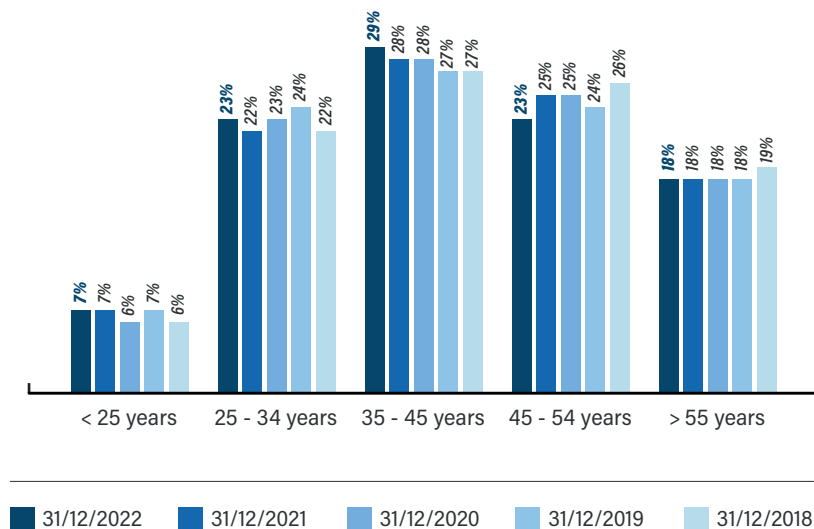
c) Breakdown of the active workforce by region



From a regional point of view, workforce trends remain stable between 2021 and 2022. The Europe, Middle East and Africa region, including France, represents 61% of our total workforce. France alone represents 19% of the workforce.

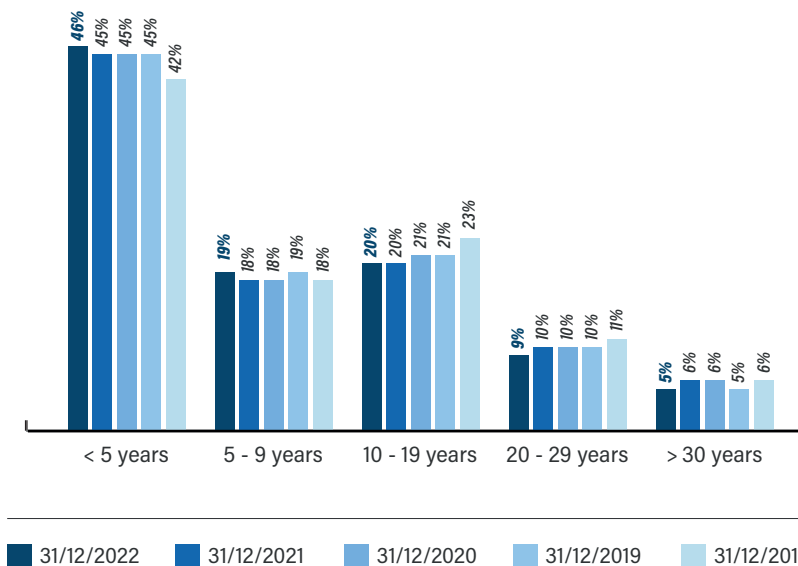
D. Presentation of the business model

d) Age pyramid for the active workforce as at 31 December 2022



Since under 25s are the least represented in the workforce (only 7%), apprenticeship programmes have been strengthened in Germany and Austria in particular.

e) Length of service in the company of the Group's active workforce as at 31 December 2022



People with fewer than 5 years' length of service represent a significant proportion of the workforce (46%), which reflects significant challenges in the integration and retention of employees as well as in the transfer of skills, which are capital for our companies that are in industrial niches and therefore highly specialised.

New employee onboarding programmes have been strengthened in most of our companies. Succession plans for key management or technical roles are implemented to ensure the transfer of knowledge and trades.

1. PANDROL

Pandrol brings together all our rail infrastructure solutions and products. Its solutions and products are designed for railway infrastructure equipment: freight, urban transport (trams and metros), high-speed transport and national rail networks. Pandrol's mission is to maximise the availability and safety of rail infrastructures as well as their value over their entire life cycles.

Pandrol's expertise and capacity for innovation are recognised by the world's leading rail transport networks, for which it provides daily service and support.

PANDROL

Pandrol's business comprises five product lines:

- **Fastening systems**

Pandrol markets a wide range of fastening systems (screws and clips) designed for all types of track (ballasted or concrete slabs, high-speed lines, metro or tram tracks, freight corridors, and mining tracks).

- **Aluminothermic welding**

The aluminothermic rail welding techniques offered by Pandrol represent a cost-effective and safe solution for all types of networks: urban, passenger, freight or high-speed.

- **Equipment and control**

This business segment focuses on the design, development and manufacture of equipment capable of improving the efficiency of railway construction and maintenance.

Intelligent control systems increase productivity, monitor the condition of the track and improve overall service life.

- **Electrification**

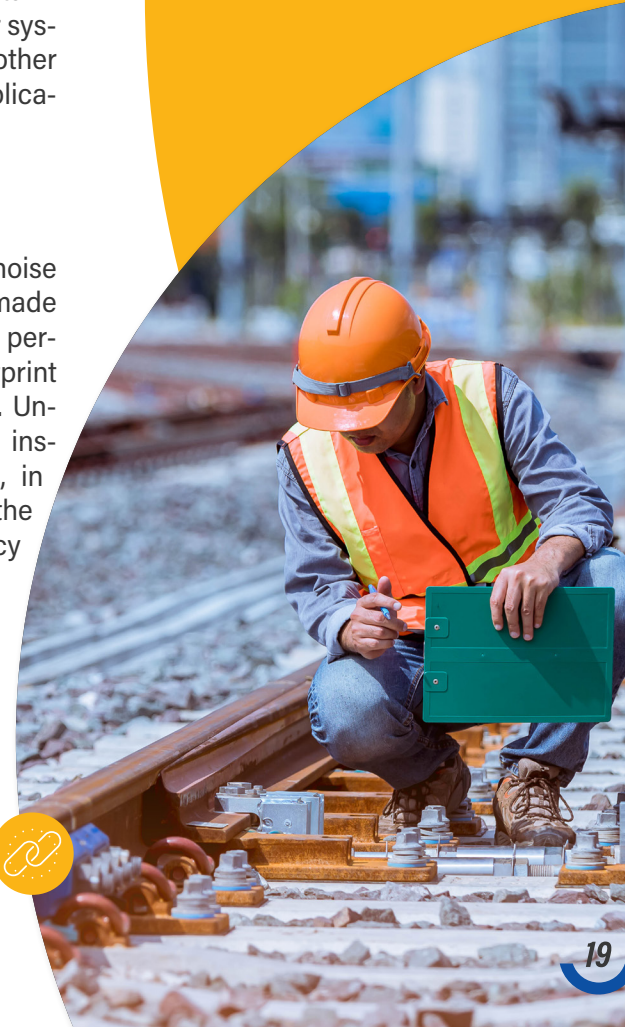
Pandrol supplies a comprehensive range of products for urban transport systems, such as aluminium, steel and stainless-steel hybrid third-rail conductor systems, rigid catenary systems and other innovative solutions for special applications.

- **Sustainable Resilient Solutions (SRS)**

Pandrol offers a complete range of noise and vibration damping solutions made from recycled rubber, offering high performance and a low carbon footprint for all types of railway applications. Under-sleeper pads are increasingly installed on major rail network lines, in order to extend the service life of the ballast, and to reduce the frequency and cost of maintenance.

IN 2022**43%****OF THE SALES TURNOVER****40%****OF THE WORKFORCE
OF GROUPE DELACHAUX**

<https://www.pandrol.com>



2. FRAUSCHER

Frauscher is a leader in the field of engineering, production and installation of inductive sensors for railway signalling systems. These wheel detection and axle counter systems are intended for railway signalling system equipment: freight, urban transport (trams and metros), high-speed transport and national rail networks.

Frauscher's ambition is to simplify the task of signal system integrators and rail operators to obtain the information they need to run, track and protect their operational network: *Track more with less.*

Frauscher has also developed Distributed Acoustic Sensing (DAS) technology, which uses optical fibres running along railway tracks as sensors. This technology includes the design of algorithms for acoustic signals captured through artificial intelligence processes (machine learning). A subsidiary dedicated to this business – Sensonic – was set up at the end of 2019 with a majority of engineers mainly based in Austria, England and India.

FRAUSCHER

<https://www.frauscher.com>

**IN 2022****8%****OF THE SALES TURNOVER****16%****OF THE WORKFORCE
OF GROUPE DELACHAUX**

3. CONDUCTIX-WAMPFLER

Conductix-Wampfler markets energy and data management systems for mobile industrial equipment. These products enable energy or data management, including transmission from a fixed point to mobile equipment or machinery.

The main products marketed by Conductix-Wampfler are:

- **Conductor rails** for transmitting energy (up to 2,000 amps) and digital data. The conductor rails can be configured and their length can be adapted to suit the needs of customers and their industrial environment, including more complex environments.

- **Cable festoon systems** for supporting, protecting and transporting flat and round cables for the transfer of electrical power and of data. Flexible pipes can also be integrated for the transportation of fluids, air or gases. The festoon systems are tailored to the needs of each customer, and to difficult environments such as steel mills, port sites, composting centres or agricultural applications.

- **Reeling systems** (motorised or spring-loaded), used for the automatic winding of cables or hoses of different types of mobile equipment such as hoisting and handling equipment. Motor-driven cable reels (including direct contactor-controlled drive packages, robust reels using magnetic couplers, or inverter-controlled drive packages) are tailored to any application including ports, steel mills, theatres, bulk handling machines, airport gateway cable management, wastewater treatment plants, and mines.

- **Inductive Power Transfer**, especially in intra-logistic systems, used to transfer power without contact, based on the principle of electromagnetic induction, and developed to meet modern industrial requirements.

- **Solutions enabling autonomous vehicle mobility**, including battery power, wireless data transmission, automation and remote control.

- **Control systems for overhead conveyors**, used in various industrial applications, particularly in the automotive sector.

Conductix-Wampfler works in many markets with a focus on the following markets :

- Container handling
- Operation and handling of bulk goods
- Industrial lifting and handling
- Automotive
- Intralogistics
- Urban transport

**IN 2022****35%****OF THE SALES TURNOVER****40%****OF THE WORKFORCE
OF GROUPE DELACHAUX.**

4. DCX CHROME

The DCX Chrome brand illustrates the one-hundred-year know-how of Groupe Delachaux in aluminothermic processes.

DCX Chrome is the world's leading producer of high purity chromium metal for the manufacture of superalloys and special steels used in particular in the aviation and energy production sectors.

DCX Chrome's factory in Marly, France, markets different grades of chromium: metal chrome with purity grades of 99.4% to 99.9%, standard aluminothermic grade chrome or vacuum-degassed grade chrome. Special types (low sulphur or low nitrogen, chrome nitride, chrome carbide, etc.) are also produced. Chrome is sold in the form of briquettes or powders, depending on the qualities and customer requirements.

DCX CHROME

<https://dcx-chrome.com>



IN 2022

12%
OF THE SALES TURNOVER

2%
OF THE WORKFORCE
OF GROUPE DELACHAUX

5. OTHER ACTIVITIES

Lenoir-MEC develops and markets magnetic systems for industrial sorting and lifting operations.

KLK develops and markets power resistors and earthing devices. Groupe Delachaux sold the company KLK Electro Materiales to the Novarc Group and its Novarc Networks division on 6 July 2022.

<https://www.raoul-lenoir.com>

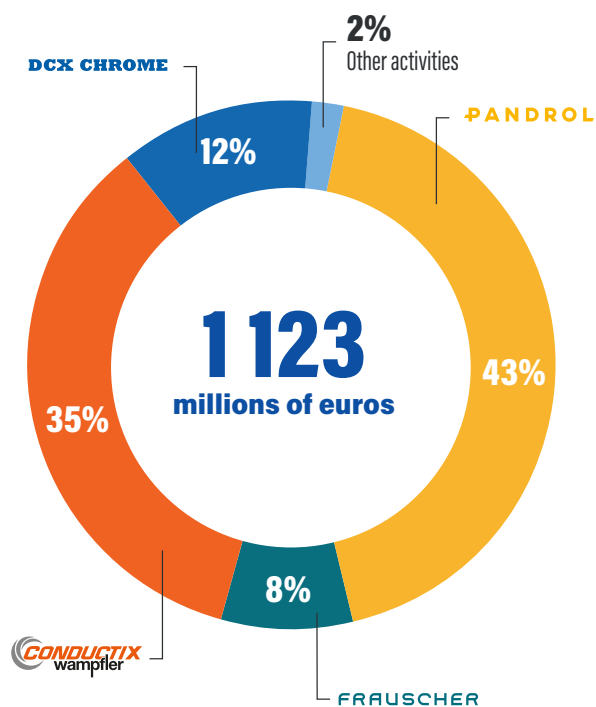
<https://www.klk.es/en/>

LENOIR-MEC
MAGNETIC SYSTEMS

IN 2022**2%**
OF THE SALES TURNOVER**1%**
OF THE WORKFORCE
OF GROUPE DELACHAUX

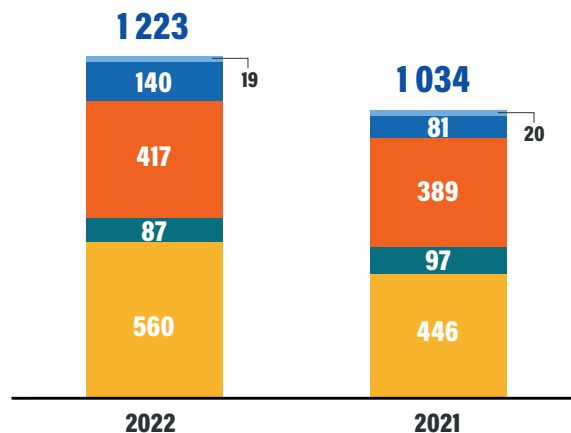
F. 2022 financial results

SALES TURNOVER BY BUSINESS



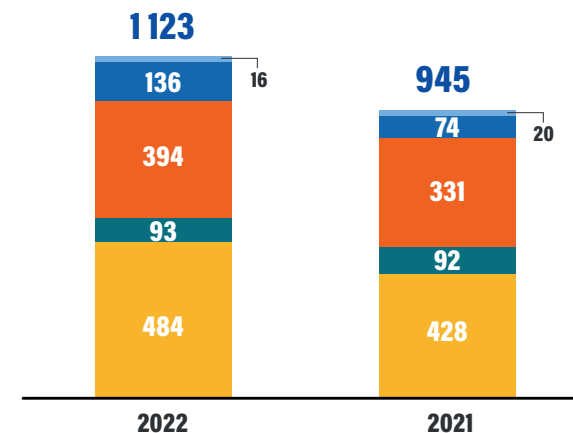
ORDERS TAKEN

(in millions of euros)



