

2021

Sustainable development report

[Non-Financial Performance Report]



When **energy** matters

Contents

1. COMMITMENT OF THE SENIOR MANAGEMENT	4
2. BUSINESS MODELS	5
3. SUSTAINABLE DEVELOPMENT, A STRATEGIC DRIVER FOR SOCOMEC.....	8
3.1. Dialogue with our stakeholders	8
3.2. Our CSR governance	9
3.3. Our CSR performance.....	10
4. IMPROVING WELL-BEING AND QUALITY OF WORKING LIFE	12
Identified non-financial risks.....	12
4.1. Our social policy	12
4.2. Quality of working life (QWL).....	13
4.3. Diversity.....	14
4.4. Training and skills development	16
4.5. Integration programme	16
4.6. Raising employee awareness of the social and environmental transition.....	16
4.7. Performance indicator on corporate performance	17
5. ENSURING EMPLOYEE HEALTH & SAFETY	18
Identified non-financial risks.....	18
5.1. Health & safety governance	18
5.2. Health & safety performance: commitments of the Group.....	19
5.3. Occupational health and reduction of occupational risks.....	20
5.4. Performance indicators on employee health and safety	22
6. ENSURING RESPONSIBLE AND COMMITTED SOURCING.....	23
Identified non-financial risks.....	23
6.1. Our supplier relations policy	23
6.2. Responsible purchasing	23
6.3. Commitment to responsible mineral sourcing.....	25
6.4. Performance indicators on responsible purchasing.....	25
7. STRENGTHENING TRUST AND TRANSPARENCY WITH OUR PARTNERS	26
Identified non-financial risks.....	26
7.1. Our ethics and compliance policy	26
7.2. Governance.....	28
7.3. Ensuring ethical business practices when dealing with our partners.....	28

7.4. Combating tax avoidance	29
7.5. Performance indicator on business ethics	29
8. REDUCING OUR ENVIRONMENTAL FOOTPRINT	30
Identified non-financial risks	30
8.1. Our environmental policy	30
8.2. Aiming for 100 % of our manufacturing sites to have ISO 14001 certification	31
8.3. Reducing our carbon footprint	31
8.4. Buildings with high energy efficiency	31
8.5. Collection and sorting of industrial waste	32
8.6. Mobility plan	33
8.7. Performance indicators on the environment	34
9. PROMOTING ECO-DESIGN AND ENERGY EFFICIENCY	35
Identified non-financial risks	35
9.1. Our eco-design policy	35
9.2. Hazardous substances	36
9.3. Recycling and recovery of products	37
9.4. Environmental impact of products	38
9.5. Societal commitment in Eco-conception	39
9.6. Performance indicator on products	39
10. SOCIETAL COMMITMENT	40
APPENDICES	42
INDEPENDENT THIRD-PARTY REPORT	43

1. COMMITMENT OF THE SENIOR MANAGEMENT

"The subject of sustainable development is of great importance to Socomec.

It is a reality that has always guided our development, throughout our history and our 100 years of existence. It is part of our DNA and the culture we share.

Our sustainable development policy is internationally recognised. In fact, SOCOMEC is one of the 5% of the 80,000 global companies receiving the highest rating from ECOVADIS, an agency that evaluates the sustainable development performance. But most importantly, we make commitments and we keep them through concrete actions.

We now want to go further by placing CSR at the heart of the Group's strategy. This is an expectation shared by our shareholders in the name of the principles and values they support, and by employees who seek meaning in the work they do. It is also an added value for our business partners, who are themselves committed to sustainable actions.

It is a great opportunity for all of us and for our Group, it is a source of innovation that can generate a positive impact on our way of life, society and the environment."

Renewal of the SOCOMEC CEO's commitment to the 10 principles of the United Nations Global Compact

Since 2003, we have adhered to the "Global Compact", the United Nations' international pact that takes into account the social and environmental impacts of globalisation; the Executive Boards of Directors and I are firmly committed to this approach.

Socomec is renewing its commitment to the 10 principles of the Global Compact for the year 2021.

Ivan STEYERT, CEO of the SOCOMEC Group

Benfeld, 12 April 2022



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

2. BUSINESS MODELS

AN INDEPENDENT MANUFACTURER

FOUNDED IN
1922

3.731
EMPLOYEES

12
PRODUCTION
SITES

28 SALES
SUBSIDIARIES
AND OFFICES

WHO ARE WE?

An international group with the culture and values of a family business



- Which aims to achieve **sustainable growth** with respect for people, society and the environment
- Which, on the strength of its financial independence, invests in its business operations on the basis of a **long-term vision**
- Which has strong values shared by all the company's stakeholders: **Responsibility - Openness - Commitment**
- Which fosters **innovation, expertise** and **skills** to ensure value creation for its customers



OUR MARKETS



DATA CENTRES



HOSPITALS, CLINICS



INDUSTRY



BUILDINGS



ENERGY



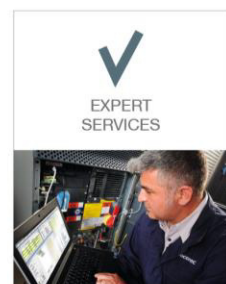
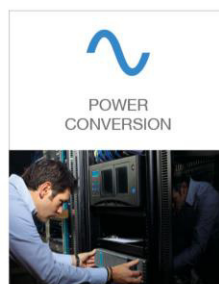
INFRA-STRUCTURE

OUR MISSION

To ensure the energy **performance** of electrical installations, wherever it is **critical**



OUR EXPERTISE: INNOVATIVE POWER SOLUTIONS





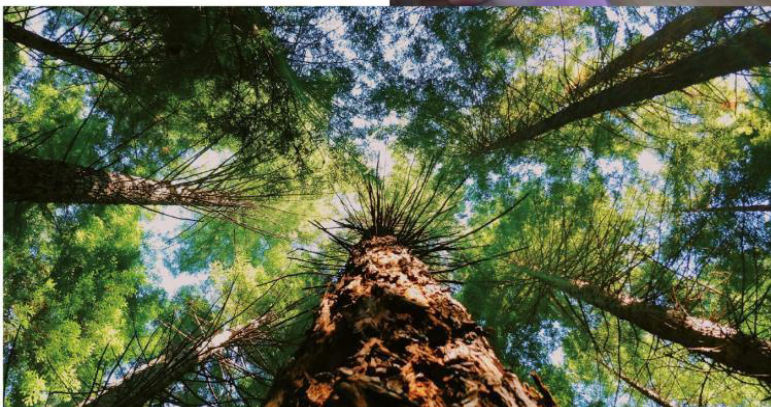
OUR VOCATION

A manufacturer of electrical equipment specialising in the energy performance of low-voltage networks.



OUR KNOW-HOW

Socomec specialises in the **safety, control, availability, continuity, quality and efficiency** of low-voltage electrical installations.



OUR 3 CORNERSTONES



CUSTOMERS

Putting **customer satisfaction** at the heart of our business activities, in all areas of the company.



INNOVATION

Investing in **innovation** to meet the future challenges posed by the energy transition and the digital revolution.



PEOPLE

Developing **talent and skills** to strengthen our capacity for innovation, expertise and performance.

OUR 5 STRATEGIC PRIORITIES

- 1** Selective investment in **high-potential markets**, combining organic and external growth
- 2** Follow a **differentiated and competitive** offering strategy adapted to our main markets
- 3** Develop the **performance culture**: Management, Leadership, Organisation
- 4** Accelerate the **digital transformation** in all areas of the company
- 5** Change our **business models**: Distribution, Services, Systems and Solutions, Partnerships & Alliances