TURNOVER WITH DISAGGREGATION BY BUSINESS

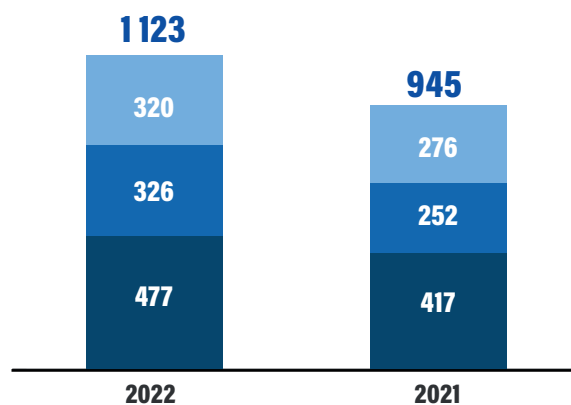
(in millions of euros)



■ Pandrol
 ■ Frauscher
 ■ Conductix-Wampfler
 ■ DCX Chrome
 ■ Other activities

SALES TURNOVER BY REGION OF DESTINATION

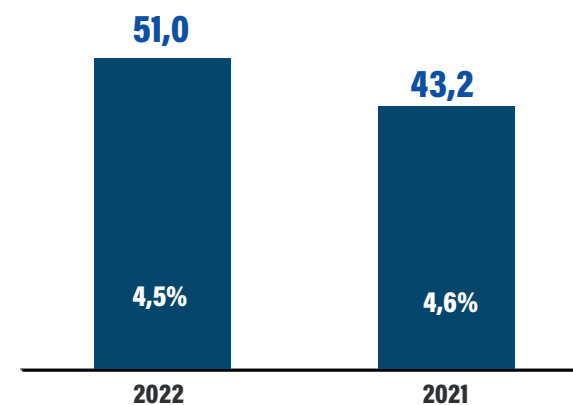
(in millions of euros)



■ Europe - MEA
 ■ Americas
 ■ APAC

RESEARCH AND DEVELOPMENT EXPENDITURE

(in millions of euros and as % of sales turnover)



■ Research and development expenditure



3

OUR WE -
WORLDWIDE
ENGAGEMENT

A. Stakeholder map, materiality analysis and identification of Corporate Social Responsibility (CSR) priorities

In 2017, Delachaux decided to formalise its sustainable development approach.

To better understand the impacts of its decisions and activities on society and on the environment, the Group has used the approach proposed by the ISO 26000 standard.

1. Identification of Groupe Delachaux's CSR practices

In 2017, the Group carried out internal research into global and local CSR practices, guided by the Global Compact framework, which includes five categories: anti-bribery, environment, management, human rights and international labour standards.

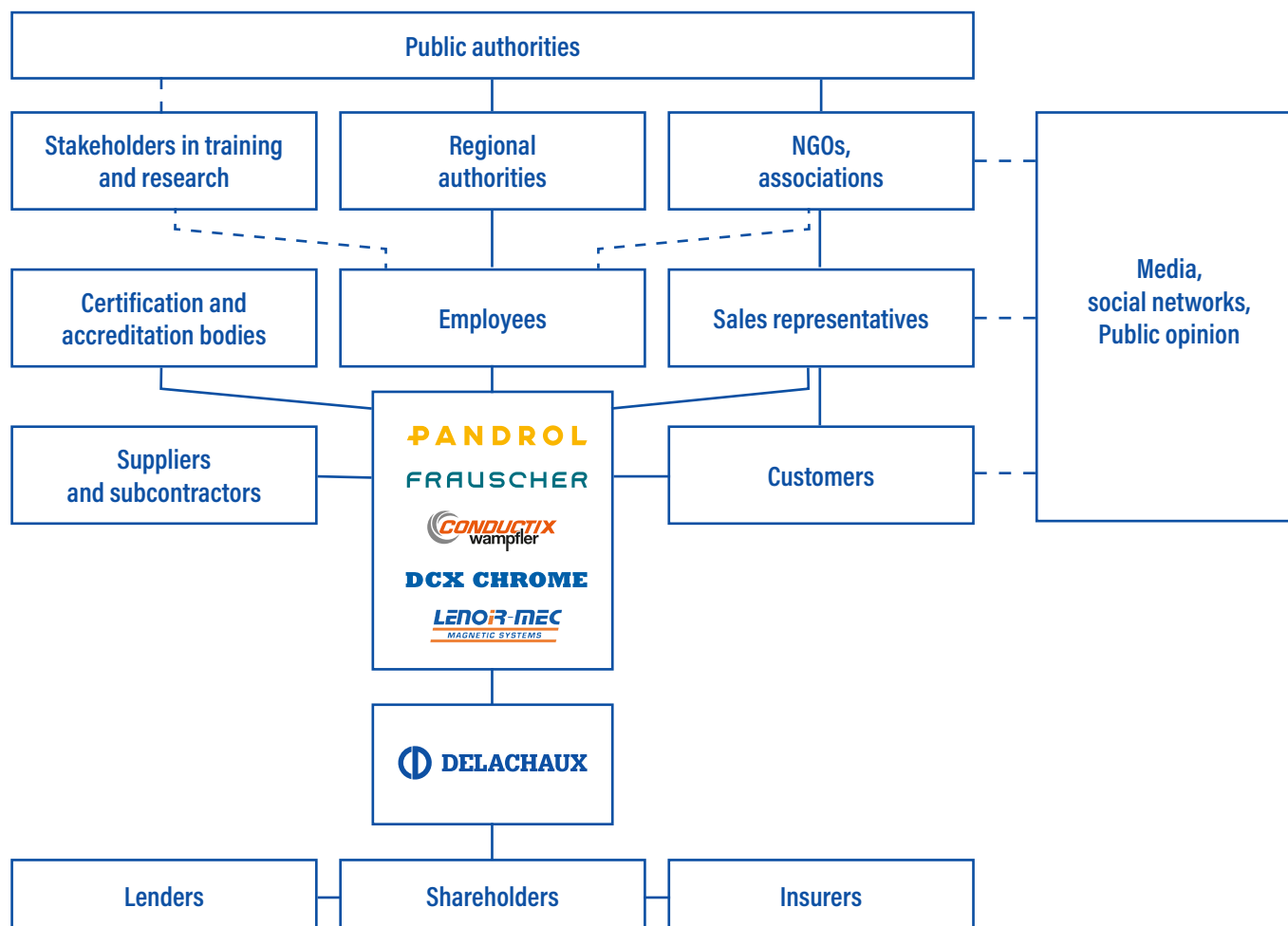
The research made it possible to not only calculate a CSR maturity score, but also to identify the leading sites for certain themes and best practices.

Based on these results and the analysis of the Group's global and local practices, in 2018 Delachaux prepared an initial status assessment of the Group's CSR maturity, and produced a map of its stakeholders.

The analysis of the CSR practices and priorities of our stakeholders focused mainly on the customers, suppliers, competitors and partners of our companies in order to compare Groupe Delachaux practices with sector and industry standards.

This comparative analysis covered a sample of 12 competitors, 8 suppliers, 14 customers and 14 trade associations, on the basis of publicly available information.

MAP OF GROUPE DELACHAUX STAKEHOLDERS



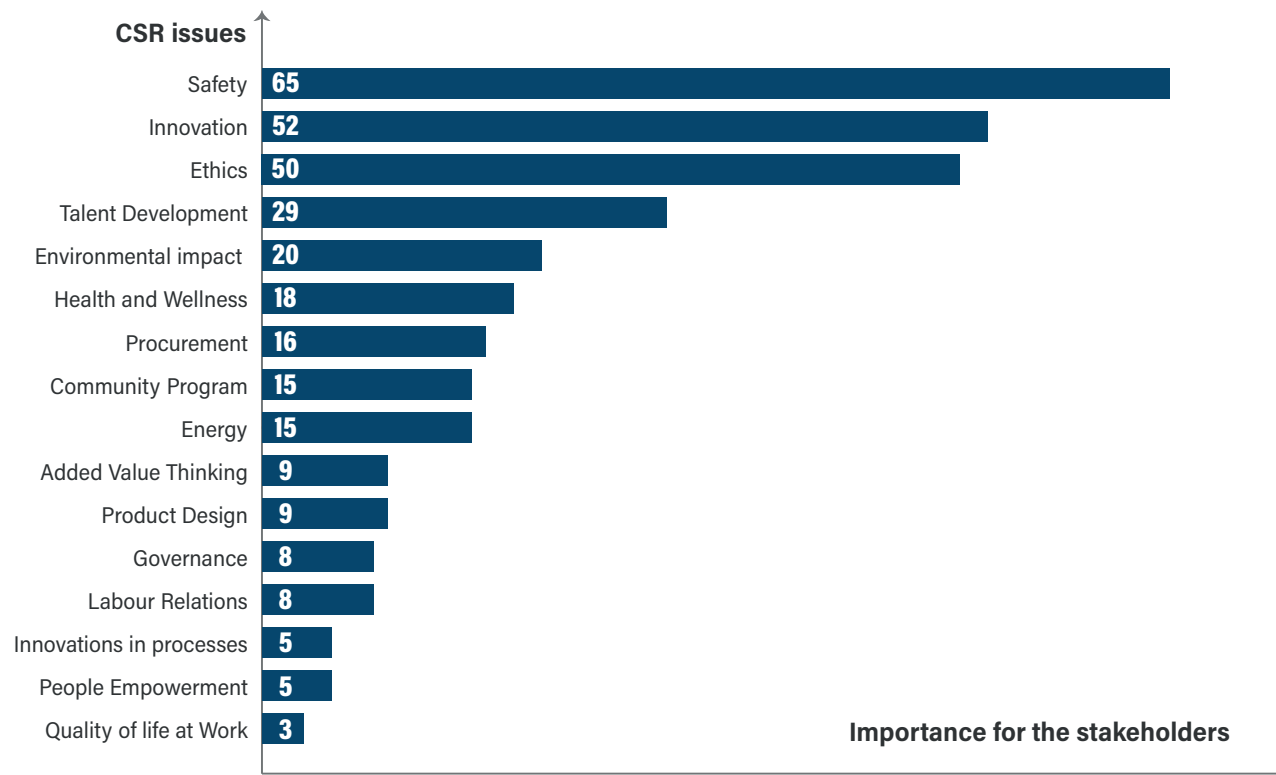
A. Stakeholder map, materiality analysis and identification of Corporate Social Responsibility (CSR) priorities

2. Analysing materiality and defining Groupe Delachaux priorities

Based on this mapping, the Groupe Delachaux Executive Committee carried out a materiality analysis which allowed CSR issues to be ranked and priorities to be defined, in line with stakeholder expectations and company focus areas.

Safety, innovation and business ethics are the three most critical issues for Groupe Delachaux. These are followed by talent development, environmental impact, health and well-being, procurement and relationships with communities. It was decided that Innovation would be integrated across all pillars. Health and well-being would be grouped under the Safety theme, and procurement would be covered by the Ethics and Environment themes.

MATERIALITY ANALYSIS OF GROUPE DELACHAUX



B. CSR strategy

1. Defining the CSR programme

The material issues identified during the materiality analysis were therefore grouped into five pillars (safety, environment, ethics, managerial practices and communities), which themselves are linked to two main themes (operational excellence and people development).

The programme was named "**WE, our Worldwide Engagement**", to highlight the relationship between the global and collective dimension of CSR and the local and individual dimension of engagement.



B. CSR strategy

2. CSR governance

CSR governance involves two levels:

A strategic level:

- **The Groupe Delachaux Executive Committee and the CSR Manager** define the strategy and objectives of the WE Programme, monitor performance indicators and review and approve the annual non-financial report. They discuss these matters at the quarterly meetings of the Groupe Delachaux Executive Committee.

- **The Groupe Delachaux Audit, Risk and Ethics Committee** is made up of five members of the Board of Directors and meets in the presence of the CFO and the Director of Audit, Internal Control and Management. In addition to their audit and risk management mission, for the CSR component, they examine the Group's ethical principles in order to ensure that ethical aspects are taken into account both in the work of the Board of Directors and in the management of the Group. They meet at least three times a year.

An operational level:

This level is structured by three committees and two coordination mechanisms to cover the five pillars of the Worldwide Engagement programme:

- **The Compliance and Ethics Committee** is made up of representatives of Delachaux (the CEO, the CFO, the Human Resources Director, the Legal Director, the Audit, Internal Control and Management Director and the CSR Manager). Its mission is to ensure that the Group *acts with integrity and compliance in the conduct of our business with all our stakeholders*. It meets three times a year.