OUR COMMITMENT

WE SUPPORT

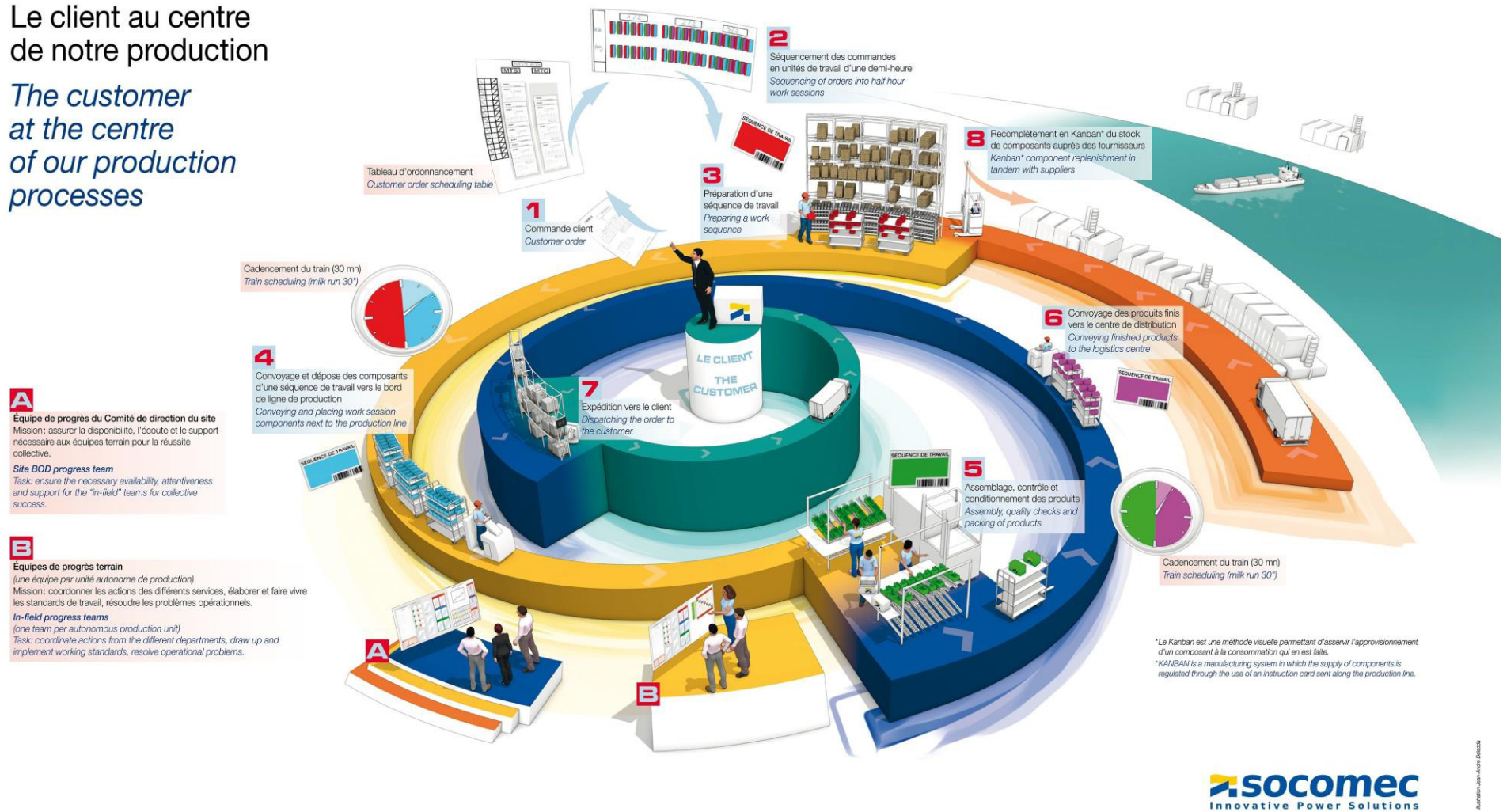


Member of the Global Compact since 2003

SOCOMECC "PULL MANAGEMENT SYSTEM"

Le client au centre
de notre production

*The customer
at the centre
of our production
processes*



3. SUSTAINABLE DEVELOPMENT, A STRATEGIC DRIVER FOR SOCOMEC

3.1. Dialogue with our stakeholders

The expectations of our stakeholders (employees, customers, suppliers, auditors, applicants) are growing and becoming more and more sophisticated

In particular, we are seeing an increase in long-term requirements from our international key accounts: they involve us in the achievement of their ongoing environmental and societal goals and want to carry out more CSR audits at our sites.

In addition, we are attentive to the ideas that employees bring to events dedicated to raising awareness about sustainable development, such as our company's annual Sustainability Week.

But also through the various committees and representatives integrated into the Group's organisation and who listen to employees: both on social issues that concern them and on requests for improvements to environmental processes, etc.

Socomec is also active in working groups in collaboration with Gimelec, FIIEC and local groups such as Build & Connect.

Finally, at the end of 2021, CSR was integrated as a new area of focus in the Group strategy. It has been co-constructed with our various departments in order to create real involvement on the part of our employees and to carry out our responsible policy.



3.2. Our CSR governance

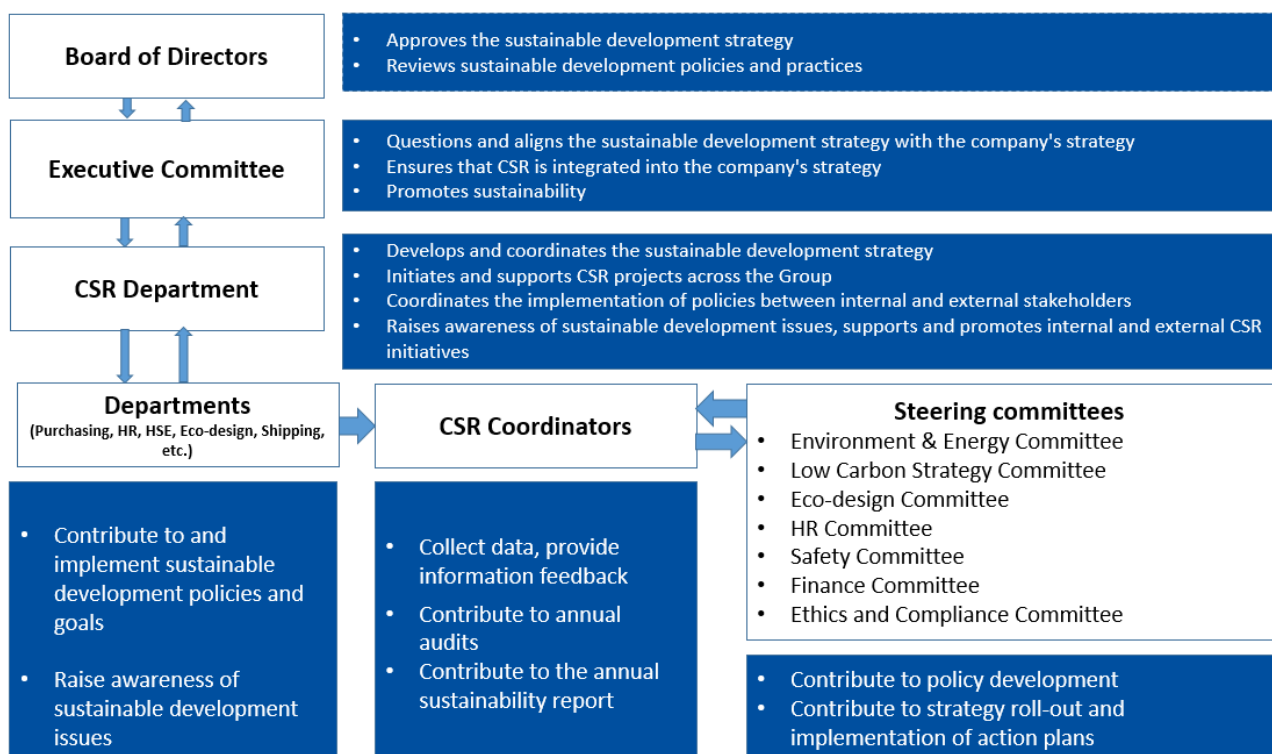
The CSR department develops and coordinates the sustainable development strategy at Group level. With an increasing number of missions and cross-functional project coordination, it has recently been expanded and is supported by:

- a network of CSR representatives to collect data,
- thematic committees to contribute to the development and implementation of the CSR strategy and action plans (ethics committee, environment)
- various departments such as HSE, purchasing, NBFM and HR for the co-construction of CSR strategies,
- the Board of Directors to evaluate the sustainable development strategy and align it with the company's strategy.









CSR representatives



The coordination of CSR projects and the management of the Group's CSR indicators require regular data collection from all production sites and subsidiaries. This feedback is also valuable in identifying regulatory and cultural factors that impact the CSR strategy and in translating the expectations of internal and external stakeholders.

We have assigned one or more CSR representatives to each of the Group's manufacturing sites and subsidiaries. We also rely on "corporate" representatives who respond to cross-cutting issues framed by Group policies: product eco-design, employee health and safety, waste management, etc. We are thus creating a network of correspondents/representatives for each field at all sites.



3.3. Our CSR performance

Strategic focus	Risks	Indicator	Results and scope*		Variation
			2020	2021	
Improving well-being and quality of working life (QWL) 	Deteriorated social climate, discrimination, inequality of opportunities, resignation and employee disengagement	Rate of absenteeism	3.0% <i>*excluding international sales subsidiaries and the Chinese production site SUKE</i>	2.5% <i>*excluding international sales subsidiaries</i>	- 0.5%
Ensuring employee health & safety   	Poor working conditions, accidents at work, occupational disease, musculoskeletal disorders (MSD), psychosocial risks (PSR)	Frequency rate of occupational accidents	6.16% <i>*excluding international sales subsidiaries</i>	4.90%	- 1.26%
		Severity rate of occupational accidents	0.29% <i>*excluding international sales subsidiaries</i>	0.19%	- 0.1%
Ensuring responsible and committed sourcing  	Social, environmental and ethical practices in the supply chain contrary to Socomec's values	Percentage of turnover accounted for by suppliers who have signed the code of conduct	56% <i>*Suppliers covering 73% of Socomec's turnover</i>	84% <i>*Suppliers covering 85% of Socomec's turnover</i>	+ 28%
Strengthening trust and transparency with our partners  	Corruption, conflicts of interest, influence peddling, anti-competitive practices, facilitation payments, information leakage	Percentage of employees trained on the ethics and compliance policy	N/A	81.2% <i>*excluding Algodue, Boltswitch, Powersmiths and CCS</i>	N/A

<p>Reducing our environmental footprint</p> 	<p>Risk of contributing to climate change, pollution, financial costs and legal consequences. Additional energy costs</p>	<p>Rate of waste recovery</p>	<p>73.0% <i>*excluding international sales subsidiaries and US production site CCS</i></p>	<p>73.4% <i>*excluding international sales subsidiaries and US production site CCS</i></p>	<p>+ 0,4%</p>
<p>Promoting energy efficiency</p> 	<p>Risk of contributing to climate change through the production and use of the Group's products. Shortage of raw materials, non-compliance of components and services with standards and legislation</p>	<p>Percentage of renewable energy used in total electricity consumption</p>	<p>N/A</p>	<p>12% <i>*excluding international sales subsidiaries</i></p>	<p>N/A</p>
		<p>Percentage of industrial sites with ISO 14001 certification</p>	<p>42% <i>*excluding international sales subsidiaries</i></p>	<p>42% <i>*excluding international sales subsidiaries</i></p>	<p>0</p>
		<p>Percentage of turnover from manufactured product lines covered by a PEP</p>	<p>N/A</p>	<p>54.7% <i>*excluding CCS, Boltswitch, Powersmiths, Algodue, TCT (for these entities, Socomec brand products are taken into account)</i></p>	<p>N/A</p>
		<p>Percentage of turnover from wholesale product lines covered by a PEP</p>	<p>N/A</p>	<p>9%</p>	<p>N/A</p>

4. IMPROVING WELL-BEING AND QUALITY OF WORKING LIFE

Identified non-financial risks

Material or interpersonal working conditions, if seen as inadequate, may encourage some employees to leave the company. The risk factors are as follows:

- Poor working conditions (work rate, schedule, autonomy and delegation, work relations, etc.) or lack of modernity in these working conditions,
- Failure to be heard and insufficient consideration of professional aspirations, particularly in terms of skills development and responsibility,
- Poor communication and access to information,
- Insufficient consideration of daily needs, annoyances, and other concerns, which lead to weariness.

4.1. Our social policy

Socomec is committed to a fair labour contract that is open to all cultures without discrimination and undertakes to:

- Institute working relations that encourage the initiative and involvement of our staff:
 - via a contractual management that develops relational intelligence,
 - via the continuous improvement of organisations and working methods,
 - via involving staff with the success of the company.
- Enhance human resources by maximising people's employability:
 - via an ambitious training policy,
 - via a motivating approach to skills management.
- Respect people, their working conditions, safety, and rights wherever we operate:
 - via a vigilant health & safety policy,
 - via an open and constructive labour dialogue,
 - via equal opportunities for all employees.

This policy contributes to Sustainable Development Goals 3, 5 and 8.



Targets for 2022: formalisation of the Diversity, Equity and Inclusion (DE&I) policy with the drafting of an action plan for 2025.

4.2. Quality of working life (QWL)

Promoting a work-life balance

Employee well-being is one of the Group's priorities.

Twenty collective agreements on working hours, job and career management, labour relations (also called social dialogue), parenting, teleworking, work/life balance and gender equality, etc. were signed in 2021.

Socomec and the social partners are developing these issues within the company to help employees find the right balance in their lives.

Socomec SAS France has favoured the principle of participative experimentation, whether it be on subjects such as workshop hours or teleworking. Before setting up a permanent system, negotiations are held to define the agreement framing the experimentation. This means that employees can be involved and their feedback taken into account, etc.

QWL is the subject of action plans at each site in order to develop the best opportunities, taking into account aspirations, culture and legal possibilities, in all countries where the Group operates.

Target for 2022:

- Roll-out of an employee engagement survey followed by the implementation of action plans.
- Construction of a consolidated Group QWL dashboard

2021: Agreement on telework (France)

Telework has developed considerably over the last two years owing to the Covid-19 health crisis. The advantages and limitations of this approach to work organisation for the company and for many of our employees have been identified.

In 2021, a consultation with the social partners on the expiring telework agreement made it possible to extend the possibilities of using this type of work.

Employees whose jobs are compatible can telework up to two days a week (except in exceptional health conditions). The days teleworked are covered by a flat-rate allowance.

At the TCT site, an agreement was also signed in 2021 for a total of 22 days per year.

Cultural and sports activities

In addition, Socomec encourages its employees in their sports, cultural and artistic activities. The Social and Economic Committee (SEC) supports numerous in-house clubs that are run by employees: they can pursue their hobbies between noon and two o'clock and take a break. Cultural and sporting activities encourage employees from other departments to get together. Socomec has made available the "Relais des Energies", a building with a number of rooms where sportsmen and women, music lovers and gardeners can practice their hobbies.

Improving QWL on the production sites

At the production sites, various processes are in place to improve the quality of life at work and to combat absenteeism:

- Induction processes dedicated to new employees (welcome day, safety induction, Induction booklet, onboarding course),
- Consideration of medical contraindications,
- Ergonomics implemented on workstations and continuously improved (adapted lighting, air extractors, anti-fatigue mats, etc.),
- Awareness-raising on ergonomics and RSI risk prevention,
- Organisation of permanent support teams/helplines,
- Work on multi-skilling,
- Breaks tailored to needs,
- Interviews following an absence

Action undertaken in 2021

Creation of a green space and communal areas on the sites in Alsace and France (cafeteria, break rooms with a view of and access to the green space, well-lit meeting rooms, with particular attention paid to acoustics).

4.3. Diversity

In France, a "Quality of Work Life" (QWL) Commission draws up an annual action plan linked to the agreement on gender equality and quality of working life. Within this framework, it participates in the organisation of events such as the week dedicated to the balance between private and professional life in the recent past.

France has also signed the Diversity Charter, committing to a proactive approach in order to implement concrete actions and progress through innovative practices. Going beyond human resources management, diversity permeates all of the organisation's activities by involving all of its employees and partners. By making management that is inclusive and respectful of individual differences a lever for cohesion and well-being at work, diversity is a source of economic and social performance.

Generally, the actions are carried out by various stakeholders in the Group and in their corresponding areas. A Diversity, Equity and Inclusion (DE&I) policy is being drafted in 2022 to ensure uniformity and to make the actions carried out by the worldwide subsidiaries more consistent. It will make it possible to take stock of the actions organised throughout the Group and to build a Group action plan for 2025.

Recruitment

The Group has drawn up a charter which aims to define the ethical and methodological principles which our recruitment teams and any external party likely to carry out all or part of a recruitment process on behalf of Socomec must respect: selection of applications, evaluation of candidates and processing of responses, etc.

Our recruitment teams are trained in the fight against discrimination, and their objective is to fight against prejudice and stereotypes.

Gender equality

In 2021, the Group obtained a Gender Equality Index of 87/100 (for Socomec SAS France). This score and the action plan negotiated with the social partners during discussions on professional equality and quality of life at work encourage us to continue our efforts in this area.

The 5 criteria for progress adopted in the F/M equality agreement are:

- To have a non-discriminatory approach to pay practices,
- To develop a mix of jobs, particularly with action plans in terms of recruitment,
- To support parenthood and improve the work-life balance (involving an obligatory increase for employees returning from maternity leave),
- To improve working conditions,
- To ensure equal access to job promotion (representation of both sexes in the 10 highest paid jobs).

The representation of both genders in the highest positions of responsibility in the group has been formally identified as a major area for improvement

Inclusion of young people

Socomec is committed to attracting younger generations in order to encourage intergenerational work and to foster creativity and innovation within the Group.

Socomec SAS France promotes the discovery of industrial professions by:

- organising site visits,
- presenting our jobs to schools at recruitment forums and fairs,
- welcoming interns (including 3rd year internships and professional reintegration internships) and work-study students.

For several years, Socomec has been offering its interns an evaluation of their experience within the Group through the HappyIndex® Trainees questionnaire, which is provided by the Choose my company label. This ranking recognises companies that provide a warm welcome, support and management to their interns and work-study students.

In 2021, nearly 83% of trainees took part in the Socomec evaluation. The Group obtained an overall score of 8.68/10 with a recommendation rate of 93.2%, placing it 9th out of 53 companies hosting 50 to 99 interns.

4.4. Training and skills development

Socomec fosters the development of the skills of its employees via four main areas:

- **A clear, job-based training programme.** These range from exclusively technical training modules to Business or Manager-oriented courses, developing all the skills necessary for such a job (technical, markets, tools, behavioural, etc.).
- **New teaching methods** that have moved away from traditional classroom teaching to a mixed approach (digital/presentational). The company continues to develop new teaching methods that include knowledge sharing sessions, learning games, virtual classes, hackathons, tutoring, long term follow-up and diversity of content (video-casts, tutorials, e-learning, podcasts, etc.);
- **Placing the learner at the heart of the process.** This involves targeting profiles and specific skills, assessing the skills of our experts, helping them to develop throughout theyear, enabling them to pursue self-learning, offering them user-friendly and high-quality digital classroom environments whilst being supported by their managers in the development of their skills;
- **Training for all:** the company also provides training in all subsidiaries and for all employees.

4.5. Integration programme

For all new employees, the Group provides a systematic induction process called the "On-boarding Experience Programme": during the first few months, the new recruit benefits from training sessions (mostly e-learning), meetings and visits. Each new employee can thus acquire the same basic level of knowledge and attitudes to become an involved member of the Group.

4.6. Raising employee awareness of the social and environmental transition

Socomec is pursuing an awareness-raising initiative for the greatest number of people on issues affecting the working environment, beyond the operational considerations inherent in each person's job.

Sustainability Week

For several years, Socomec has organised an event to raise awareness about sustainable development for its employees in France (Alsace). In 2021, this event was extended both in terms of content and scope. The Group's employees therefore benefited from a week-long digital educational programme to discover different themes: climate change, CSR actions at Socomec, well-being at work, and food, sustainable production and consumption. The aim is to provide everyone with a common base of knowledge on CSR and to strengthen their commitment.