- **The Community Committee** is made up of HR representatives from companies and the Group CSR Manager. Its mission is *to contribute to the development of the communities in which we operate*. The Committee meets on an *ad hoc* basis, as necessary.

- **The Environment Committee** is made up of QHSE and Sustainable Development representatives from companies and the Group CSR manager. Its mission is *to minimise the environmental impact throughout the company's value chain*. They meet every month.

- **The Managerial Practices pillar** is led by the Group HR Director with the global HR team made up of Groupe Delachaux's human resources team and HR representatives of the subsidiaries. Its mission is *to implement the Delachaux People Management Model*. They meet every two months.

- **The Security pillar** is managed at company level. Each company has its own Health, Safety and Quality organisation and management. Nevertheless, they all pursue the mission of *offering a healthy, safe and secure working environment for all* and report to Groupe Delachaux senior management.



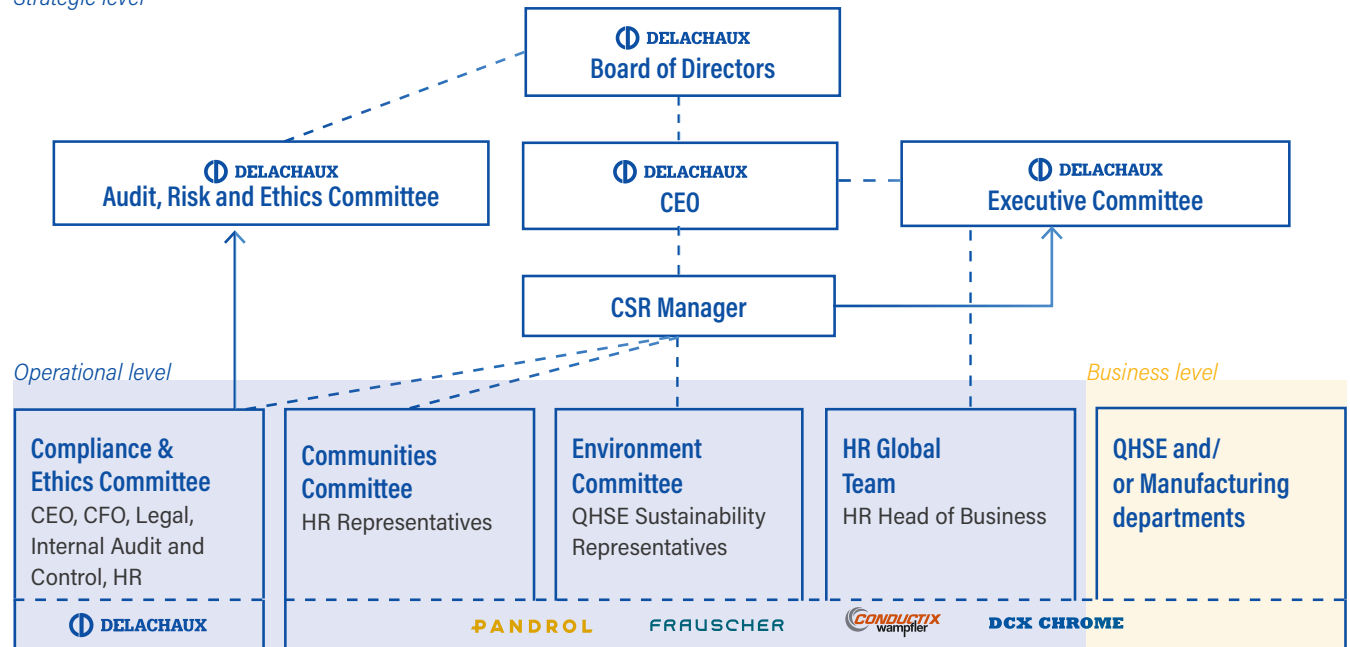
B. CSR strategy

The CSR Manager coordinates all five pillars and leads the WE programme.

A CSR procedure describes how Groupe Delachaux is organised in order to manage its social responsibility issues. It details the constituent elements of the general CSR management system: governance, stakeholder map, materiality analysis, ethical code, reporting and verification.




















GROUPE DELACHAUX CSR GOVERNANCE

Strategic level



B. CSR strategy

3. Performance indicators, 2022 results and 2023 targets

		FOCUS/KPI	2022 RESULTS	2023 TARGET	MAIN SDG'S RELATED*
PILERS RSE	Safety 	Accident frequency rate** - FRI'	FRI' = 6,5	Reduce FRI' by 20% each year	
	Ethics 	Anti-bribery - Risks and mitigation actions	258 managers and experts trained on anti-bribery - Application of the new Sales Agent procedure	Deploy businesses' action plans for anti-bribery. Train targeted population	
	Environment 	Greenhouse gas emission reduction on scope 1+2+ 3	40 071 t eqC on Group scope 1 & 2	Reduce greenhouse gas emissions: by 6% compared to 2021 for Group on scope 1+2 and by 10% compared to 2019 for Pandrol and Frauscher on scope 3	   
	Management Practices 	Employees' participation rate to the global engagement survey "WShare". Global score on employees' engagement for their work***	Deployment of action plans in each business linked to 2021 WShare results	90% of participation rate for WShare in 2023 50% of employees highly satisfied	  
	Community 	Organizing and supporting volunteering and philanthropic activities around 3 topics: solidarity, education and Environment	Roll-out of an internal global awareness campaign and creation of "Delachaux Solidarity fund"	Develop actions with local communities through volunteering and with the support of Delachaux Solidarité	    

* UN Sustainable Development Goals

** Ratio of number of lost time incidents/million hours worked, all personnel, including temporary workers

*** Refers to the question: "Overall, how satisfied am I with working for the Group?"

4. Recognition

In 2022, several of our companies, including Frauscher, DCX Chrome, Pandrol and Conductix-Wampfler, were rated by EcoVadis, a platform for assessing companies' CSR performance. Among them, DCX Chrome obtained "Platinum" status and ranked in the top 1% of all companies ranked by the platform. They also received the Responsible Chromium Award from the International Chromium Development Association (ICDA) at their last conference in October 2022.

Frauscher Austria obtained "Gold" status for the second consecutive year, as did Pandrol France, allowing them to maintain their place in the top 5%.

And lastly, as the Conductix-Wampfler Wuhan site did in 2020, for its monorail energy transmission business, in 2022, Frauscher India achieved International Railway Industry Standard (IRIS-ISO/ TS 22163) Silver certification, and was one of the first twenty Indian companies to do so. IRIS certification is a more demanding international quality standard than ISO 9001, specifically designed for the rail industry, enabling companies to demonstrate their commitment to quality and their ability to meet the specific requirements of the rail sector.





4

**OPERATIONAL
EXCELLENCE**



We uphold a broad vision of operational excellence where safety, the environment and ethics are integral to the quality and performance of our products and services. We operate as a strong and innovative link in our customers' value chain whilst being in total control of the impacts of our operations.

1. Our general approach to safety

One of our five CSR pillars concerns safety with the ambition of *ensuring a healthy, safe and secure working environment for all*. This affirmation has taken on even more significance given the health crisis of the past two years, in which health has played a major part in our safety concerns.

Safety is a priority for Groupe Delachaux. Improving working conditions and the good health of our employees contributes to the Group's sustainability and development and also constitutes an important aspect of our commitment to our employees.

Occupational risk prevention is based on an ethical and legal imperative as well as economic sense: safety, quality and productivity performances are linked. Safety is therefore of strategic importance in making the various businesses attractive.

Every company in Groupe Delachaux has a safety, health and quality management system and monitors the frequency and severity indicators of lost time incidents every month.

Our commitment to safety does not stop at the factory door, but is also part of the service provided to our customers. The quality of our products is paramount in order to ensure that the safety of our customers and end users is not put at risk.

The Group has set a target of reducing the accident frequency rate (FRI') by 20% per year based on 2017 levels, which equals a rate to be reached in 2022 of 4.1.



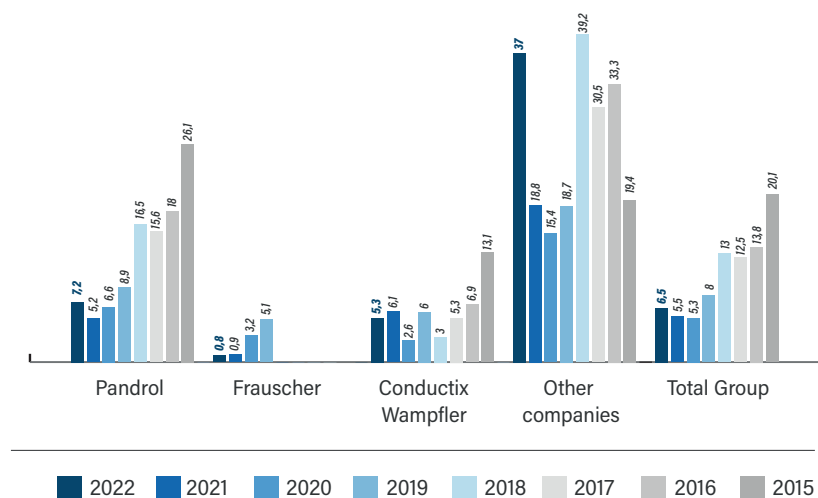
2. 2022 Safety Results

Despite a good trajectory since 2018, with a 50% drop in the rate of lost time incidents, we did not reach the target in 2022, as the FR1' stands at 6.5.

However, the results are not consistent since 20 of the 39 production sites did not have any accidents throughout the year. This result therefore relates to only a few sites, where specific actions have been implemented.

The Group also focuses on continuous improvement of safety management systems since 11 of our main production sites are certified according to ISO 45001.

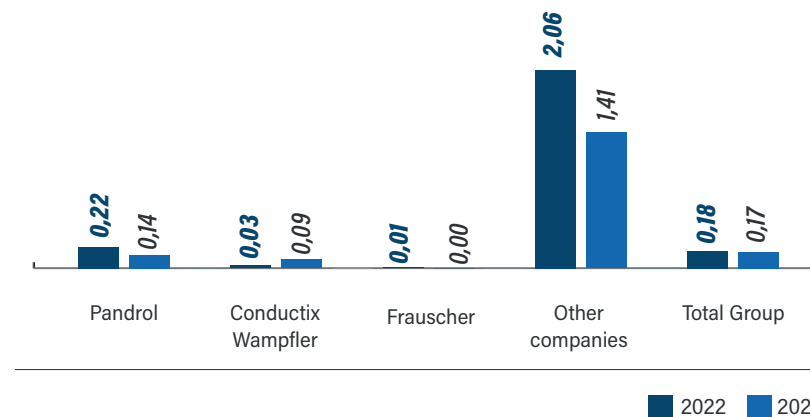
ACCIDENT FREQUENCY RATE ⁽¹⁾ - TFI'



Pandrol experienced a slight deterioration in its frequency and severity rates in 2022. Accidents at customer sites are on the rise, partly due to poor environmental control, difficult access to operations and teams that regularly work away from their bases. To overcome these constraints, Pandrol has set up a much more robust and frequent internal training programme for these specific teams and has established ongoing dialogue with customers on this matter.

In 2022, Pandrol also launched a positive recognition programme to reward sites that have reached key milestones. (1 year, 2 years, no lost time incidents).

ACCIDENT SEVERITY RATE FOR 2022 ⁽²⁾ - SRI'



(1) ratio of number of lost time incidents/million hours worked, all staff, including temps
(2) ratio of number of working days lost due to an accident/thousand hours worked, all staff, including temps

DCX Chrome had a difficult year at its sole site in Marly, France, as they recorded ten lost time incidents. The root causes are multiple. The site's management team has been working for two years on an action plan based around safety behaviour, on-site signalling and improving how safety events are dealt with. A safety room for training has been created and the maintenance team has been strengthened. In October 2022, a Safety Assistant was recruited to accelerate the changes.

Although the number of lost time incidents did not significantly decrease at Conductix-Wampfler sites (13 in 2022 vs 14 in 2021), the severity of accidents was cut by a third (from 0.1 to 0.029) and 9 of the 13 production sites had no accidents in 2022.

In addition to these two indicators, the Conductix-Wampfler QHSE team has implemented regular monitoring of dangerous situations, near misses and minor care to escalate risks further upstream and work preventively and not reactively. A structured root cause identification method that includes employees involved in accidents helps to better understand their circumstances, and to implement action plans to eradicate them.

With regard to the two sites that experienced the most accidents in 2022, Weil in Germany has implemented coaching by a safety expert and a psychologist in order to find other approaches to discuss safety with all staff, such as training, signage and a new risk analysis system with a breakdown on job descriptions.

The Belley site in France has drawn up a roadmap for 2023 that includes a partnership with a company specialising in health and well-being in order to strengthen the safety culture at the site.

At Frauscher, whose main site in Austria is ISO 45001 certified, several measures guarantee a high level of safety at work. Mandatory safety e-learning has been introduced and instructions are given to each employee at their workstation.

A team of external experts (safety officer, physician and team adviser) contributes to obtaining certifications and improving practices. There is also an online tool for reporting near misses or hazardous situations and recording corrective action documentation.



3. Training

To support our journey towards “zero accidents” and to further strengthen our safety culture at all levels, the Group companies have jointly developed digital safety training offered to all employees and in particular to supervisors and managers.

While Frauscher covers this aspect through its ethical code pathway, the other companies in the Group have rolled out a specific pathway, “Safety is everyone’s business!”, in October 2021. This journey, structured in three modules (I learn, I train, I act), aims to discover or rediscover the right behaviours and the role everyone must play in terms of safety. It includes all the basics of the preventative health and safety programme: safety room, Bird’s triangle, risk hunting, incident investigation tools and Gemba Walk.

From its launch in October 2021 to December 2022, a total of 1,421 employees have completed this training. Since 2022, this module has been fully incorporated into the mandatory onboarding journey for all new employees, on the digital platform shared by these companies.

4. Examples of specific measures that have been introduced



One of the best ways to reduce the risk of accidents is to automate certain tasks and to make equipment safe. Which is what Pandrol did in 2022, as part of its major modernisation plan for the Raismes site in France, fully automating its palletising line for moulds. This has also been done in the United States where several complete forging lines have been automated. In Mexico, several pieces of equipment in the welding workshop have been

fully secured. The Conductix-Wampfler site in Wuhan, China, has installed a brand-new safety room at the heart of the workshop, with real-time indicators, recognition of employees, a reminder of safety rules and use of equipment and tools, etc. This investment forms part of the good practice shared by other sites, so employees incorporate the issue of safety into their day-to-day work in a more concrete and participatory way.



In Weil, Germany, at the Conductix-Wampfler site, a specific tool in the form of a map has been created to encourage teams to identify risk situations, assess their severity, discuss them between employees and implement corrective action. Risky situations and actions are recorded on a technological platform allowing them to be monitored during Gemba Walk sessions.

This tool facilitates preventive and collaborative working. It will be rolled out to other company sites in 2023.



1. Our approach to the environment

One of the five CSR pillars of our WE Programme concerns the Environment, with the aim of *minimising our environmental impact throughout the value chain*. This commitment is managed by the Groupe Delachaux Environmental Committee, which meets every month and brings together QHSE or Sustainable Development representatives from the various companies and the Delachaux CSR Manager.

Since 2018, Group companies have been measuring their Scope 1 and 2 greenhouse gas emissions annually, as defined by the Greenhouse Gas Protocol (GHG Protocol). The exercise was also carried out for Scope 3 in 2019, in order to better understand our environmental impacts upstream and downstream of our own operations.

Our main emissions are related to purchased raw materials or semi-finished products, transportation of our products to customers and production and/or assembly activities. Our challenges in reducing our greenhouse gas emissions, beyond the satisfaction and demands of our customers, are therefore to reduce our energy consumption in our factories, to improve the eco-friendliness of our products including the choice of raw materials or components, as well as to optimise the transportation, lifespan and maintenance frequency of products, so that they have the best possible environmental performance.

The majority of our industrial sites have environmental management systems in place and 19 out of 39 industrial sites are ISO 14001 certified.



The Group has adopted a decarbonisation approach and has set itself the following targets:



To reduce greenhouse gas emissions in Scopes 1+2 by 6% in 2023 compared to 2021 for the whole Group



To reduce greenhouse gas emissions in Scopes 1+2+3 by 10% in 2023 compared to 2019 for Pandrol and Frauscher

2. Our 2022 environmental results

Group greenhouse gas emissions (Scope 1 and 2) by company

Emissions in tonnes of CO ₂ equivalent	2022 (location-based)	2022 (market-based)	2021 (market-based)	2020 (market-based)	2019 (market-based)
Pandrol	38 575	36 687	42 730	42 680	46 660
Conductix-Wampfler	3 700	3 059	3 259	4 149	5 221
Frauscher	905	649	607	440	760
Other companies	511	315	478	362	416
Group Scope 1 total	14 950	14,950	14,765	15,222	17,544
Group Scope 2 total	28 741	25 760	32 309	32 409	35 513
Groupe Delachaux TOTAL	43 691	40 711	47 074	47 631	53 057

In 2022, we revised the calculation method for our greenhouse gas emissions by following a more restrictive interpretation of the GHG Protocol criteria for Scope 2; previous years were also recalculated retroactively. We have also calculated these emissions according to the two market-based and location-based methods of the GHG Protocol for 2022.

Electricity consumption by company in MWh

Energy consumption in MWh by company	2022	2021	2020	2019
Pandrol	83 079	89 279	84 188	92 926
Conductix-Wampfler	5 060	5 790	5 611	6 902
Frauscher	1 320	1 469*	1 405	1 233
DCX Chrome	5 159	4 574	5 150	6 268
Other companies	113	33	224	224
Groupe Delachaux TOTAL	94 731	101 658	96 579	107 554

(*) Data corrected in 2022

At Groupe Delachaux level, the results of the carbon footprint review are encouraging and have exceeded our targets, as there is a 15% drop between 2021 and 2022.

Pandrol, the Group's company with the highest CO₂ emissions, reduced its carbon footprint by more than 20%, Scope 1 and 2, between 2019 and 2022, mainly thanks to the gradual decarbonisation of electricity production in Australia where the Intercast & Forge foundry is located, which represents almost half of Pandrol's consumption. The company has two main measures, the first being its electricity consumption from renewable energies, which in 2022 reached 18% (compared to less than 5% in 2021). At the sites in France and England, all consumption comes from renewable energies covered by certificates of origin. Purchasing these certificates helps finance renewable energy producers. Solar panels were installed at the Castellgali site in Spain at the beginning of 2022.

The second measure concerns the replacement of gas furnaces with electric furnaces at certain production sites, including the Blacktown site in Australia which changed its furnace in late 2021 and the Douai site in France which will replace its furnace in early 2023.

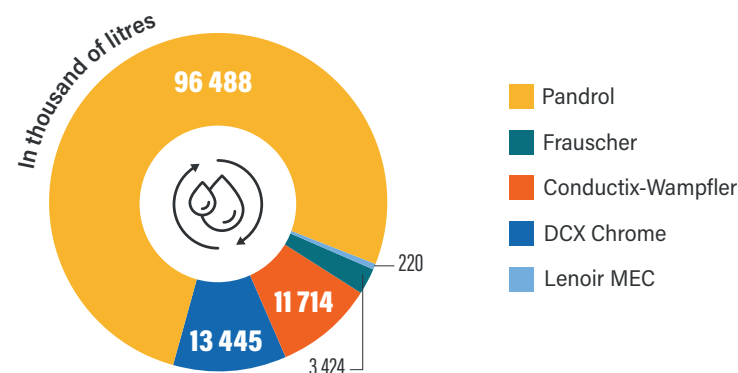
Conductix-Wampfler's carbon footprint is down 6% compared to 2021: the application of 'energy sobriety' actions managed directly by the various production sites more than offset the significant increase in production volumes.

At Weil am Rhein, Germany, several pieces of equipment have been replaced to enable higher efficiencies: a new transformer (630 kVA) generating a saving of around 11,000 kWh/year, a new compressed air system saving around 14,000 kWh/year or a set of new workbenches using LED lighting generating a saving of 1,000 kWh/year. In Agrate, Italy, a photovoltaic panel installation will produce the equivalent of 50% of this entity's current electricity consumption in 2023.

Frauscher in Austria has been using electricity produced entirely from renewable sources (hydraulic and photovoltaic) since August 2021. New photovoltaic panels installed at the site in 2022 will provide between 8 and 10% of the site's needs and also provide electricity to the national grid.

DCX Chrome is part of an ISO 5001 approach relating to better energy management in terms of both consumption and the type of energy used. Various actions have been carried out on the compressed air circuit or the replacement of the gas boiler, allowing consumption to be reduced by a third.

Water consumption



Compared to 2021, consumption fell slightly by 1.5%. Most of the Group's water consumption comes from Pandrol for industrial uses, including foundry and quenching activities, and cooling of moulded or painted parts. The DCX Chrome site in Marly, France, also has significant water consumption for reaction screw cooling and reaction fume scrubbing.

One way to significantly reduce water consumption was to install closed circuits, which is the case at the Intercast & Forge foundry in Australia, at Workstop in England and also at Douai in France. The DCX Chrome site in Marly, France, is currently finalising this installation.

Group waste generation, in tonnes

Type of waste (In tonnes) 2022	Pandrol	Conductix -Wampfler	DCX Chrome	Frauscher	Lenoir Mec	Group total
Sand	6 559					6 559
Unsorted waste	5 475	317	37	13		5 841
Metals and oxides	3 080	655	427	2	6	4 169
Hazardous industrial waste	640	97	16	1		753
Cardboard	461	112	18	12		604
Wood		177	274	1		452
Other waste		37	267	4		308
Plastics	96	61	70	3	1	231
Paper		21		1	1	22
WEEE and batteries		9	1	4		15
Company total	16 311	1 486	1 108	41	9	18 954

After collecting data on waste for the first time in 2021, we were able to improve data collection in 2022 by identifying the type of waste treatment (reuse, recycling, recovery, landfill) for almost 85% of tonnage. With regard to our main waste:

- Sand is mostly used for soil enhancement or as landfill
- Unsorted waste is mostly sent to landfill
- Metals and oxides are recycled

Sand consumption comes primarily from the InterCast & Forge foundry business, where it is used for steel die casting. Approximately 95% is reused in the moulding process, and at the end of its life it is used to make agricultural fertiliser or as backfill. Unsorted waste consists mainly of refractory materials and sand from foundry activities, which cannot be easily separated for reuse or recycling.

There were no significant changes in waste volumes compared to 2021, with the exception of the drop in the volume of hazardous industrial waste compared to 2021, which was essentially due to remediation activities following a change of Pandrol Brazil site.



3. Product life cycle and circular economy

Group companies have always endeavoured to extend the life cycle of their products. In the same vein, they are looking to accelerate the reuse of their products or components today.

Pandrol and Frauscher are in the process of achieving environmental certification of their product portfolios by making Environmental Product Declarations (EPDs), to give their customers greater product visibility and traceability. Up to the end of 2022, nine EPDs were produced by Pandrol for SRS (Sustainable Resilient System) product lines and for fasteners. Frauscher has two EPDs for axle counters.

Pandrol now offers an entire product line, SRS, made from more than 90% recycled material from used tyres. Recyclability studies of certain components are in progress on other product lines.

Conductix-Wampfler works on the basis of product innovation and its production equipment to achieve a circular economy logic and extend the life cycle of its products. The Belley site in France has launched a preliminary eco-design pilot project for a range of reeling systems. In 2022, this same site launched a new automatic optical fibre tester which is much more compact, more lightweight (-16%) and comprising fewer components (-54%) and packaging (-25%) than an old version with the same features.

4. Environmental governance in companies

In 2022, we focused on a new organisation within Pandrol and Conductix-Wampfler to better take climate change issues into account in corporate strategies.

After having carried out an in-depth study of its Scope 1, 2, 3 carbon footprint (based on 2019) with the help of an external firm, Pandrol decided to include a new priority for decarbonisation of its activities in its corporate strategy. The main actions in 2022 to roll out this strategy were the recruitment of a sustainability manager, awareness-raising actions and training for the company's management committee and management teams at certain sites, the definition of targets and a decarbonisation trajectory and the eco-design/life cycle of certain products.

Conductix-Wampfler appointed an Environmental Transformation Manager who in 2022 carried out a survey of the integration of this issue at the various sites. The aim in 2023 is to raise awareness among employees, organise autonomous and cross-functional working groups on various topics such as eco-design, transport, procurement, etc. and to produce a roadmap that will be part of the company's strategy.

Frauscher Austria created an E-Lab in 2018 made up of voluntary employees who propose and implement actions to reduce greenhouse gas emissions or actions with a positive impact on other environmental aspects.



5. Employee training and mobilisation

Raising awareness among teams and training them is essential to their engagement and to giving them full responsibility for developing and implementing the strategy. Companies can rely on varied digital content on the environment, available on the group platform and can offer more specific and targeted training courses.

In December 2022, DCX Chrome organised a half-day awareness-raising event for employees on-site in Marly, France, on the issue of climate change. Around forty people, representing all functions, participated in workshops and talks to better understand the challenges and opportunities linked to the environmental transition.

Pandrol organised an initial training session on eco-design bringing together 12 people from the Aluminothermic Welding and Electrification product teams. They were able to understand the methodology, put it into practice with concrete cases and draw up an action plan.

Other activities on the initiative of employees are carried out directly by the sites, particularly around soft mobility. At Conductix-Wampfler France in Belley and Saint Ismier, more than fifty employees are committed to promoting alternative journeys for travel. In 2022, Frauscher Austria adopted a policy of purchasing hybrid and electric company cars and they installed 12 free charging stations for which the electricity comes from renewable sources. The company also encourages bike travel and provides a contribution to the purchase of an e-bike for employees who have been with the company for at least 12 months.

6. Supply chain and suppliers

Purchases of raw materials or semi-finished products are the largest part of Scope 3 in terms of greenhouse gas emissions for all our companies, each of which has its own strategy to reduce its supply chain-related environmental impact.

In 2022, Pandrol launched a questionnaire with 12 of its main raw material suppliers (steel, plastic resin, foundry, etc.) in order to better understand their decarbonisation commitment and targets. Since 2021, a responsible supplier charter has been drawn up by Pandrol France and submitted to and signed by 232 suppliers. This charter not only incorporates environmental issues but also social, societal and ethical aspects. It will be offered to the other entities of the company in 2023.

Conductix-Wampfler and Frauscher have adopted a local procurement strategy to reduce environmental impact and transport costs. In 2022, Frauscher Austria replaced its largest supplier of thermoplastic composites to favour the geographical proximity of their respective sites (less than 50 km away). For Conductix-Wampfler, 66% of the production of 315A and 400A SL2 aluminium bars has been moved from Wuhan (China) to the United States for local customers integrating local suppliers. By relocating production, they have reduced the number of sea containers (approximately 18 sea containers per year).





1. Our approach to ethics

The CSR pillar of our WE ethics programme is dedicated to *acting with respect and integrity towards all our stakeholders*. This pillar was built around the creation of a Groupe Delachaux code of ethics, common to all companies, which was disseminated in 2019, and an anti-bribery programme based mainly on the requirements of the Sapin II law.