Target for 2022: As part of the Group's centenary celebrations, employees will be invited to take up challenges together on the basis of five themes. CSR is one of the five themes. The objectives of the Sustainability Week can therefore be continued.

Sexism Awareness Week

This first event invited Socomec SAS employees to think about sexist behaviour in the workplace and the stereotypes that impact professional life. A conference and quizzes throughout the week highlighted the key points of sexism in France.

International Women in Engineering Day

The new International Women in Engineering Day (23 June) highlights the place of women in the field of engineering and encourages new generations of young women to get involved.

This event is in keeping with the actions implemented by Socomec for gender equality. In 2021, four women engineers at Socomec took the floor to present their careers and their views on their profession. These written and filmed interviews were presented to Socomec employees and externally on social networks.

Similarly, employees working for TCT will be taking part in meetings and discussions with secondary school students with the French association "Elles Bougent" (Girls on the Move) to challenge preconceptions and raise awareness among young women of engineering careers, particularly in industry.

4.7. Performance indicator on corporate performance

Issue	Indicators	2020	2021	Variation
Corporate	Rate of absenteeism	3.0% <small>*excluding international sales subsidiaries and the Chinese production site SUKE</small>	2.5% <small>*excluding international sales subsidiaries</small>	- 0.5%

5. ENSURING EMPLOYEE HEALTH & SAFETY

Identified non-financial risks

Within the Socomec Group, the main health and safety hazards are related to vehicular or machine traffic, electricity and manual or mechanical handling.

The Group's indicators (rate of frequency and severity of workplace accidents) are lower than the figures for the industry and the search for improvement is constant.

In order to assess industrial sites more accurately, a grid has been created based on the model developed by the French National Research and Safety Institute (INRS):

- Analysis of work accidents and occupational diseases,
- Regular checks and maintenance of equipment
- The company's attitude towards subcontractors,
- The company's attitude towards temporary workers,
- Preparation and organisation of work,
- Occupational health,
- Carrying out and updating the occupational risk assessment (ORA) and action plan
- Training and skills programme for rescue and first aid workers,
- Responsibilities, communication, and employee involvement,
- Managerial prevention practices,
- Fire risk control,
- General conditions of buildings.

5.1. Health & safety governance

The Group's health and safety policy, which was completely revised in 2021, defines Socomec's commitments to improving the physical and mental health and safety of all its employees.

The Socomec Group strictly complies with the regulatory requirements and expectations of its various stakeholders.

Compliance with legal requirements is based on quarterly regulatory monitoring (safety, buildings, energy and environment) and the monitoring of associated action plans in partnership with all stakeholders.

The HSE plan is drawn up, implemented, updated, and circulated annually. It is based on legal and other requirements that the Group must comply with, as well as on the risks and areas for improvement that have been identified.

The assessment of occupational risks is regularly updated. It takes into account the existing risks in the premises and those arising from the work activities of employees who move to other sites.

The necessary measures and corrective actions are quickly identified thanks to:

- Continuous monitoring of health and safety performance
- Regular HSE audits, coordinated by the various departments. These audits are the subject of action plans whose progress is verified
- Systematic analysis of accidents, incidents and dangerous situations
- Periodic and non-periodic checks of infrastructure and equipment

A crisis management procedure is in place: potential emergency situations and the means to respond to them are identified.

Various discussion platforms allow for the sharing of best practices, feedback and difficulties encountered at each site.

On the French sites, the Consultancy, Inspection and Maintenance Department (CIM) has obtained MASE certification (a French certification system formulated by chemical, oil, and gas industries for contractors, to ensure safe working and consistent working standards). This management system ensures the long-term health and safety of employees and the protection of the environment (HSE). This certification is required by certain customers for the performance of maintenance and repair activities.

This policy contributes to Sustainable Development Goal 3.

5.2. Health & safety performance: commitments of the Group

A culture of prevention

Developing a safety culture is a key part of Socomec's health and safety plan. The Group requires employees, subcontractors and visitors to follow established work procedures to ensure their health and safety and that of their colleagues.

Prevention work accidents and near misses

Near misses are opportunities to work on preventing a real accident from happening. Socomec encourages the reporting of dangerous situations in the field.

One of the objectives of this approach is to promote the reporting process and to make sure that the actions taken are visible. It also allows us to reinforce the follow-up of actions and to ensure that these actions eliminate or reduce the risk as much as possible.

In partnership with members of the CHSWC (Committee for Hygiene, Safety and Working Conditions) and employees, the range of PPE (personal protective equipment) made available to personnel at French sites is regularly reviewed.

A new system for managing safety footwear, comfort clothing and workwear has been in place since 2020 to simplify the ordering process for these materials.

We are continuously strengthening regular and non-regular checks at our sites.

Safety training courses

Socomec places great emphasis on safety awareness and training for its employees (e-learning courses developed in-house, safety reporting, distribution of news flashes following the reporting of a dangerous situation, posting of safety instructions, etc.). Training programmes are launched every year.

In particular, the Group ensures that each employee assigned to a workstation has received a sufficient level of safety training and information. This is to protect their health and physical safety, as well as that of the employees working alongside them.

On the French sites, safety training for new recruits is given in two stages:

- Safety training at the workstation, as soon as the new employee arrives,
- "Basic safety" training in e-learning format offered to new recruits. Specific courses adapted to the different jobs have been created.

Key actions in 2021

The first Safety Week was held at the company's headquarters. Risk detection, ergonomics at work or relaxation through breathing: each day a new theme was addressed.



Launch of monthly field audits on sites in Asia: this approach serves to strengthen the reporting and handling of dangerous situations.

Targets for 2022:

- Creation of safety data sheets for hazardous equipment used on sites in Asia.
- Promotion of the declaration of dangerous situations and near misses on all industrial sites.
- Organisation of a safety quarter-hour meeting on the most at-risk areas.

5.3. Occupational health and reduction of occupational risks

Chemical hazards

The inventory of chemical products is regularly updated and the Safety Data Sheets (SDS) are updated annually by a specialist company.

One of the Group's objectives is to substitute hazardous chemicals that may be used and to reduce as much as possible the number of chemical products used on the different sites.

Fire

Fire drills are regularly organised at the various industrial sites. Occasionally, fire drills are also carried out with external emergency services. These drills help to identify areas for improvement in terms of fire safety.

Hazards related to electromagnetic fields

Campaigns to measure electromagnetic fields are regularly carried out in our Huttenheim and Benfeld production sites. Preventive actions are carried out as soon as necessary.

Machinery and equipment hazards

The project to bring machinery into compliance is underway. Phase 1 consists of a complete mapping of the machines, including the following information: EC declaration, instructions, plans and diagrams, verification report, etc. Phase 2 of the project was started in 2020.

Ergonomics

The ergonomics improvement plan for workstations is monitored and implemented at some of the Group's industrial sites.

The "working conditions" budgets for equipment and buildings are regularly reviewed.

As part of the Socomec Pull Management System (SPMS) project, an awareness-raising campaign on safety, ergonomics and the environment has been launched for employees working at manufacturing sites in Tunisia and Alsace.

Workstation ergonomics have been mapped at some sites.

Action has been taken to relieve and reduce musculoskeletal disorders: employees working in production and in the supply chain at sites in Alsace can benefit from Shiatsu treatment. Anti-epicondylitis bracelets are also available.

Psychosocial risks (PSR)

Since 2015, Socomec has been engaged in a preventive approach against PSR in order to reduce the sources of risks and support people affected by them. The approach is divided into three areas of focus:

- To prevent PSR factors at their source to reduce or even eliminate them,
- To raise awareness among managers about the detection of PSR,
- To deal quickly with critical situations.

The PSR steering committee drew up an action plan in partnership with the CHSWT, the Management, and the *DeFacto* agency, which carried out the diagnosis. A briefing note and the detailed action plan were sent in November 2017 to all employees in France.

In addition, two initiatives have been implemented:

- A guide to the resources that can be made available at Socomec and outside to deal with distress related to PSR and to deal with situations at risk,
- A procedure that may be initiated by an employee who considers himself or herself to be a victim of such a situation or by a third party who considers himself or herself to be a witness to a situation that meets the definition of workplace violence.

Actions undertaken in 2021

- Phase 2 of the project, which consists of bringing the various machinery into compliance, started in 2021 and will continue in the coming years. Major investments will be made.
- Updating of the psychosocial risk assessment document at the French sites.
- Vaccination campaigns against influenza and COVID-19 have been launched at some sites.

Targets for 2022:

- Ergonomics: Testing of exoskeletons on industrial sites in Alsace
- Fire risk: Continuation of the action plan to reduce the risks associated with Li-Ion batteries.
- Psychosocial risks: Training of managers in France in the prevention of psychosocial risks in an e-learning format.

5.4. Performance indicators on employee health and safety

Issues	Indicators	2020	2021	Variation
Health & Safety	Frequency rate of accidents at work	6.16% <i>*excluding international sales subsidiaries</i>	4.90%	- 1.26%
	Severity rate of accidents at work	0.29% <i>*excluding international sales subsidiaries</i>	0.19%	- 0.10%

6. ENSURING RESPONSIBLE AND COMMITTED SOURCING

Identified non-financial risks

Socomec wants to forge strong relationships with its partners in order to avoid any questionable practices (social and environmental practices) among subcontractors. Implementing a responsible purchasing policy enables us to limit our environmental impact and ensure that human rights are respected in our value chain.

6.1. Our supplier relations policy

Sustainable development is one of the four main pillars of the Socomec Group's purchasing policy. Favouring responsible and committed suppliers as well as eco-responsible raw materials is part of the Group purchasing department's targets. The Group draws on three documents expressing its policies in terms of business ethics, the environment and social requirements for suppliers:

- Code of Conduct
- Policy of sourcing minerals that do not come from conflict zones
- Ethical monitoring of our main suppliers (using the "Business Partner Integrity" tool)

This policy contributes to Sustainable Development Goals 8 and 17.



6.2. Responsible purchasing

All suppliers must sign the Socomec "Code of Conduct" or, failing that, have their own code of conduct that is in line with Socomec's. Published in 2019, this document sets out the Group's expectations of its suppliers and supports them in a common approach to progress in terms of sustainable development.

Suppliers and business partners undertake to respect the following basic principles:

- To be open and transparent about their corporate and environmental policy
- To respect the conventions of the International Labour Organisation (ILO), the guiding principles of the Organisation for Economic Co-operation and Development (OECD) and the principles of the Global Compact and ensure that they are respected by their own subcontractors,
- To accept a possible visit from internal or external auditors appointed by the Socomec Group to verify the application of this charter and, if necessary, to implement corrective measures,
- To implement actions aimed at achieving best practices in terms of social and environmental regulations.

Action undertaken in 2021

In 2021, Socomec had its code of conduct signed by its suppliers of products and services. The Group thus covers 85% of its business with suppliers who are committed to common social and ethical principles.

Supplier assessments

- **Initial assessment of potential suppliers**

The Purchasing Department asks its new suppliers to complete a questionnaire providing information on their company's organisation. The latter addresses several areas:

- Human resources and corporate social responsibility,
- Human rights: child labour, forced labour,
- Societal standards (Global Compact, EcoVadis, ISO 26000, ISO 14001),
- The environment: ISO 14001/50001 standard, energy saving, waste management, etc.

Once this has been done and in order to better select a partner, an audit of the supplier's site is carried out to check that the information is correct.

- **Assessment throughout the partnership with the supplier**

Socomec audits its suppliers every two years to ensure that they are still in line with the Group's values and expectations.

In partnership with the "Business Partner Integrity" platform, Socomec assesses its customers and suppliers, improves its sourcing and controls its risks. Since 2018, Socomec has been continuously surveying all of the Group's strategic partners on their involvement in various discriminatory acts. A Committee has been set up to monitor these assessments and manage cases where the business partner proves to be non-compliant.

Targets: To require our suppliers to assess themselves via the Ecovadis rating agency. We want to partner with suppliers who are committed to CSR.

Awareness-raising among buyers

All new purchasing employees are made aware of Socomec's sustainable purchasing policy as soon as they join the company. They sign the "Responsible Supplier Relations Charter" and acquaint themselves with the Code of Conduct.

6.3. Commitment to responsible mineral sourcing

Like governments, NGOs, and many other companies, Socomec condemns the ongoing human rights violations in the Democratic Republic of Congo and neighbouring countries. In this region of Africa, some minerals are used to produce metals such as tin, tantalum, tungsten, and gold, which are frequently used in the manufacture of electrical and electronic products. These minerals are often extracted under conditions of extreme violence and environmental disregard. They can also be used to directly or indirectly finance armed groups engaged in civil war.

Socomec does not purchase minerals directly from mines or smelters. Nevertheless, in compliance with legislation and human rights and in accordance with the expectations of its customers, the Group completes the Responsible Minerals Initiative (RMI) reporting document each year. The aim of this document (Conflict Minerals Reporting Template, or CMRT) is to facilitate the transfer of information on the responsible sourcing of minerals along the value chain.

In addition, Socomec asks its direct suppliers, when concerned by this issue, to:

- Comply with existing regulations and provide all the necessary declarations. Socomec's purchasing teams terminate partnerships with suppliers who do not comply with these obligations,
- Source from responsible suppliers, who themselves have a supply policy of no minerals from conflict areas. Socomec asks its main suppliers to sign its policy of supplying minerals that do not come from conflict zones.

In 2020, the Group renewed its request for compliance from all its suppliers involved in responsible mineral sourcing. These partners have now re-signed the Group's Responsible Minerals Procurement Charter.

6.4. Performance indicators on responsible purchasing

Issues	Indicators	2020	2021	Variation
Responsible purchasing	Percentage of turnover covered by suppliers who have signed the code of conduct	56% <i>*Suppliers covering 73% of Socomec's turnover</i>	84% <i>*Suppliers covering 85% of Socomec's turnover</i>	+ 28%

7. STRENGTHENING TRUST AND TRANSPARENCY WITH OUR PARTNERS

Identified non-financial risks

The main risk identified by the Group is business practices influenced by acts of corruption, conflicts of interest, influence peddling, anti-competitive practices, and facilitation payments. These risks can have different impacts: damage to Socomec's reputation and therefore its viability (loss of sales revenue, difficulties in finding human resources or business partners), and information leaks (breach of data confidentiality).

7.1. Our ethics and compliance policy

As part of its corporate and environmental responsibility policy, Socomec is committed to promoting rigorous ethical behaviour within its organisations and towards its partners. The rules of good conduct that have been established are based on the values on which the Group is founded: openness, commitment and responsibility.

Respect for fundamental rights

The Socomec Group recognises and respects the fundamental principles set out in the reference texts, in particular the Universal Declaration of Human Rights, the conventions of the International Labour Organisation (ILO), the United Nations Global Compact and the guiding principles of the Organisation for Economic Cooperation and Development (OECD). Thus, in all the countries where it operates, the Socomec Group:

- Forbids all forms of forced or compulsory labour,
- Forbids child labour and discrimination based on age, race, gender, nationality, religion, or beliefs,
- Recognises freedom of association and the right to collective bargaining,
- Works to improve working conditions and prevent accidents and risks to the health of its employees,
- And fights against all forms of harassment in the workplace.

The Group undertakes to monitor any changes in national or international regulations and to promote the respect of rights in its sphere of influence, in particular with its suppliers and partners.

Fair and equitable practices

In line with its commitments and values, the Socomec Group's ethical policy is based on the following principles and practices:

- Open and transparent governance that takes into account corporate, societal, and environmental considerations in its decision-making and ensures their regular communication,

- Constructive and transparent labour relations with elected staff representatives,
- The fair treatment of each employee as part of their professional career development, based on the objective evaluation of performance and targets achieved, as well as acquired skills and abilities developed in the exercise of their duties,
- Management practices based on collaborative contract-based relationships that encourage initiative and commitment on the part of employees, and that are respectful of people and their differences,
- A duty of discretion for each employee to refrain from harming the company's reputation by taking a critical or defamatory stance via the media or social networks,
- Respect for confidentiality, which obliges the company to respect the private life of its employees and commits employees in turn not to divulge to those outside of the company confidential information about Socomec, its customers, suppliers, and business partners,
- The recognition of free and open competition, which is essential to the development of national economies and respectful of consumer rights. In addition, as part of its promotional and commercial activities, Socomec refrains from any erroneous criticism that may be considered detrimental to the reputation of its competitors,
- The rejection of any form of corruption. As such, our commercial practices prohibit any form of illicit payments, In addition, invitations, business gifts and other miscellaneous benefits must be of reasonable value and are only tolerated to the extent that they do not give rise to any unjustified compensation. Furthermore, such favours should be known and approved by the employee's line manager,
- The prevention of conflicts of interest in our business relations with external suppliers and partners. These relationships should not be influenced, or likely to be influenced, by personal interests to the obvious detriment of the company's interests.
- Respect of intellectual property, particularly patents, brand names, copyrights/royalties and various designs and developments.

This policy contributes to Sustainable Development Goals 8 and 17.



7.2. Governance

The Ethics and Compliance Committee holds regular reviews to check whether the Group is meeting its commitments and to identify any improvements. It comprises the Sales, Production Site Management, Purchasing, Human Resources, Legal, Finance and Communication and Sustainable Development Departments. The Committee has appointed four Ethics and Compliance Officers: they are responsible for handling any alerts that are received and conducting related investigations.

Targets for 2022 – 2023

- To set up a network of "compliance officers" to support the actions of the ethics committee (signature of the code of conduct, training courses, etc.) locally at all the Group's production sites and sales subsidiaries.

7.3. Ensuring ethical business practices when dealing with our partners

Socomec is determined to apply measures to combat the risk of corruption and any unethical business practices.

Since 2017, the Group has implemented new preventive measures against the risks of corruption, conflicts of interest, anti-competitive practices, influence peddling and facilitation payments, including the following:

- Corruption risk mapping
- Business Partner Integrity tool
- Internal and external code of conduct
- Whistleblowing procedure
- Employee training on the Group's ethics policye

Corruption risk mapping is intended to identify, analyse and prioritise the threats of exposure of the Group to external approaches for the purpose of corruption.

The "**Business Partner Integrity**" application continuously surveys all the Group's strategic partners on their involvement in various discriminatory acts. A "Know your customer" committee has also been set up to monitor these assessments and manage cases where the supplier proves to be non-compliant.