The governance of Ethics and anti-bribery within the Group takes place at various levels:

- The Audit, Risk and Ethics Committee, consisting of five members of the Board of Directors, the CFO and the Internal Audit and Control Director oversees the progress of the Code of Ethics and anti-bribery programme.
- The Compliance and Ethics Committee consists of six representatives from Delachaux (CEO, CFO, HR Director, Legal Director, Audit, Internal Control and Management Director and the CSR Manager) and is responsible for defining and implementing the anti-bribery programme and all ethical issues, including the handling of whistle-blowing reports. A document entitled "Group Compliance and Ethics Committee Operating Model" has been drawn up to detail the tasks, responsibilities and members of the committee. A specific anti-bribery procedure has been developed to provide details of the anti-bribery programme within the Group.



WE PROGRAMME

« Acting with respect
 and integrity
 towards all our
 stakeholders. »

2. The Code of Ethics

Groupe Delachaux's Code of Ethics is a major tool in the Group's social responsibility system. It is presented in the form of a paper or digital booklet and covers 14 topics in the areas of operational excellence and people development. It describes and illustrates in simple and clear language the behaviours expected from Groupe Delachaux employees and stakeholders. The Code of Ethics also describes Groupe Delachaux's whistle-blowing system for sharing ethical concerns confidentially or anonymously.

It is translated into 18 languages to promote understanding and ownership, and is reviewed and updated according to changing regulations and practices.

The Code of Ethics training programme

Publication and distribution of the Code of Ethics began in April 2019 and a digital training module was rolled out from the end of 2019 on the Group's e-learning platform. Delachaux is committed to ensuring that all employees undertake this training within their first 30 days of starting.

In 2022, this commitment was facilitated by the roll-out of an e-mail address for all employees in France, giving them access to the e-learning module. This initiative will continue in 2023 at other sites around the world. The Code of Ethics digital module includes practical examples and puts employees in hypothetical situations. It is available in seven languages (French, English, German, Spanish, Chinese, Italian and Portuguese). Since its launch and until 31 December 2022, a total of 3,796 employees have been trained.

In-person training for employees without an e-mail address was attended by 839 people. This is organised around group workshops and uses online training to encourage interactions and reflections on the various topics and situations presented.

Posters summarising the main points of the Code of Ethics and the link to the whistle-blowing hotline are displayed at all the Group's sites.

The ethics hotline

The whistle-blowing channels communicated as part of the roll-out of the Code of Ethics (internal or external whistle-blowing hotlines) were slightly less used in 2022 (four cases compared to five in 2021). These channels were mainly used in 2022 to report situations related to respect for people (three out of four cases) and allegations of fraud (two out of four cases). All the cases reported were handled within the confidentiality rules guaranteed by this procedure. Each case was handled in context through analysis of the situation and available documents, interviews with people involved where necessary, and actions were recommended if appropriate and conclusions drawn.



3. Groupe Delachaux anti-bribery programme

The anti-bribery programme

The anti-bribery programme is defined and implemented in the form of an action plan, every year, by the Compliance and Ethics Committee. It is based on the eight pillars established by French law relating to transparency, anti-bribery and the modernisation of economic life, making the roll-out of an internal compliance programme mandatory (Sapin II law).

The eight pillars are as follows:

- 1) mapping of anti-bribery risks,
- 2) adoption of a code of conduct,
- 3) implementation of disciplinary procedures,
- 4) definition of an internal whistle-blowing procedure,
- 5) third-party integrity assessment,
- 6) implementation of accounting verifications and internal controls,
- 7) training and raising awareness of the teams at risk,
- 8) monitoring and assessment of internal implementation of measures.

In 2022, the Groupe Delachaux Compliance and Ethics Committee primarily worked with each of the companies to implement action plans following the risk maps that had been created for each company in 2020 and 2021 with the support of an external firm. The Committee also revised the process of assessing the integrity of third parties, mainly sales agents, through a new internal procedure, and lastly, the annual anti-bribery training programme was rolled out to the Group's management teams.

In 2023, the Group will continue implementation of an anti-bribery action plan within each company along with application of the new procedure relating to sales agents. Improvement work on disciplinary procedures and better definition and communication on the internal whistle-blowing procedure were also prioritised.

Anti-bribery training

Since 2018, Groupe Delachaux has been a member of TRACE International, a globally recognised anti-bribery association and a provider of risk management solutions for third parties.

TRACE has developed online training modules on compliance and anti-bribery topics. In 2022, three courses were updated, and two new ones were added: Data Privacy and Protection Course and Forced Labour & Human Trafficking Risk & Regulation. Employees now have access to eight courses on the digital training platform. Groupe Delachaux has undertaken to update or add new courses twice a year.

Groupe Delachaux aims to provide digital training on anti-bribery every three years to those employees most at risk and to offer them an on-line or in-person participatory session every three years.

In 2021, the Group organised five participatory sessions led by IKARIAN for the extended management teams. In 2022, the Group focused on the same target group:

- a) 33 managers took part in a "catch-up" session led by IKARIAN. This concerned new managers or managers who had not been able to attend the session in 2021.
- b) The TRACE ACT-Anticorruption Training module was completed by 249 managers by the beginning of 2023.
- c) Almost all Frauscher employees, 636 people, have completed the TRACE Anti-bribery compliance training for employees module.

Type of training / Number of employees trained	2022	2021	2020	2019	2018
In-person training or digital participatory sessions	33	199	0	405	78
E-learning training	876	650	446	385	80



5

PEOPLE
DEVELOPMENT

A. Managerial culture



Groupe Delachaux is committed to people development, both within its business and with its stakeholders..

Our People Development Model describes a framework that brings us together in relation to actions and behaviours expected on a number of pillars: managerial culture, performance and development, work environment and remuneration systems.

Each company, due to its identity, heritage and know-how, is responsible for embodying this model through practices, tools and initiatives adapted to its specificities, while preserving the spirit and approach of Groupe Delachaux in terms of people development.

Groupe Delachaux and its companies value a common managerial culture and want to equip their managers to enable them to support teams with high standards and kindness, by supporting everyone's responsibility and autonomy and prioritising a healthy and psychologically safe working environment.

Leadership training programmes are initiated globally and locally to offer our team managers and senior experts concrete tools to act with quality management.

The companies trained 89 managers worldwide in 2022 on a corporate leadership programme (Managing to succeed together or similar).

Locally, our sites also work with local trainers to train their workshop supervisors and middle managers, including Germany, UK and Australia (10).

In 2023, Groupe Delachaux would like to maintain this momentum, aware of the impact that a manager may have in their attitude and actions in terms of team retention and development.



89

**TRAINED MANAGERS
IN 2022**



B. Performance and development

1. Individual targets, evaluations and aspirations

The Group guarantees that each employee, regardless of their position or the company to which they belong, will receive clear information about the year's objectives and constructive feedback on their performance.

Clear goals and responsibilities drive expectations by helping everyone understand the importance of their work, encouraging them to give their best and enabling objective assessments of the impact of their achievements.

The dialogue encouraged between each employee and their direct manager is achieved through a process of performance reviews within all our companies.

The Group provides a standard annual review format to ensure that there is an opportunity to discuss performance, the development plan for the coming year and career aspirations.

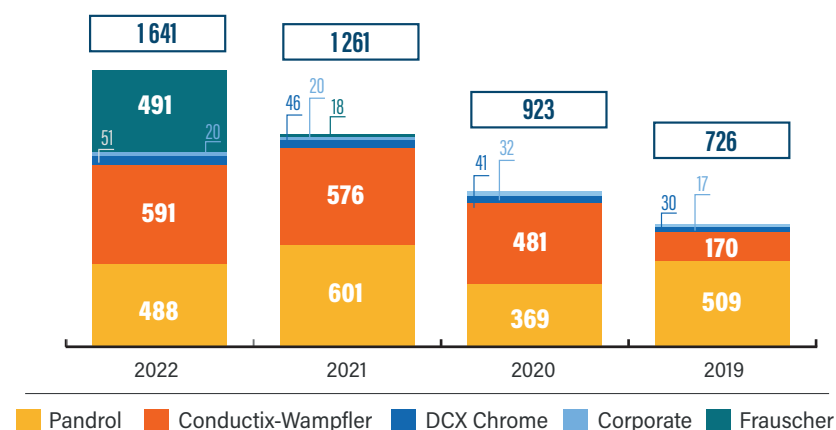
In 2022, a version of the review specific to our blue-collar workers was finalised. It was designed on the basis of existing local formats and practices and by cross-checking the needs of local teams.

It is scheduled to be rolled out in 2023 to sites that do not currently follow this practice in a way that is adapted to local issues.

In addition, six groups of employees at Frauscher are working on the OKR method – "Objectives and key results" (overall management team, Austria, India, UK, US, France). This method aligns the company's strategy and objectives with the team's objectives. It helps each person to understand what contribution they or their team are making to the overall target.

2. People Review

In addition, the practice of the people review (review of the performance and development of all the people attached to a group of managers, carried out collectively, in order to enrich views on people) helps us explore each individuals' potential, secure succession plans and offer development opportunities.



Change in 2021 figure due to publication based on an estimate for Conductix-Wampfler - now adjusted to actual situation - and non-integration of KLK company data.

In 2022, this practice continued to grow and expand across our organisations. Frauscher in particular rolled out the practice across all its teams through method introduction sessions and local session facilitation.

Conductix-Wampfler remained stable compared to 2021, while Pandrol saw a drop in the number of people targeted, mainly due to organisational changes that postponed these meetings to early 2023.

Particular attention has also continued to be given to the quality of discussions and their translation into development actions and mobility.

B. Performance and development

3. Training and skills development

Groupe Delachaux is committed to providing its employees with a variety of training and development opportunities through its companies, equipping them to succeed and encouraging them to always learn, and to remain curious, agile and able to adapt.

Firstly, through digital training platforms that give access to a wide range of "off-the-shelf" and "internal" training modules. These were accessed by 90% of our workforce, i.e., 3,584 people, by the end of 2022. Our employees spent an average of 1.5 hours in training on these platforms. The amount of time spent decreased at Pandrol (-18%), which could be explained in part by teams' focus on particular operational issues in 2022. There was also a slight downturn at Frauscher (-10%) but an increase at Conductix-Wampfler (+14%).

The adoption of these online tools remains an issue on which local and global teams are working hard. In 2022, the online training catalogue was streamlined for better visibility, webinars were organised with the management network to rediscover this environment, specific themes bringing together a variety of associated training modules were held each month (*International Women's Day, Environment Day, annual reviews, budgetary period, etc.*).

An onboarding journey is also automatically assigned to every new employee. This includes training modules on their working environment, knowledge of the Group's companies, key products and training that is categorised as essential and mandatory: Code of Ethics, industrial safety and cybersecurity.

Cybersecurity was a strong focus for the Group in 2022. Within our companies, various actions have been rolled out to strengthen our practices and vigilance in this area.

- An additional training module is now mandatory for all employees who have been at the company for more than 12 months in order to refresh their knowledge. The completion rate reached 94.5% in January 2023 at Frauscher and 97% for 2022 for the other Group companies.
- Situational exercises are carried out through phishing tests on our work applications. The frequency of refresher training is determined automatically and dynamically based on the user's response, the number of failed tests leading to more regular training.
- Communications through internal newsletters and our Intranet sites have also been regularly enhanced.

In addition, in-person training is provided locally by each site. These training courses are different, depending on requirements, and a significant investment is being made in "industrial safety" training in our factories.



B. Performance and development

4. Work environment

a) Targets for listening and dialogue

Aware of the challenges associated with teams' capacity to listen continuously and fully, in 2020, the Group adopted the employee engagement rate as a non-financial key performance indicator. How this evolves will be measured and monitored every 12 to 18 months.

2022 was a year devoted to exchanges based on the results of the second survey completed in November 2021 and the implementation of initiatives to improve the work environment of our employees.

In terms of Group companies, the results mainly focused on two areas of work and therefore of initiatives:

- Development of employees and managers: in this area, initiatives focused on the continuity of people reviews and their quality in terms of exchange and development actions taken, the maintenance and/or roll-out of leadership training for our managers and the focus and energy brought to on our digital training platforms as a development tool.
- Clarification of the remuneration process: the approach to this area was, for the most part, local, according to need. In Austria at Frauscher, for example, the local team reviewed the process in detail and then communicated it clearly to the site's employees. In France, Belgium and Ireland, a dedicated session on this subject was also held with the local teams (Delachaux, Pandrol and CxW). At Pandrol in Spain, the teams reviewed salary ranges by job category.



B. Performance and development

Most of the actions and initiatives were taken as close as possible to those on the ground, within the sites and/or teams and with regard to everyone's priorities.

An overview is presented below:



The Group and its companies will conduct their next global engagement survey at the beginning of 2023 with all employees of Group companies. **Groupe Delachaux's aim is to achieve a participation rate of 90% in the engagement survey which will be conducted in 2023, with an employee satisfaction rate of 50%.**

B. Performance and development

b) Organisation of work

Discussions and negotiations on working time are applied in Group companies in accordance with the laws and any applicable collective bargaining agreements in each country in question.

The Group makes very little use of part-time work; existing cases correspond to a chosen part-time work schedule. Since 2021, remote working has become part of our working habits for employees in posts for which presence at the workplace is not mandatory.

The Group is clearly supportive of offering its employees autonomy and flexibility while maintaining collaboration and communication within teams. In many locations, including offices, agreements or working time charters have been established following the recommendations of governments and health authorities in the countries in which we operate.