A **Code of Conduct** based on precise guidelines setting out the rules of integrity, respect for rules and people was annexed to Socomec's internal regulations. An external code of conduct was also drawn up and added to the general sales conditions for partners.

Target for 2022: The in-house code of conduct has been deployed throughout the Group. From 2022 onwards, a roll-out campaign will be carried out, country by country, using the IT system, to ensure that all employees of the Group are aware of this code of conduct, in the language they use at work.

In 2019, a **whistleblowing system** was implemented, encouraging the collection of warnings, from employees or business partners, relating to any conduct or situations that

might threaten Socomec's general interest: corruption, conflict of interest, falsification of documents, accounting and audit manipulation, theft, fraud, embezzlement, child labour, forced labour, human trafficking, health and safety, environmental pollution, harassment, and discrimination.

Action undertaken in 2020 – 2021

In 2020, the Group implemented a training programme for employees on Socomec's ethics policy. The training course introduces the principles of the Group's code of conduct and uses risk situations to help identify them on a daily basis. It also outlines the whistleblowing procedure.

The training course was delivered in an e-learning format wherever possible. A special effort was made to allow all employees who do not have a computer to access this training course (either by accessing it from a PC in an equipped room for employees who have a licence to access our "Socomec Academy" online training platform, or via in-room briefing sessions for others). The health crisis has impacted the speed of implementation, but the process was well underway by the end of 2021 for all Group entities.

Target for 2022:

- From 2022, a second sequence of online training will be deployed. It comprises videos that illustrate situations that may arise; it thus completes the "base" already implemented and will act as a reminder of the principles seen during this initial training course. This second sequence will be implemented only for non-production employees.

7.4. Combating tax avoidance

The Group has not identified tax avoidance and evasion as a risk; we do not pursue tax optimisation (placing taxable profits in tax havens, for example).

Our tax management is centralised and follows OECD rules in terms of transfer pricing. The Group draws on benchmarks of companies with similar business activities to calculate the amount/percentage of profits left locally.

7.5. Performance indicator on business ethics

Issues	Indicators	2020	2021	Variation
Business ethics	Percentage of employees trained in ethics and compliance policy	N/A	81.2% <small>*excluding Algodue, Boltswitch, Powersmiths and CCS</small>	N/A

8. REDUCING OUR ENVIRONMENTAL FOOTPRINT

Identified non-financial risks

In terms of the environment, the Socomec Group has identified two main risks :

- Aggravating climate change
- Causing more pollution

8.1. Our environmental policy

In order to help preserve natural resources and reduce the Group's environmental impact and carbon footprint, Socomec undertakes to:

Promote energy efficiency in its line of business:

- By reducing its customers' energy bills,
- By diversifying its offering in the renewable energy sector,
- By equipping its manufacturing and commercial sites with solar installations.

Reduce our environmental impacts and carbon footprint:

- By complying with legal and normative requirements regarding the environment
- By implementing an effective environmental management system (ISO 14001)
- By optimising the energy consumption of our manufacturing and commercial sites, by favouring high energy performance buildings, renewable energies and all actions contributing to energy savings
- By practising rigorous management of our industrial and office waste, by reducing the tonnage of waste from all our manufacturing sites as much as possible, by collecting and sorting our waste and by increasing the rate of recovery of this waste
- By raising staff awareness of environmental issues and the impact of our products on the environment
- By reducing the impact of our products through eco-design (see chapter 11)

This policy contributes to Sustainable Development Goals 7, 12 and 13.



Targets for 2022: to formalise the Group's environmental policy with the validation of ambitious quantified targets for 2030. This new policy includes the following targets:

- ISO 14001 certification for all of our manufacturing sites
- The completion of a Group-wide carbon assessment (carbon footprint) in 2022 on scopes 1 to 3 in 2022 followed by the drafting of a long-term low-carbon strategy

8.2. Aiming for 100 % of our manufacturing sites to have ISO 14001 certification

Socomec wants to obtain ISO 14001 certification for all its manufacturing sites. The target: to establish and maintain strong environmental governance within these sites in order to improve their environmental performance. Sites are audited annually; they must assess their environmental risks and implement a strategy to address them.

The themes studied are as follows: energy consumption, waste produced, CO₂ emission, etc.

The Socomec entities already ISO certified:

- Five ISO 14001-certified manufacturing sites (two in France, one in China, one in Italy and one in Canada) out of twelve sites in total : 42 % of our sites are certified ISO 14001,
- Two ISO 14001-certified sales subsidiaries (one in Spain and one in Portugal),
- One ISO 50001-certified manufacturing site (in France).

8.3. Reducing our carbon footprint

Our latest carbon footprint was calculated in 2019 across the Group. Socomec examined the four items that emit the most CO₂, namely freight, raw material purchases, energy consumption and electrical consumption of products sold to customers.

Targets for 2022-2023:

- To carry out a Group-wide carbon assessment on scopes 1 to 3 in 2022
- To develop a low-carbon strategy using the Ademe ACT "Step by Step" method in order to reduce the Group's greenhouse gas emissions in 2023
- To be in line with the roadmap of the Paris agreements by 2030

8.4. Buildings with high energy efficiency

Socomec wants to contribute to the building of a low-carbon economy: the Group favours buildings with high energy efficiency, renewable energies and all actions that contribute to energy savings.

All new buildings are highly energy-efficient constructions. They comply with the following criteria (according to the French 2012 Thermal Regulations):

- Limitation of energy consumption in different uses: LED lighting, presence and brightness detection, sensors, air conditioning, etc.,
- Better insulation of walls, windows, roofs, and new materials to reduce heating needs,
- Development of decentralised equipment for the production of electricity, heating and hot water using renewable energies, such as photovoltaics or water-to-water heat pumps,
- Use of technologies such as smart meters, sunshades, outdoor shutters that follow the sun's path.

Socomec is also working on the renovation of its old buildings so that they too meet these environmental criteria: insulation, LED lighting with presence detection (offices, communal areas, washrooms) and brightness detection (offices, meeting rooms), heating systems, etc.

Photovoltaic solar energy

Three manufacturing sites (two in France and one in Italy) are equipped with photovoltaic panels. The energy produced is either consumed or fed back into the grid. In addition, one of our French manufacturing sites has a green energy contract.

Finally, the Group has installed photovoltaic lights on its French and Tunisian sites.

Optimizing our electricity consumption

Socomec began installing meters to monitor consumption in real time, adapt it accordingly and thus contribute to reducing its overall electricity production. In 2018, the Group continued its aim of installing one meter per building.

In France, Socomec has installed a product from its "power monitoring" range as an industrial demonstrator: it analyses energy consumption and monitors the electrical parameters of power quality. It will help to better design future applications dedicated to the optimisation, availability and security of electrical energy.

Actions undertaken in 2021

In 2021, the following actions helped to optimise the energy efficiency of the production facilities at the sites in Alsace

- Two moulding presses and a compressor (compressed air) were replaced: this results in a reduction in energy consumption in equivalent operating time.
- A purchase of presses was made through French government Energy Savings Certificates (ESCs, a subsidy for the installation of systems that reduce energy consumption).
- A more precise metering was carried out in the Factory 1 and Factory 2 workshop areas to identify the energy-consuming points. This information was integrated into the Wiotys energy consumption monitoring platform. The main functions of this Socomec product are the collection and centralisation of energy data relayed by the connected meters.

8.5. Collection and sorting of industrial waste

The industrial waste generated by Socomec is stored, removed and recycled in accordance with the regulations and practices in force.

Socomec's waste management procedure defines the rules to be followed from the production and storage of this waste, through to its removal for treatment and disposal.

The main types of waste generated at Socomec are the following:

- Non-hazardous waste: cardboard/paper; packaging plastics; metals; industrial waste of the "household waste" type; WEEE.
- Hazardous waste: soiled empty packaging; aerosols; used oils; aqueous cleaning fluids; degreasing/phosphating agents; batteries; capacitors.

The management of this waste is audited during field audits carried out at the manufacturing sites.

For many years, employees have been made aware of waste sorting and the associated storage rules. Good practices are regularly brought to their attention by:

- Posters next to the skips,
- Information e-mails if waste sorting instructions are not observed,
- The provision of retention facilities for the storage of hazardous products,
- Awareness training modules for employees and service providers.

The Group ensures that the transport of hazardous waste does not generate any risks of pollution. For that purpose, each removal of hazardous waste from the sites in Alsace is audited.

Every year we carry out actions relating to the treatment of all types of waste.

Actions undertaken in 2021

- Audit of "Transport of Hazardous Goods" carried out by an external body on the sites in Alsace (storage of hazardous waste such as batteries, fluorescent tubes, soiled empty packaging, etc.).
- Relocation of the Benfeld site's waste collection centre, also including the reorganisation of waste flows. Waste is sorted at the source and then at the Benfeld site's waste disposal centre, the aim being to limit the risk of error as much as possible.
- Checking of electricians' gloves at sites in Alsace, so that they are not thrown away (every 6 months or 1 year, depending on the category of gloves).
- Recycling of surgical masks at the sites in Alsace

Targets for 2022:

- To improve waste sorting on manufacturing sites and increase the recovery of this waste
- Cleaning of cut-resistant gloves made available at the Alsatian sites, thus avoiding the disposal of thousands of pairs of gloves each year
- To reduce paper consumption at the Tunisian site.