In 2022, working time agreements were signed or are in the process of being signed (CxW Germany, CxW Jay Electronique, Delachaux France); remote working practices are promoted through policy or contractual arrangement (CxW Germany, Frauscher UK, Frauscher India).

The Group is also alert to maintaining the work-life balance of its employees, even more so since the acceleration of remote working practices within our various sites. This question is also put to all Group employees in our engagement survey.

On this subject, our companies are also driving initiatives globally and/or locally to raise awareness. Local awareness-raising training and/or actions are being initiated, for example, to improve and main-

tain work-life balance (Pandrol US and UK), a list of online training modules has been specifically made available on our digital platform on this subject and communicated to our employees.

In 2022, Frauscher's teams continued to focus on mental health by organising two awareness-raising days during which all employees had one day off in order to focus on their individual health. These two days were supported by local actions (team hiking, for example) and global actions (online lessons on resilience or yoga).

Employee perception will also be specifically surveyed in early 2023 with the introduction of two new questions on the topic.

HEALTH AND WELL-BEING

My company gives me the support I need for my mental and physical well-being to enable me to work effectively

MENTAL HEALTH

I am satisfied with my level of involvement in decisions that impact me

c) Social dialogue and collective bargaining agreements

The French companies in Groupe Delachaux are mainly subject to the national collective bargaining agreement for the metallurgy sector, but also the national collective bargaining agreement for railway public works.

Today, the French companies are having discussions in order to direct their decisions, whenever possible and desirable, towards greater harmonisation in terms of approach and content. Various collective bargaining agreements were signed by the companies in France in 2022:

- At Delachaux, a remote working agreement, a profit-sharing agreement and a savings plan transformation agreement (PERECO) have been signed.
- At DCX Chrome, a mandatory annual negotiation agreement, a savings plan transformation agreement (PERECO) and an incentive agreement (2022–2024) have been signed.
- At Lenoir, an amendment to the profit-sharing agreement has been signed.
- At Pandrol, an agreement on mandatory annual negotiations, a pre-election memorandum of understanding and an incentive agreement (2022–2024) have been signed.
- At Conductix-Wampfler Belley, an agreement on mandatory annual negotiations, an agreement on the monetary valuation of inventions by employees (intellectual property agreement) and a savings plan transformation agreement (PERECO) were signed. The agreement on working time initiated in 2021 continued. Following a survey, 60% of staff said they were in favour of maintaining current schedules and against proposals to change them. The subject will be covered again in the 2023 negotiations.
- At Conductix-Wampfler St Ismier, an incentive agreement, amendments to the profit-sharing agreement and the remote working charter were signed.

In Germany, the major entity located in Weil-Am-Rhein is not part of the employer's union and is therefore not required to systematically apply the agreements reached with the main union IG Metall. However, it often uses them as a reference when preparing local agreements.

In the United Kingdom, the Group's main structure has an agreement (Procedural and substantive agreement) drawn up in 1999 with the Unite the Union trade union (known at the time as the Transport and General Workers' Union). Part of this agreement covers broad areas such as problem solving, change management, and disciplinary and dismissal procedures. Another part deals with specific topics such as pay, shift work, leave, absences and other working rules. In 2018, representatives approved the new attendance management policy, which was introduced in 2020.

In Australia and Spain, a collective bargaining agreement for the metallurgy industry also applies and leads to resolutions applicable in companies regarding the general salary increase budget.

d) Employee representatives

In all countries and entities concerned, employees of Group companies are represented at different levels (legal entities/places of business) by representatives of the representative trade unions, staff representatives, the joint works council and the health, safety and working conditions committees or local equivalent.

Group companies comply with the schedule of mandatory monthly, quarterly and annual meetings. In addition to the formal relations and exchanges provided for by law, the management departments of legal entities and places of business endeavour to communicate and work with social partners on the various projects affecting the company and employees and to promote discussions and listening times.

B. Performance and development

5. Diversity and inclusion

As our Code of Ethics states: ***"We promote diversity and equal opportunities and recruit our employees based on their skills, their professionalism and their performance."***

These elements are part of the Groupe Delachaux HR framework common to all companies, which indicates the expected behaviours of all Groupe Delachaux employees through our employment policy, which also reaffirms this commitment to the diversity and inclusion of our new employees.

Preventing discrimination and commitment to diversity

Groupe Delachaux combats all forms of discrimination.

With a constant concern to ensure that this assertion of our ethical code is well perceived and experienced by our employees, we are including three additional questions on this subject in the engagement survey at the beginning of 2023:

DIVERSITY

I consider (company name) to be a company where diversity (e.g., in terms of gender, ethnicity, disability or socio-economic status) is present

INCLUSION

At my company, people from all walks of life are accepted as they are

DIVERSITY & INCLUSION

I feel that my site makes efforts to support diversity and inclusion initiatives.

Furthermore, in compliance with local regulations, Delachaux carries out its activities in accordance with the fundamental conventions of the International Labour Organization (ILO) wherever the Group operates. The ILO fundamental conventions cover a number of topics, including respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced labour and the effective abolition of child labour.

At Frauscher, the Sankt Marienkirchen site in Austria is a member of the "Diversity Charter", which is an initiative to promote respect for all members of society – regardless of gender, age, origin and skin colour, sexual orientation, religion and world view, or physical or mental disability.

At Pandrol, the Zizurkil site in Spain has launched an analysis plan and proposals for procedures to avoid unequal treatment. This plan is currently being prepared.

Gender equality at work

Groupe Delachaux is committed to promoting gender equality when it comes to career development, access to training, salaries and positions in the company.

Women are present in all business units and at almost all levels of the business. The proportion of women in the Group's workforce as at 31 December 2022 was 22%, an increase of 2% compared to the previous year (20%), of which Pandrol is a major contributor. We want to continue our efforts in this area.

By way of example, International Women's Day is widely celebrated locally: it has been the subject of a list of awareness training/content on our digital platform, from participation at Frauscher and Pandrol in the UK to the Women in Rail Award.

B. Performance and development

In France, our companies with more than 50 employees published the Gender Equality Index at the beginning of 2023. Our largest sites, Pandrol Raimés and Conductix-Wampfler Belley, maintain a level of gender equality at work above regulatory expectations, but the smallest sites, DCX Chrome in Marly and Jay Electronique in Saint Ismier, are below regulatory expectations. Actions are underway at these two sites to implement action plans to improve these scores.

A measure has already been taken to reduce the gender pay gap by allocating an additional salary upgrade budget.

Overall, companies have maintained the number of women in their top management teams. The upward variations at Pandrol are linked to the arrival of two women in the Finance and Information Systems Departments. Frauscher's downward variation is more linked to the adjustment of the target managerial scope than to the departure of women from this type of position.

Proportion of women in the Group's and companies' workforce

Proportion of women by entity as at 31/12/2022	Number of women	Total workforce	% in 2022	% in 2021
Groupe Delachaux	894	3 981	22.4 %	20.4 %
Conductix-Wampfler	374	1 589	23.5 %	23.3 %
Pandrol	287	1 607	17.9 %	13.9 %
Frauscher	203	644	31.5 %	31 %
DCX Chrome	9	64	14.1 %	13.8 %
Lenoir-MEC	6	44	14.3 %	14.3 %
Delachaux HQ	15	33	43.8 %	43.8 %

Proportion of women in the Group's and companies' top management teams

Proportion of women in management teams by entity as at 31/12/2022	Number of women	Total workforce of the top management teams	% in 2022	% in 2021
Groupe Delachaux	40	236	16.9 %	16.7 %
Pandrol	17	109	15.6 %	13.9 %
Frauscher	4	21	19 %	23.8 %
Conductix-Wampfler	6	73	8.2 %	9.1 %
DCX Chrome	3	9	33.3 %	33.3 %
Lenoir MEC	2	6	33.3 %	21.4 %
Delachaux HQ	8	18	44.4 %	47.1 %

B. Performance and development

Employment and inclusion of workers with disabilities

To date, the indicator of the number of disabled workers is monitored in France only. This does not prevent many of our sites from being active in this area and taking local action to develop the integration of disabled workers into our teams.

Number and proportion of disabled workers for sites located in France in 2022:

List of companies in France	Number of workers with disabilities	Total workforce	Proportion of workers with disabilities in 2022	Proportion of workers with disabilities in 2021
Pandrol France	17	364	5 %	5 %
Conductix-Wampfler France	15	254	6 %	5 %
Raoul Lenoir	2	29	7 %	3 %
DCX Chrome	3	64	5 %	5 %
Delachaux SA	1	33	3 %	6 %
TOTAL	38	744	5 %	5 %

The number of disabled workers has been constant (38 vs 37) since 2021.

Local actions are also continuing to raise awareness of the practice of welcoming and hiring people with disabilities. At Conductix-Wampfler France sites, participation in a recruitment forum (Duo Day) makes it possible to connect and organise immersion visits to explore the world of business. At the Pandrol Spain site (Castellgali), gardening work is subcontracted to an entity that specialises in getting disabled people into work.



6. Remuneration

Remuneration policy

The Group has developed and introduced a Compensation & Benefits Policy, which sets out the main practices in this area in all its entities. The policy sets out basic control rules - for example, level N+2 approval - for any decision relating to remuneration. It also aims to strengthen the link between performance and remuneration at all levels and to control the wage bill.

Market data

For several years, annual data on changes in the salary market by country (covering all countries in which the Group operates) have been collected from at least two specialist sources. This is used to define the annual salary increase budget for each entity, also taking into account the specific characteristics of the entity in the country. These data on market changes are also used for reference purposes for the annual negotiation with staff representatives about the financial budget for salary increases.

Unprecedented and volatile inflation rates made 2022 a unique year. The Group made every effort to protect the interests of its employees and its companies. In particular, this led to more significant budgets for annual pay rises in some countries compared to previous years. In France, an additional budget was decided by the companies in October 2022 to protect the purchasing power of our employees on the lowest wages. On the other hand, the very good results of some of our companies also led to an increase in wages, particularly in the variable component (incentive and variable remuneration). All these factors explain the change of +10% in gross remuneration paid between 2021 and 2022.

Amount of remuneration paid by the Group

(In millions of euros)	31/12/2022	31/12/2021	31/12/2020	31/12/2019
Gross remuneration	203.5	184.9	165.6	159.4





6

COMMUNITIES

A. Our approach to communities



Groupe Delachaux wishes *to contribute to the development of the communities around us*. To do this, the various sites of the Group's companies build lasting relationships with their local communities. This social commitment is embodied through the WE Community project, one of the five pillars of our CSR programme.

In 2021, the Group identified the various philanthropy, patronage and volunteering actions carried out by the companies in the different geographical regions. This helped to build the strategy and a reference framework for the WE Community in order to guide future actions around three themes: Community, Education and Environment. During 2022, an internal awareness campaign was adapted and launched by each company to encourage and promote actions towards communities. The approach is genuinely to meet local needs as best as possible, mainly at industrial sites and to involve employees so that they are as proactive as possible and responsible for implementing the actions.

In February, Pandrol launched Pandrol Cares, Frauscher launched its campaign in June and Conductix-Wampfler in November 2022.

To strengthen its social commitment, the Group created a fund called the Delachaux Community Fund in May 2022 with an initial budget of €132,044. It aims to support and encourage local initiatives led by the Group's companies, whether these are new initiatives or initiatives already in place.

In 2022, Groupe Delachaux also joined the French association Admical, a network of companies, associations and public entities that seek to pool companies' efforts in terms of societal actions, corporate patronage and philanthropy.

In 2023, the Group's goal is to encourage actions with sites and in connection with local communities, whether through volunteering and with the support of the Delachaux Community Fund.

In 2023, the Group's goal is to encourage actions with sites and in connection with local communities, whether through volunteering and with the support of the Delachaux Community Fund.



1. Solidarity



Pandrol UK

In the United Kingdom, Pandrol supports the Bluebell Wood Children's Hospice throughout the year and has raised a total of £3,508 in donations from its employees for the charity. In 2022, they participated in a series of dragon boat races for a collection, volunteered to help organise the centre's Remembering Day Service, contributed to the Christmas prize and collected Christmas trees for recycling.



Pandrol Brazil

In Brazil, in Porto Alegre, Pandrol has been supporting the Casa de Passagem association for two years. The association offers a shelter for children who have been abandoned or removed from their families due to ill-treatment or vulnerable situations. In 2022, Pandrol carried out renovation work, such as repairing floors and painting walls, and also donated computers to support the children in their studies. At Christmas, Pandrol employees donated clothes and toys so that the children could receive gifts for the holidays.

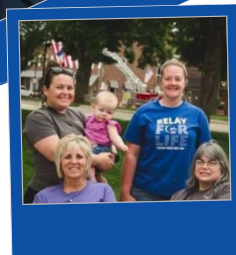


Frauscher India

In India, Frauscher donated an ambulance to ESI Hospital in Mysuru. This donation strengthens the hospital's medical capabilities that were significantly challenged during the pandemic. This is the second consecutive year that Frauscher India has supported this hospital.

Frauscher Austria

In Austria, Frauscher collaborated with the Red Cross to arrange a blood drive in Sankt Marienkirchen. More than 60 employees took part and gave their blood for this crucial public health event.



Conductix-Wampfler USA

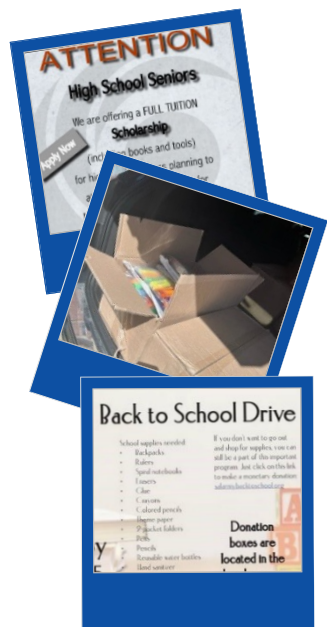
In the United States, Conductix-Wampfler organised and participated in numerous association projects with their communities. Team members in Harlan partnered with the Meals on Wheels association to distribute meals to people in need. In Omaha, they collected childcare items for the Bust the Bust association, which helps mothers-to-be. Employees organised a blood drive and prepared over 1,600 meals for Foodbank for the Heartland.