8.6. Mobility plan

Since 2019, Socomec has made four electric bicycles available to facilitate inter-site travel for its employees working at the sites in Alsace.

The aim is to:

- Save time when travelling and parking,
- Participate actively in reducing CO₂ emissions,
- Encourage employees to take part in physical activity.

Employees travelled 820 kilometres. This represents a saving of the equivalent of 100 kilograms of CO₂.

In addition, Socomec has implemented a policy to promote hybrid vehicles for employees with company cars and provides training in eco-driving for sales staff who travel the most.

Finally, the head office participated for the third consecutive year in the Strasbourg inter-company challenge "Au boulot à vélo" (Go to Work by Bike), which encourages the use of bicycles for home-work journeys. 41 employees from the Eurometropole and its surroundings represented the company and travelled 9,860 km together.

This event is a way of raising awareness among the head office staff of the use of bicycles and soft mobility for home-work journeys.

8.7. Performance indicators on the environment

Issues	Indicators	2020	2021	Variation
Environment	Waste recovery rate	73,0 % <i>*hors filiales commerciales internationales et hors site de production américain CCS</i>	73.4% <i>*hors filiales commerciales internationales et hors site de production américain CCS</i>	+ 0.4 %
	Percentage of renewable energy used in total electricity consumption	N/A	12% <i>*hors filiales commerciales internationales</i>	N/A
	Percentage of manufacturing sites with ISO 14001 certification	42% <i>*excluding French and international sales subsidiaries</i>	42% <i>*excluding French and international sales subsidiaries</i>	0

9. PROMOTING ECO-DESIGN AND ENERGY EFFICIENCY

Identified non-financial risks

Through its various production processes, Socomec is exposed to the risk of contributing to global warming, the depletion of natural resources and the non-compliance of its products and services with the standards set by legislation. This can cause a chain reaction: difficulties in accessing certain markets, a lack of innovation, a poor image for the company and its products, and the difficulty of attracting talent and motivating and retaining employees who are increasingly sensitive to environmental issues.

9.1. Our eco-design policy

The Group's policy is to continuously innovate to reduce the environmental impact of products, in particular by improving their energy efficiency and promoting the circular economy, with the aim of helping its customers to design less energy-intensive, better managed and more environmentally friendly facilities.

The Socomec Group's objective therefore is to:

- Comply with the environmental regulatory and normative requirements applicable to its products.
- Provide its customers with product information on environmental performance on request, through Product Environmental Profiles (PEPs) or eco-declarations in accordance with current standards, including ISO 14025.
- Gradually increase the proportion of eco-designed products and thus prepare for the inclusion of eco-design into the scope of ISO 14001 certification.
- Stimulate innovation and employee involvement through the inclusion of eco-design in processes.
- Ensure the durability and cost control of Socomec products through the choice, from the outset, of future-proof materials and components, and through eco-responsible purchasing.
- Promote the reliability and comparability of environmental data in the electrical and electronic equipment sector by actively participating in the work of professional bodies in the field of standardisation.
- Establish relevant eco-design strategies that anticipate the priority needs of our customers. Socomec has set itself the following improvement targets:
 - To limit the use of hazardous substances for environmentally friendly products,
 - To improve energy and material efficiency for cost-effective products,
 - To anticipate the end-of-life of products and to aim for their recyclability.

This policy contributes to Sustainable Development Goals 7, 9 and 12.



Action undertaken in 2021

In 2021, a working group focused on redesigning the Eco-design policy to gear it towards the principles of the circular economy. This work will continue in 2022 in order to formalise this new policy.

Target for 2022: Formalisation of the new Eco-design policy and implementation of the corresponding action plans.

The targets for the next few years include the following:

- To incorporate circular economy principles into the design of new products and services and to promote the extension of product lifetimes
- To promote responsible choices of materials that are compatible with the safety and performance requirements of our products
- To conceive and design solutions to further improve the energy efficiency of our products and services
- To communicate transparently to our customers about the environmental impact of our products throughout their life cycle, in particular through product environmental profiles

Socomec also aims to raise awareness of eco-design among its employees. An e-learning module is being developed in 2022 for employees working on product development.

9.2. Hazardous substances

By mainly focusing on the development of innovative solutions that respect human health and the environment, the Socomec Group has four objectives:

- To comply with and proactively anticipate the "Restriction of Hazardous Substances" (RoHS) and "Registration, Evaluation, Authorization and Restriction of Chemicals" (REACH) regulations by:
 - designing most of our new products in compliance with European and international regulations on the control of hazardous substances, including hexavalent chromium, mercury, cadmium, lead, PBB and PBDE, even when these regulations do not directly affect our products,
 - favouring materials and components that do not contain substances of very high concern under REACH regulations,
- To carry out permanent monitoring to:
 - identify regulatory or normative changes and their impact on our products as soon as possible, and thus maintain Socomec's offering,
 - stimulate technological innovation by incorporating our hazardous substances policy in the Socomec Group's more global eco-design programme.

- To support suppliers and business partners:
 - Socomec intends to raise awareness among its suppliers and partners of the growing number of complex and restrictive substance regulations, by providing them with the necessary support to identify these new obligations.
- To provide to our customers with:
 - the best available and most relevant information about the possible presence of substances in our solutions,
 - solutions that can be fitted in installations that are themselves subject to regulations on hazardous substances.

In order to comply with regulations on the use of hazardous substances, Socomec has for many years anticipated the elimination and substitution of hazardous substances in the design of its products. In addition, in 2018, the Group contacted a service provider specialising in hazardous substances to make its suppliers aware of the need to comply with these new regulations. Particular attention was paid to the absence of phthalates in its supplies.

Socomec also looks beyond the regulatory framework by voluntarily limiting, where possible, certain toxic substances that have not been regulated to date, such as halogenated or phosphorus compounds and PVC.

9.3. Recycling and recovery of products

The Socomec Group is subject to the European Directive on Waste Electrical and Electronic Equipment (WEEE 2012/19/EU): it applies it and anticipates its future developments.

A shared responsibility

At the end of their operational life, our products become WEEE: they contain components that can have an impact on the environment, while at the same time offering a high potential for the recycling of their constituent materials.

Given the strong growth of WEEE in the European Union, the WEEE Directive 2012/19/EU gives responsibility not only to manufacturers but also to importers, distributors, and end-users. Once equipment reaches the end of its operational life, the various parties must respect the following obligations:

- facilitate the recycling and recovery of WEEE through the design of the original products, their reuse and dismantling; mark the products; ensure that users obtain the necessary information on dismantling and the return and collection facilities made available to them, as well as on their role in the recycling and other forms of WEEE recovery,
- set up and finance environmentally friendly recycling facilities.

Socomec's targets

To limit its environmental impacts and guarantee its customers responsible management of end-of-life electrical and electronic equipment, the Socomec group has committed to the following objectives:

- to increase the recyclability of its new products, through eco-design, by complying with and anticipating European and international REACH and RoHS regulations on the limitation of hazardous substances,
- to provide information on the recycling of environmentally friendly end-of-life electrical installations to its customers and processors upon request, through instructions listing the material balance and identifying components that require specific processing,
- to apply marking on its products, in accordance with the European standard EN 50419, for a generalised selective collection of WEEE.

Product dismantling

The regulations require manufacturers to provide customers or recyclers, upon request, with information sheets on the composition of the products and the special attention to be paid when dismantling products at the end of their life cycle. Socomec has chosen to make the dismantling sheets available to its customers on request for all its main products.

Socomec has participating in creating a collection and recycling network

In France, Socomec has volunteered to contribute to the creation of a new recycling sector for professional electrical products, in collaboration with other manufacturers and the "Eco-systèmes" recycling organisation. As professional electrical and electronic products are very specific, there has not yet been a single channel for processing them at the end of their operational life.

Socomec also carries out initiatives outside France, in the countries where its products are marketed. In Europe, all subsidiaries have been made aware of and supported in implementing an action plan for recycling end-of-life products. Outside Europe, Socomec has carried out a regulatory mapping.

9.4. Environmental impact of products

Product Environmental Profile

In order to limit the environmental impact of its products and to meet the high level of demand from its customers, Socomec has been working for almost ten years on eco-declarations that describe the characteristics and environmental impacts of its products. Since 2011, Socomec has been a member of the PEP eco-passport eco-organisation, an association whose mission is to develop an international reference programme to declare the environmental impacts of electrical, electronic and HVAC products.

A Product Environmental Profile (PEP) is an eco-declaration tool: it qualifies the environmental performance of products in an objective and reliable manner, in order to help customers and prescribers make a fair and reasoned choice, in accordance with international standard ISO 14025. Socomec is committed to providing its customers with transparent information on the environmental impact of its products throughout their life cycle.

The drawing up of these PEPs integrates the various environmental impacts throughout the life cycle of the product: material composition of the products, manufacturing, transport used, energy consumption, end of life, in accordance with international standard ISO 14040.

Action undertaken in 2021 :

16 new PEP sheets were created and contact persons were trained up on this aspect in the Group.

Targets for 2022-2030:

- To increase the number of "Product Environmental Profiles" each year and achieve 100% coverage of our new product ranges by 2030
- To make PEP sheets freely available on the Group's website
- To produce an e-learning module on eco-design for our teams in conjunction with product design

9.5. Societal commitment in Eco-conception

Through its commitment, Socomec aims to support local stakeholders, transmit its expertise and attract new talent.

Socomec chairs the "Sustainability" working group of the CEMEP UPS (European Committee of Manufacturers of Electrical Machines and Power Electronics), which is the industry association of UPS manufacturers. Its missions are to monitor global environmental initiatives affecting the UPS sector and to define positions for the profession and users.

Socomec participates in the environment and sustainable development commissions of the French Electronics Industry Group (Gimelec). These commissions deal with various subjects such as the circular economy, ethics, responsible purchasing, etc.

Finally, as part of its involvement in the circular economy, Socomec is a member of the French Standards Committee. This contributes to the framing of future European standards governing the circular economy for electrical products: recyclability, reparability, maintainability.

9.6. Performance indicator on products

Issues	Indicators	2020	2021	Variation
Eco-design of products	Percentage of turnover achieved by manufactured product ranges covered by a PEP	N/A	54.7% <i>*excluding CCS, Boltswitch, Powersmiths, Algodue, TCT (for these entities, Socomec branded products are taken into account)</i>	N/A
	Percentage of turnover achieved by wholesale product ranges covered by a PEP	N/A	9%	N/A

10. SOCIETAL COMMITMENT

Socomec is a responsible, open and committed company that supports the development of associations and culture within civil society through its ongoing cultural and humanitarian sponsorship policies.

This commitment opens up the company to its environment and strengthens its civic responsibility. It also fosters a sense of pride and belonging among its employees. As such, this contributes to Sustainable Development Goal 11.



Donation of IT equipment: combining environmental and societal benefits

Socomec wished to recycle its IT equipment in collaboration with the UNISTRA Foundation and Emmaüs Connect Strasbourg. In 2021, nearly 400 laptops and 200 smartphones were donated to the two non-profit associations when the company's IT and telephone equipment was upgraded.

This approach is part of the circular economy process and also helps to combat the digital divide and social inequalities, which have been exacerbated by the pandemic. These IT tools and the appropriate support for their proper use will benefit people who lack access to digital technology.

Commitment to education and science

Socomec participates in the educational sector in order to promote science.

The Group is active within the University of Strasbourg Foundation, contributing in particular to the Artificial Intelligence Chair and the Inventive Design Chair. Socomec is also a member of the Pôle Fibre Energivie - Build & Connect and participates in exchange groups.

Finally, since 2017, the Group has been involved in a module on Eco-design at the *École catholique d'arts et métiers* Strasbourg-Europe (ECAM).

Commitment to culture

For more than 30 years, Socomec has demonstrated its policy of openness and support for the arts and culture, working with local and international artists in the fields of music, dance, sculpture, illustration and, more recently, Street art. Socomec maintains its commitment to art and culture, areas that have been strongly impacted by the pandemic.

- **COLORS Urban Art powered by Socomec**

Socomec is the historical partner and first sponsor of the Alsace-based association COLORS Urban Art powered by Socomec, which organises Street Art events in Strasbourg and the Grand Est region.

In 2021, the Group renewed its financial support to the association. "It was an obvious choice", explains Ivan Steyert, CEO of SOCOMEC. "With this health crisis, artists and the world of culture are going through a period of great difficulty and deserve to be supported even more. As a major economic player in the region, we stand in solidarity with artists and the structures that support them. This is a long-standing social commitment for Socomec, and is part of our DNA."

The Group also contributed to the implementation of the 3rd edition of the COLORS Festival in September 2021, despite the health situation.

Street art is a contemporary and universal form of artistic expression that perfectly illustrates Socomec's ability to be both open to its environment and connected to younger generations. By actively supporting street art, Socomec is helping to make art accessible to as many people as possible and to enrich the urban environment. This commitment also helps to enhance the Group's brand as an employer.

- **“Industrie magnifique”, June 2021**

In 2021, Socomec collaborated with self-taught artist David David and three Alsace family businesses in an open-air art installation in the city of Strasbourg that sought to draw parallels between art and industry and to challenge and inspire us.

This event was an opportunity to bring industry into the city and to show that a company is not a closed system, but an active player in a global ecosystem, involved in the life of the city.

The work "Free your energy" reflects the expertise of each company and the common thread that unites them: energy. It is underlined by the philosophy of the artist, David David, whose paintings, sculptures and monumental pieces carry strong messages on societal issues, such as consumerism.



In the age of the smart city, this small art installation was also connected: production capacity and consumption were monitored in real time, as was the battery's charge.

Targets for 2022:

- As part of its in-house commitment programme, Socomec has committed to donating funds to the Electricians Without Borders organisation to finance the electrification of a health centre and a school in a village in northern Madagascar. The progress of the project and the funds that are released are presented each month to the Group's employees.

APPENDICES

This Non-Financial Performance Report (NFPR) will be presented to the Board of Directors on 10 May 2022 and to the General Assembly on 25 June 2022. Following the mandate of an independent third-party body (ITB), several audits were carried out on 8 and 10 March 2022 at the Isola Vicentina (Italy) and SUE (Qingpu, China) sites. At the end of the report, you will find the ITB's attestation on the sincerity and conformity of the published information.

Scope

The scope of the data is that of Socomec Holding, including all its subsidiaries and companies it controls according to article L. 233-3 of the French Commercial Code. However, in view of our chosen indicators, we have focused on Socomec's industrial sites. The details of the scope chosen according to the indicators are specified at the end of the report in the "Extra financial performance indicators" section.

Socomec is committed to the Sustainable Development Goals (SDGs)

Socomec is committed to the Sustainable Development Goals (SDGs) - in line with the UN's global call to action by 2030 - to eradicate poverty, protect the planet and ensure that all people live in peace and prosperity, etc.

Through its activities and key issues for sustainable development (Environmental protection, Eco-design, Health and safety, Ethics and working conditions), our Group contributes more specifically to the following Sustainable Development Goals.



Non-financial risks not covered by the Socomec Group

Given the nature of our activities, we consider that the issues of food waste, the fight against food insecurity, respect for animal welfare and responsible, fair and sustainable food production do not constitute non-financial risks linked to the activities and sector of the Socomec Group and do not justify inclusion in this sustainable development report.

Risks related to water use

Water usage has not been identified as a priority risk either. Indeed, Socomec does not use water in its production processes, except for cleaning purposes in the workshops and for sanitary facilities. Furthermore, there is no discharge of water into the environment: industrial water is in closed channels and is not discharged either into the natural environment or via the municipal collection network.

INDEPENDENT THIRD-PARTY REPORT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Socomec Holding

Year ended the December 31, 2021

Independent third party's report on consolidated non-financial statement

EY & Associés

Socomec Holding

Year ended the December 31, 2021

Independent third party's report on consolidated non-financial statement presented in the management report

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our quality as an independent third party, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of Socomec Holding (hereinafter "entity"), we conducted our work in order to provide a conclusion expressing a limited level of assurance on the compliance of the consolidated non-financial statement for the year ended December 31, 2021 (hereinafter the "Statement") with the provisions of Article R. 225-105 of the French Commercial Code (*Code de commerce*) and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), included in the management report pursuant to the requirements 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 "Nature and scope of the work", and on the elements we have collected, we did not identify any material misstatements that would call into question the fact that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comments

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- regarding the risk related to climate change, the policy, action plans and key performance indicators are not formalized by the group;

- indicators related to environment and absenteeism cover a partial scope, representing 75% of the consolidated workforce.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The entity's responsibility

It is the responsibility of the Board of Directors to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators;
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's procedures, the main elements of which are presented in the Statement.

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 requirements 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.

As it is our responsibility 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 this could compromise our independence.

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000¹.

Independence and quality control

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

Means and resources

Our verification work mobilized the skills of five people and took place between December 2021 and May 2022 on a total duration of intervention of about six weeks.

We conducted interviews with the persons responsible for the preparation of the Statement including in particular purchasing, sustainability, eco-conception, health and safety, human resources and environment.

¹ ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information

Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III of the French Commercial Code;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (responsible purchasing, eco-conception of products and anti-corruption) our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: Qingpu (China) and Isola (Italy);
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement];
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process 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 Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 9% and 26% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (9% of energy consumptions, 12% of headcount and 26% of waste);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, the 10 May 2022

French original signed by:

Independent third party
EY & Associés

Christophe Schmeitzky
Partner, Sustainable Development

Appendix 1 : The most important information

Social Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
<p>Frequency rate of accidents at work (Nb/thousands of working hours).</p> <p>Severity rate of accidents at work (Nb/thousands of working hours).</p> <p>Rate of absenteeism (%).</p>	<p>Health and Safety of the employees.</p> <p>The engagement of employees.</p>
Environmental Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
<p>Percentage of turnover achieved by product ranges covered by a PEP (%).</p> <p>Waste recovery rate (%).</p> <p>Percentage of renewable energy used in total electricity consumption (%).</p> <p>Percentage of manufacturing sites with ISO 14001 certification (%).</p>	<p>Product eco conception.</p> <p>Measures to improve energy performance and the fight against climate change.</p> <p>Waste management.</p>
Societal Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
<p>Percentage of turnover covered by suppliers who have signed the code of conduct (%).</p> <p>Percentage of employees trained in ethics and compliance policy (%).</p>	<p>Social and environmental practices of the suppliers and sub-contractors.</p> <p>The fight against anti-corruption.</p>