2. Education



Frauscher Austria

In Austria, Frauscher gave special needs students at a school in Schärding electronic devices to help them in their learning. Three classes, a total of 22 students, received one iPad and one computer per class.



Conductix-Wampfler USA

In the United States, the Conductix-Wampfler team in Omaha supported the Salvation Army's Back to School campaign with backpacks and school supplies. In 2022, the company also launched an initiative to offer two full scholarships for senior students interested in studying as a machinist/toolmaker or forging at a community college.

This initiative covered the books and equipment required to complete their studies. Students selected for this prestigious scholarship will be supported in the pursuit of their academic training and future development.



Conductix-Wampfler France

The Belley site has participated in all SMILE trade fair events since 2017. In 2022, more than 950 Year 5 students visited the trade fair, accompanied by 50 teachers and chaperones. Visitors came from dozens of secondary schools near Belley.

More than 50 companies, including subcontractors of Conductix-Wampfler, participated in organisation of the trade fair. Fifteen Conductix-Wampfler employees attended the trade fair and presented their business to the students. A competition was also held for students, who had to make a torch; the winners collected their prize at Conductix-Wampfler and had a site tour.

3. Environment



Pandrol

To mark World Environment Day, organised annually by the United Nations on 5 June, Pandrol decided to raise awareness among all its employees by distributing an information pack including a guide with eco-gestures and tips on how to reduce their carbon footprint at work and at home.



Frauscher Austria

In 2021, Frauscher employees in Sankt Marienkirchen launched a Carployee carpooling app to encourage work travel sharing. The results are encouraging: in 2022, 44 new people signed up to the app, adding to the 190 users who joined in 2021, and 64% are active members. This year, the 1,293 carpool journeys saved 4.5T of CO₂ and €4,144 of fuel.





7

APPENDICES

A. Methodology note

All the information shared in this report concerns Groupe Delachaux and includes its five companies (Pandrol, Conductix-Wampfler, Frauscher DCX Chrome and Lenoir-MEC). If some data concern a smaller scope, this is specified in Appendix B, which summarises the figures in the report. The data from KLK, which was sold in 2022, have not been reported.

The environmental data in the report (sections 4.B.c, 4.B.d and 4.B.e) are made based on the following parameters:



Company	Number of sites	Data parameters
Pandrol	Production: 21 Tertiary: 11	Production: 21 sites Tertiary: 2 sites
Frauscher	Production: 2 Tertiary: 19	Production: all Tertiary: 13 sites
Conductix-Wampfler	Production: 13 Tertiary: 16	Production: 10 main sites Tertiary: none
DCX	1 (production)	1
Lenoir-MEC	2 (production)	2 (except for water and waste: 1 site)
Delachaux HQ	1 (tertiary)	1 (*) (**)

(*) no data for waste

(**) no data for water

Greenhouse gas emissions data are reported according to the GHG Protocol standard.

B. The figures in this report

Section	Page	Name	Year	Unit	Scope	Comments
II.A		Sales turnover	2022	€	Groupe Delachaux	According to IFRS
II.A		Sales by company	2022	%	Groupe Delachaux	By company, as % of total sales turnover
II.A		Sales by destination region	2022	%	Groupe Delachaux	By geographical area, as % of total sales turnover. MEA = Middle East and Africa
II.A		Total workforce by region	2022	Active & inactive employees	Groupe Delachaux	Active = payroll employee. Does not include temporary staff. Inactive = employee not currently on payroll but possibly returning (sabbatical leave, parental leave)
II. A		Women in workforce	2022	%	Groupe Delachaux	
II.D.4		Workforce by company	2022	%	Groupe Delachaux	Active & inactive employees
II.D.4.a		Employees by category	2018 to 2022	Active & inactive employees	Groupe Delachaux	Managers: in charge of at least one permanent employee Expert: specialist member of a management team or an international network Blue-collar workers: responsible for direct or indirect production Other: administrative support, white-collar workers, technicians
II.D.4. bc		Active employees by country	2018 to 2022	Active employees	Groupe Delachaux	Ten main countries
II. D.4.c		Active employees by region	2018 to 2022	Active employees	Groupe Delachaux	APAC = Asia-Pacific Europe MEA - Middle East and Africa
II.D.4.dc		Active employees by age	2018 to 2022	Active employees	Groupe Delachaux	
II.D.4.e		Active employees by length of service	2018 to 2022	Active employees	Groupe Delachaux	Including non-permanent jobs (fixed-term contracts or apprentices). Length of service retained in case
II.F		Orders taken by company	2021 2022	€	Groupe Delachaux	By company, in millions of euros

B. The figures in this report

Section	Page	Name	Year	Unit	Scope	Comments
II.F		Sales turnover by company	2022	%	Groupe Delachaux	By company
II.F		Sales turnover by company	2021 2022	€	Groupe Delachaux	By company, in millions of euros
II.F		Sales turnover by region of destination	2021 2022	€	Groupe Delachaux	In millions of euros
II.F		Investment in research and development	2021 2022	€ / %	Groupe Delachaux	R&D expenditure as value and % of sales turnover
IV.A.2		Evolution of safety performance by company	2015 to 2022	FR1'	Groupe Delachaux	Frequency rate: number of lost time incidents per million hours worked (including temps)
IV.A.2		Evolution of safety performance by company	2021 to 2022	SR1'	Groupe Delachaux	Severity rate: number of days lost due to incident per thousand hours worked
IV.B.1		ISO Environmental Certifications	2022	Sites	Groupe Delachaux	
IV.B.2		Greenhouse gas emissions (Scope 1+2) per activity	2019 to 2022	Tonnes of CO ₂ equivalent	Groupe Delachaux	According to GHG Protocol 2019 and 2020 data corrected following an error in the gas, electricity and power consumption data of an air conditioning unit.
IV.B.2		Electricity consumption by company	2019 to 2022	MWh	Groupe Delachaux	Production sites and office sites generating electricity bills
IV.B.2		Water consumption by company	2022	Litres	Groupe Delachaux	
IV.B.2		Waste generation by company	2022	Tonnes, by type and by company	Groupe Delachaux	
IV.C.2		Number of employees trained in the Code of Ethics	2022	Employees	Groupe Delachaux	E-learning: TRACE International certificates In-person: attendance sheets

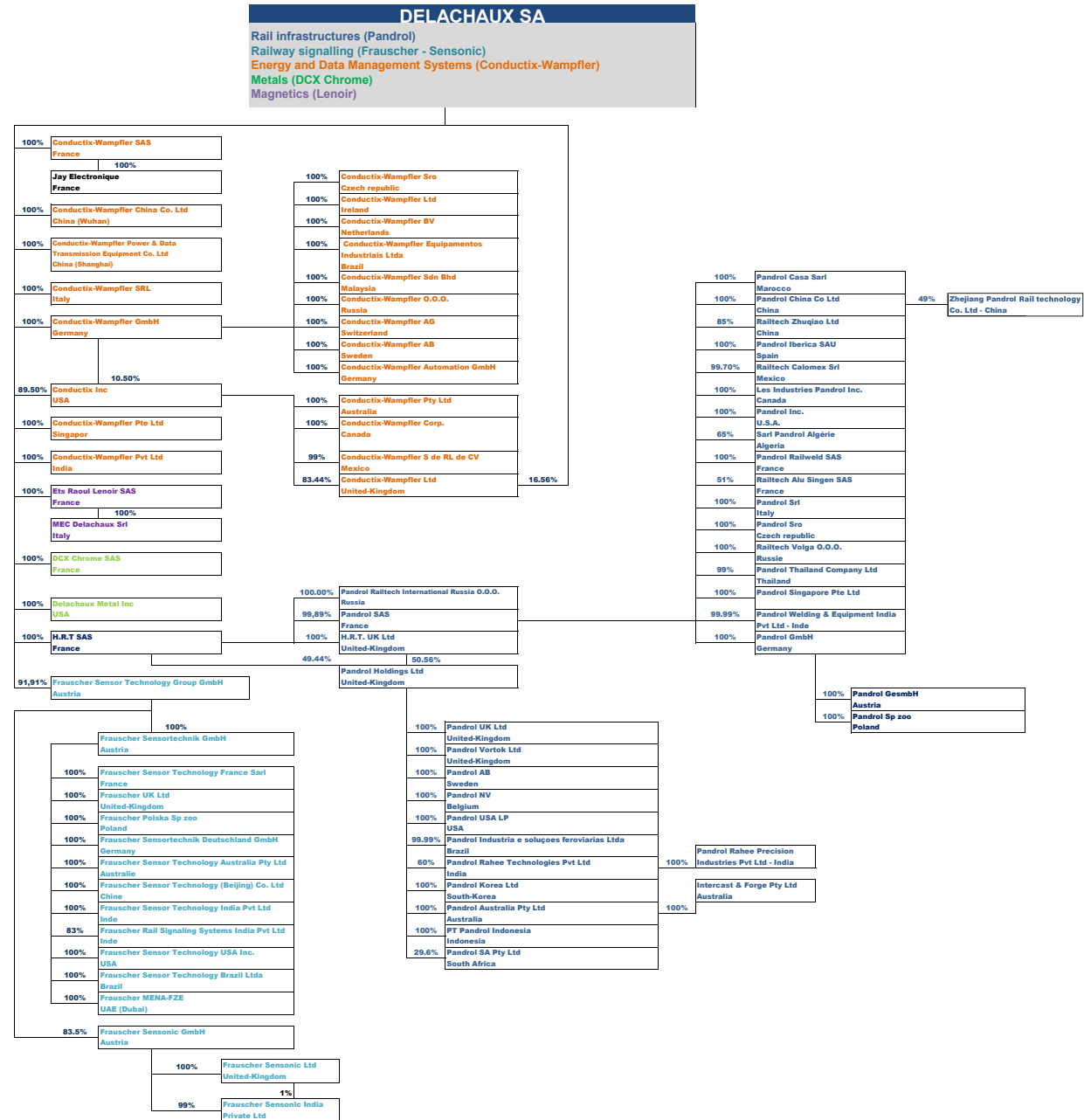
B. The figures in this report

Section	Page	Name	Year	Unit	Scole	Comments
IV.C.3		Number of employees trained in anti-bribery	2018 to 2022	Employees	Groupe Delachaux	E-learning: TRACE International certificates In-person and IKARIAN: attendance sheets and Teams reports
V.B.2		Number of people reviews carried out	2019 to 2022	Employees	Groupe Delachaux	
V.B.5		Proportion of women in the total workforce	2021 to 2022	%	Groupe Delachaux	
V.B.5		Proportion of women in the top management teams	2021 to 2022	%	Groupe Delachaux	Top management made up of extended management teams for the Group's three main companies
V.B.5		Employment of people with disabilities	2021 to 2022	%	France	Disabled employees in direct and indirect employment
V.B.6		Total remuneration	2019 to 2022	€	Groupe Delachaux	Gross remuneration excluding social security contributions

07 Appendices

C. Simplified organisational chart of Groupe Delachaux

SIMPLIFIED ORGANISATIONAL CHART OF THE GROUP (*) ON DECEMBER 31st 2022



(*) Are not represented in this simplified histogram the companies which are only pure financial holdings and which have neither activity nor employee.

GRENNELLE 2 - ARTICLE 225 and decrees of 19/08/2016 and 09/08/2017			
GP	GENERAL REPORTING PRINCIPLES	Section	GRI reference
GP1 (Art. R. 225-105. I-)	The non-financial performance statement mentioned in Part I of Article L. 225-102-1 and the consolidated non-financial performance statement mentioned in Part II of the same article present the business model of the company or, where applicable, of all the companies for which the company prepares consolidated accounts.	II	
GP2 (Art. R. 225-105. I-)	For each category of information mentioned they also present: 1. A description of the main risks associated with the activity of the company or of all the companies including, when this proves relevant and proportionate, the risks created by its business relationships, products or services; 2. A description of the policies applied by the company or all the companies including, where applicable, the due diligence procedures implemented in order to prevent, identify and mitigate the occurrence of the risks mentioned in 1); 3. The results of these policies, including key performance indicators. (Decree of 09/08/2017)	III.A.2	102-45 102-49 103-1 103-2
GP3 (Art. R. 225-105. I-)	When the company does not apply any policy relating to one or more of these risks, the statement includes a clear and reasoned explanation justifying this (Decree of 09/08/2017).		
GP4 (Art. R. 225-105.1 I-)	Published information is presented "in such a way as to allow a comparison of the data" (Law of 12/07/2010). The report of the Board of Directors or Management Board "presents the data observed during the financial year ended and, where applicable, during the previous financial year, so as to allow a comparison between these sets of data" (Decree of 24/04/2012).		
GP5 (Art. R. 225-105.1 II-)	When a company voluntarily complies with a national or international reference system to fulfil its obligations under this article, it mentions this by indicating the recommendations in this reference system which have been applied and the procedures for consulting this system (Decree of 24/04/2012).	VII.D VII.E	
GP6 (Art. R. 225-105.1 III-)	Without prejudice to the disclosure obligations applicable to the report provided for in Article L. 225-100, these statements shall be made available to the public and shall be made easily accessible on the company's website within eight months of the end of the financial year and for a period of five years (Decree of 09/08/2017).		
GP7 (Art. 225-105.2 I-)	The independent third party body mentioned in part V of Article L. 225-102-1 is appointed, as applicable, by the CEO or the Chairman of the Management Board, for a term not exceeding six financial years, from among the bodies accredited for this purpose by the French Accreditation Committee (COFRAC) or by any other accreditation body that is a signatory to the multilateral recognition agreement established by the European coordination of accreditation bodies. The independent third party body is subject to the incompatibilities provided for in Article L. 822-11-3.	VII.F	

GP7 (Art. R. 225-105.2 II-)	When information is published by companies whose thresholds exceed 100 million euros for the balance sheet total or 100 million euros for net total sales turnover and 500 for the average number of permanent employees employed during the financial year, the report of the independent third party includes: a) A reasoned opinion on the statement's compliance with the provisions of Part I and Part II of Article R. 225-105 and also on the accuracy of the information provided pursuant to paragraph 3 of Part I and Part II of Article R. 225-105; b) The procedures that it has implemented to carry out its audit assignment. (Decree of 09/08/2017).	VII.F	
GP8 (Art. L. 225-102-1. IV)	Defined companies that are under the control of a company which includes them in its consolidated accounts in accordance with Article L. 233-16 are not required to publish any statement on non-financial performance if the company that controls them is based in France and publishes a consolidated statement on non-financial performance or if the company that controls them is established in another Member State of the European Union and publishes such a declaration in accordance with the applicable legislation. (Order of 19/07/2017)		
GP9 (Art. L. 225-102-1. V)	For companies whose balance sheet total or sales turnover and number of employees exceeds the thresholds set by Council of State decree, where applicable on a consolidated basis, the information featuring in the statements is audited by an independent third party body, in accordance with the procedures established by Council of State decree. This audit gives rise to an opinion which is sent to shareholders at the same time as the report mentioned in paragraph two of Article L. 225-100. (Order of 19/07/2017).	VII.F	
CORPORATE INFORMATION			
I.a)	EMPLOYMENT	Section	GRI G4 reference
I.a) 1.1	Total workforce	II.A	102-7
I.a) 1.2	Distribution of employees by gender	V.B.5	102-8 401-1
I.a) 1.3	Distribution of employees by age	II.D.4.d)	401-1
I.a) 1.4	Distribution of employees by geographical area	II.D.4.c)	102-8 401-1
I.a) 2.1	New hires		
I.a) 2.2	Dismissals		
I.a) 3.1	Remuneration	V.B.6	202-1
I.b)	ORGANISATION OF WORK	Section	GRI G4 reference
I.b) 1	Organisation of working time	V.B.4.b)	

I.b) 2	Absenteeism		
I.c)	HEALTH AND SAFETY	Section	GRI G4 reference
I.c) 1	Occupational health and safety conditions	IV.A	403-1 403-2 403-3 403-4
I.c) 2.1	Frequency and severity of occupational accidents	IV.A.2	403-2
I.c) 2.2	Occupational illnesses		
I.d)	INDUSTRIAL RELATIONS	Section	GRI G4 reference
I.d) 1	Organisation of dialogue between management and employees, procedures for provision of information to, negotiation with and consultation of staff and negotiating with staff	V.B.4	402-1 403-1
I.d) 2	Review of collective bargaining agreements, especially in terms of occupational health and safety	V.B.4	407-1

I.e)	TRAINING	Section	GRI G4 reference
I.e) 1	Training policies implemented	V.B.3	404-2
I.e) 2	Total number of training hours	V.B.3	404-1
I.f)	EQUAL TREATMENT	Section	GRI G4 reference
I.f) 1	Measures taken to promote gender equality	V.B.5	401-3 405-1 405-2
I.f) 2.1	Measures taken to promote employment	V.B.5	
I.f) 2.2	Measures taken to promote the integration of persons with disabilities	V.B.5	405-1
I.f) 3	Anti-discrimination policy	V.B.5	405-1 406-1

ENVIRONMENTAL INFORMATION			
II.a)	GENERAL ENVIRONMENTAL POLICY	Section IV	GRI G4 reference
II.a) 1.1	Organisation of the company to take account of environmental issues	I II.E III.B IV.B.1	102.14
II.a) 1.2	Environmental assessment or certification procedures	IV.B.1	
II.a) 2	Resources devoted to the prevention of environmental risks and pollution		
II.a) 3	Amount of provisions and guarantees for environmental risks		
II.b)	POLLUTION	Section	GRI G4 reference
II.b) 1.1	Prevention, reduction, reparation measures: AIR		
II.b) 1.2	Prevention, reduction, reparation measures: WATER	IV.B.2	306-1 306-3 306-5
II.b) 1.3	Prevention, reduction, reparation measures: SOIL	N/A	
II.b) 2	Consideration of all forms of pollution specific to an activity, in particular noise and light pollution	N/A	
II.c)	CIRCULAR ECONOMY	Section	GRI G4 reference
II.c)i)	Waste prevention and management	IV.B.2	306-2
II.c).i) 1	Measures for prevention, recycling, reuse and other forms of waste recovery and disposal	IV.B.2 IV.B.3	306-2
II.c).i) 2	Measures to prevent food waste	N/A	
II.c).ii)	Sustainable use of resources	IV.B	301-2
II.c).ii) 1.1	Water consumption	IV.B.2	303-1
II.c).ii) 1.2	Water supply depending on local constraints	N/A	
II.c).ii) 2.1	Consumption of raw materials	IV.B.1 IV.B.2 IV.B.3	301-1 301-2

II.c).ii) 2.2	Measures taken to improve efficiency in their use	IV.B.1 IV.B.2 IV.B.3	301-1 301-2
II.c).ii) 3.1	Energy consumption	IV.B.2	302-2
II.c).ii) 3.2	Measures taken to improve energy efficiency	IV.B.2	302-4 302-5
II.c).ii) 3.3	Measures taken to improve the use of renewable energies	IV.B.2	
II.c).ii) 4	Use of land	N/A	
II.d)	CLIMATE CHANGE	Section	GRI G4 reference
II.d) 1	Significant sources of greenhouse gas emissions generated as a result of the company's activity, in particular through the use of the goods and services that it produces	IV.B.2	305-1 305-2 305-3 305-4 305-5
II.d) 2	Adaptation to the consequences of climate change	N/A	
II.d) 3	The reduction targets set voluntarily in the medium and long term to reduce greenhouse gas emissions and the resources implemented to this end	IV.B.2	
II.e)	PROTECTION OF BIODIVERSITY	Section	GRI G4 reference
II.e) 1	Measures taken to protect or restore biodiversity	N/A	
SOCIETAL INFORMATION			
III.a)	CORPORATE COMMITMENTS TO SUSTAINABLE DEVELOPMENT	Section	GRI G4 reference
III.a) 1	The impact of the company's activities in terms of employment and local development	N/A	
III.a) 2	The impact of the company's activities on local populations	N/A	
III.a) 3	Relationships maintained with the company's stakeholders and the procedures for dialogue with them	N/A	
III.a) 4	Partnership or sponsorship actions	VI	203-1
	Fight against food poverty	N/A	
	Promoting responsible, equitable and sustainable food	N/A	
	Respect for animal welfare	N/A	

III.b)	SUBCONTRACTING AND SUPPLIERS	Section	GRI G4 reference
III.b) 1	Consideration of social and environmental issues in the procurement policy	IV.B.6	308-1 308-2 412-1 412-3 414-1 414-2
III.b) 2	Consideration of suppliers' corporate social and environmental responsibilities in relationships with them	IV.B.6	308-1 308-2 412-1 412-3 414-1 414-2
III.c)	FAIRNESS OF PRACTICES	Section	GRI G4 reference
III.c)	Measures taken in favour of consumer health and safety	N/A	
IV.a)	Actions taken to prevent corruption	IV.C	102-16 102-17 205-1 205-2 205-3
V.a)	PROMOTION OF AND COMPLIANCE WITH THE STIPULATIONS OF THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION (ILO)	Section V	
V.a) 1	Respect of freedom of association and the right to collective bargaining	V.B.4	407-1
V.a) 2	Elimination of discrimination in respect of employment and occupation	IV.C.2 V.B.5	406-1
V.a) 3	Elimination of forced or compulsory labour	IV.C.2	409-1
V.a) 4	Effective abolition of child labour	IV.C.2	408-1
V.b)	OTHER MEASURES TAKEN IN SUPPORT OF HUMAN RIGHTS	IV.C.1 IV.C.2 IV.B.6	410-1 411-1 412-1 412-2 414-2
	Local communities	VI	413-1

E. Global Compact Correlation Table

Global Compact	Groupe Delachaux NFPS		
Topic	Section	Name	Comments
Human Rights	IV.C.1 IV.C.2 V.A VI.A	The Code of Ethics Respect for people Community	
Labour	IV.C.1 IV.C.2 V.B.4	The Code of Ethics Organisation of work and industrial relations	
Environment	IV.C.1 IV.C.2 IV.B	The Code of Ethics Environment	
Anti-bribery	IV.C	The Code of Ethics Ethics	



Accreditation n°3-2013
www.cofrac.fr

Report by the independant third party

Year ending December 31, 2022

To the Shareholders,

In our capacity as Statutory Auditor of Delachaux (hereinafter the "entity"), appointed as an independent third party and accredited by Cofrac (Cofrac Inspection Accreditation n°3-2013, whose scope is available at www.cofrac.fr), we conducted our work in order to provide a report expressing a limited assurance conclusion on the historical information (observed and extrapolated) of the consolidated non-financial information statement (hereinafter respectively the "Information" and the "Statement"), prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for year ended on December 31, 2022, included in the management report pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Conclusion

Based on the procedures performed, as described in the "Nature and scope of our work" section, and the elements that we have collected,

nothing has come to our attention that causes us to believe that the consolidated non-financial information statement is not compliant with the applicable regulatory provisions and that the Information, taken as a whole, are not presented fairly in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to evaluate and measure the Information permits the use of different, but acceptable, measurement techniques that may affect comparability between entities and through time.

Consequently, the Information needs to be read and understood with reference to the Guidelines, significant elements of which are available upon request from the entity's headquarters.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- the preparation of the Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of those policies, including key performance indicators and if applicable the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's Guidelines as mentioned above

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3 and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information");

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to comment on :

- the entity's compliance with other applicable legal and regulatory provisions (in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax evasion legislation);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations

Regulatory provisions and professional standards applicable

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 (Revised).

Independence and quality control

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of statutory auditors. In addition, we have implemented a system of quality control including documented policies and procedures to ensure the compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Means and resources

Our work was carried out by a team of 3 people between November 16th 2022 and April 21st 2023 and took a total of 8 days.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 3 interviews with people responsible for preparing the Statement, representing among general management, administration and finance, risk management, compliance, human resources, health and safety, environment and purchasing.

Nature and scope of our work

We planned and performed our work considering the risk of material misstatement of the Information.

We consider that the procedures we performed were based on our professional judgment and allowed us to provide a limited level of assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities;

F. Auditor's opinion

- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, when appropriate;

- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III, as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;

- we have verified that the Statement presents the information required by II of Article R. 225-105 when relevant to the principal risks and includes, where appropriate, an explanation of the reasons for the absence of the information required by the second paragraph of III of Article L. 225-102-1 ;

- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes, including key performance indicators related to the principal risks;

- we referred to documentary sources and conducted interviews to:
 - o assess the process used to identify and confirm the principal risks and the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented, and

- o corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendix. Our work was performed at the consolidation entity level. Our work was carried out at the level of the consolidating entity and in a selection of entities';

- we asked what internal control and risk management procedures the entity has put in place and assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;

- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in the appendix 1,

- we implemented :
 - o analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - o tests of details based on sampling or other selection methods, consisting of verifying the correct application of definitions and procedures and reconciling the data with supporting documents. This work was carried out on a selection of contributing entities and covered between 30% and 100% of the consolidated data selected for these tests;

- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional guidance of the French Institute of Statutory Auditors ("CNCC"); a higher level of assurance would have required us to carry out more extensive procedures.

Lyon, April 21st, 2023

FINEXFI
Isabelle Lhoste
Associée

APPENDIX 1**Quantitative information:****Environmental theme:**

- Total Group tCO₂ eq emissions (scope 1 and 2) - location based
- Total Group tCO₂ eq emissions (scope 1 and 2) - market based
- Electricity consumption per company in MWh
- Water consumption in thousands of liters
- Group waste production, in tons

Societal theme:

- Total workforce and by type of position as of December 31, 2022
- Percentage of women
- Severity rate
- Frequency rate
- Number of disabled employees
- Number of employees who have taken anti-corruption training - E-learning training (TRACE)
- Number of employees who have taken anti-corruption training - face-to-face training or participative digital sessions (IKARIAN)
- Number of active patents

Social issues:

- Number of people reviews
- Number of women in the Group's and companies' top management teams
- Total number of top management teams
- Number of managers on a corporate leadership program
- Completion rate of cybersecurity training (Group excluding Frauscher)

Qualitative information:

- ISO 14001 certificates
- ISO 45001 certificates
- Company agreements
- Ecovadis score

(1) Social data: Conductix USA, Conductix France, Conductix Germany, Pandrol France SAS scope (Headcount), Conductix, DCX Chrome scope (Severity rate, Frequency rate), Conductix France scope, DCX Chrome France scope (Number of disabled workers), Group scope (Proportion of women in the Group's and companies' headcount, Proportion of women in Group and company top management teams, Number of managers on a corporate leadership program, Cybersecurity training completion rate (Group excluding Frauscher)), Conductix scope (Number of people reviews)

Environmental data: Intericast and forge, Pandrol raismes, Pandrol USA, Pandrol Australia, DCX Chrome Marly, Pandrol Douai

Societal data: Group perimeter

