



2020 Non-Financial  
Performance Statement



# Contents



# 01 Introduction

## ■ A. Letter from Guy Talbourdet

*This third Delachaux Group non-financial performance report highlights our contribution to an economy based on social, financial, and environmental balance. Our two shareholders – the Delachaux family and the Caisse de Dépôt et de Placement du Québec – and the entire Delachaux Group management, share this conviction: that the sustainability of our Group, in business for over a century, is linked to this responsibility which we have for these important balances.*

*The actions taken by all of the Delachaux Group teams form part of the «WE, our Worldwide Engagement» program, and the five areas of that engagement: safety, environment, ethics, management practices and relationships with the local communities where we operate. WE echoes our commitment as reaffirmed in the Global Compact and the 17 Sustainable Development Goals of the United Nations. This report is structured around these five topics. It is an opportunity to highlight the achievements of some of our teams and to measure the impact of our actions.*

*In 2020 we mainly made progress in two areas:*

- *Safety: We reduced the lost time accident frequency rate by 40% between 2019 and 2020. Beyond the indicator, the mobilization of all our employees should be emphasized, as this demonstrates a spirit of responsibility and discipline, which is vital in our industrial and engineering activities.*
- *The environment: In line with the 2018 carbon footprint assessment, we renewed the exercise over 2019 and 2020 while amplifying and refining the collection of data to obtain more accurate results. These diagnostics serve to highlight our efforts over time, in particular the reduction of our carbon footprint due to the Pandrol foundry, which accounts for 40 % of the total consumption of the group and supplies, in 2020, more than 50 % of renewable energy.*

*I would like to thank all the teams in the Delachaux Group companies – Pandrol, Frauscher, Conductix-Wampfler and DCX Chrome – for their actions: we are all stakeholders in our corporate responsibility, whatever our level in the business. The passion we bring to our work, the expertise and sense of unity which characterise us are all assets for developing our own responses to the challenges of the modern world.*

*Whilst the world is experiencing an unprecedented health and economic crisis, we will remain invested in building long-term performance for the Delachaux Group.*

*I hope you enjoy reading this report.*

**Guy Talbourdet**

Chief Executive Officer, Delachaux Group

## ■ B. The COVID crisis

Each company in the Group has managed the health crisis using a similar approach. Initially, each company set up daily and direct communication between the management team and the various sites to ensure management and monitoring of personal safety and business continuity, particularly for the production and distribution activities. In particular we would like to thank the teams in Wuhan in China and in Agrate in Italy, who enabled us to raise awareness among all the teams in February.

All of the Group's production sites were deemed essential and only a few had to temporarily interrupt their operations, in most cases because of government decisions, mainly in China, India and Italy. All the production units have reorganized their work teams on site to implement the health protection measures necessary to ensure their safety. Most non-production teams switched to working from home mode.

Numerous discussions on good practices also took place between the various units and activities of the Group. Finally, local solidarity actions were carried out, in the form of donations and manufacture of masks for hospitals.



## ■ C. Global Compact and the Agenda 2030

The Delachaux Group has been a signatory to the Global Compact since 2017. Mandated by the UN, the Global Compact aims to be the catalyst and supporter for commitments, actions and innovations by companies in terms of sustainable development. Launched in 2000, it now brings together more than 10,000 companies in over 160 countries around 10 universally recognised principles in the areas of human rights, international labour standards, the environment and anti-corruption.

In September 2015, the 193 UN member states adopted the 2030 Agenda for Sustainable Development, called Agenda 2030, which includes 17 Sustainable Development Goals (SDGs) covering virtually all aspects of society. Since 2016 the Global Compact has integrated the SDGs and guides companies to help contribute to them. The Delachaux Group has therefore decided to link its sustainable development commitments and actions to the following SDGs:

- 3. Good health and well-being
- 4. Quality education
- 5. Gender equality
- 8. Decent work and economic growth
- 10. Reduced inequalities
- 12. Responsible consumption and production
- 13. Climate action



## ■ D. Methodological note

All the information shared in this report relates to the Delachaux Group and its four companies: Pandrol, Conductix-Wampfler, Frauscher and DCX Chrome. Where certain information is more limited in scope, this will be specified.

# Presentation of the Delachaux Group

The Delachaux Group is a global player in engineering and industrial solutions. Delachaux Group companies design and manufacture products, systems and services that are essential for the safety, efficiency and reliability of its customers' equipment and infrastructures.

## A. The Delachaux Group at a glance



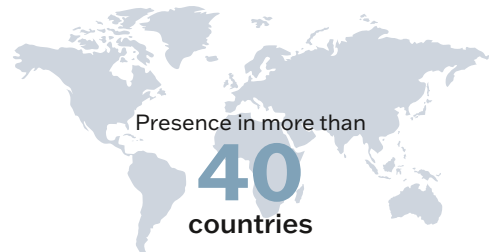
2020 sales turnover:

**840**  
million euros



Approximately

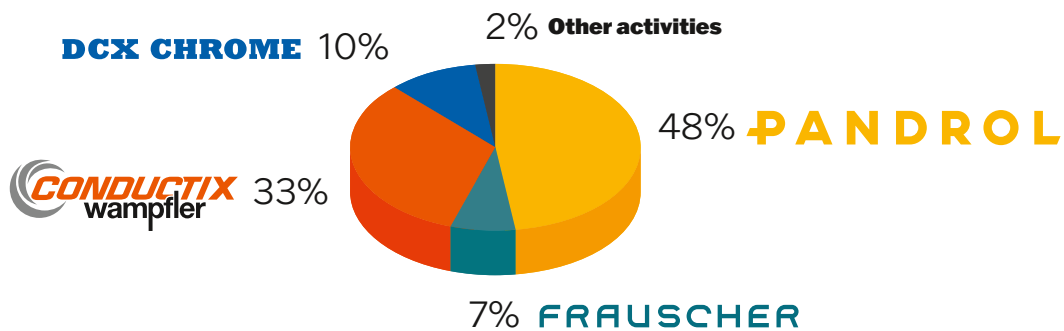
**3800**  
employees



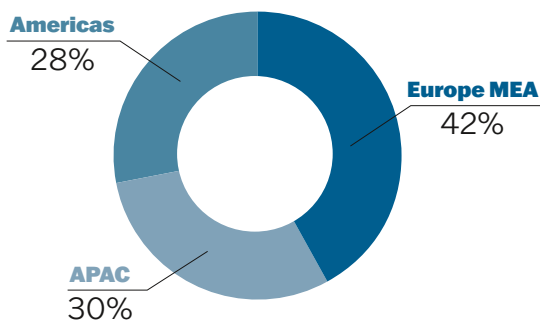
Presence in more than

**40**  
countries

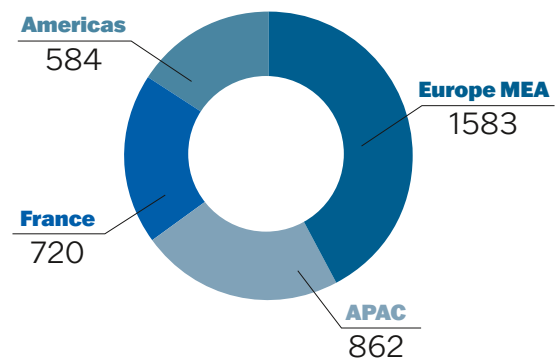
### BREAKDOWN OF SALES BY ACTIVITY AS % OF 2020 SALES



### BREAKDOWN OF SALES BY REGION AS % OF 2020 SALES



### BREAKDOWN OF EMPLOYEES BY REGION IN 2020





## ■ B. History of the Delachaux Group

The Group dates back to 1902, the year when its founder Clarence Delachaux created a company in Saint-Ouen which supplied overhead power-line equipment for trams. In parallel with the boom in public transport, he developed the aluminothermic welding process. This process led to the creation of another business: the manufacture of pure metals and ferro-alloys.

In 1917 Clarence Delachaux built a production plant in Gennevilliers on a 20-hectare site, to support the company's expansion.

After Clarence Delachaux's death in 1941, his sons took over the operational management of the Group. During this period, the Delachaux Group was resolutely turning to new technologies and the innovation associated with the increase in the mobility of goods and people.

In 1974 the eldest grandson, François Delachaux, was appointed as CEO of the Group, a position he was to hold for more than 30 years. Under his leadership, the Group accelerated its external growth policy in order to strengthen the various businesses and their international presence, by making a number of acquisitions including the acquisition of Insul-8 USA (which became Conductix USA) in 1975 in the area of energy data management systems (EDMS).

In 1985 the Company was listed on the Paris Stock Exchange. The Group implemented a dynamic external growth policy, which included the acquisition of Cefilac in 1987 in the area of EDMS, Stedef in 1999 in the area of Rail Infrastructures, Pandrol in 2003, a major stakeholder in rail fastening systems and in 2007, Wampfler, with its head office in Germany and which operated in the sector of products for the electrical power supply of industrial handling equipment.

In 2011 the Delachaux Group withdrew from the Euronext Paris stock exchange as part of a simplified public takeover bid, at the time of reorganisation of family control of the Group. Stéphane Delachaux took control of the Group alongside the investment company CVC Capital Partners.

Over the next decade the Group's acquisition policy continued, including, in the Rail Infrastructure Business, the acquisitions of Rosenqvist, KLK, Plotz, Intercast, CDM Track and Harshad and the companies LJU and Jay Electronique in the EDMS sector.

In October 2017, all Group companies dedicated to Rail Infrastructure Businesses (including Railtech, Vortok, Pandrol and Rosenqvist) were brought together under the Pandrol name, which henceforth grouped together all of the rail infrastructure activities.

In 2018 CVC Capital Partners sold its shares to the Caisse de Dépôt et Placement du Québec (CDPQ) and to the Delachaux family, which increased its majority shareholding.

In February 2019, the Delachaux Group completed the acquisition of the Austrian group Frauscher Sensor Technology. Frauscher is a global expert in railway signalling using inductive wheel detection systems and axle counters and, together with its subsidiary Sensonic, in train monitoring solutions and infrastructures based on distributed acoustic detection technology from optical fibres located along railway tracks.

## ■ C. Governance

### **BOARD OF DIRECTORS**

The Delachaux Group's Board of Directors has eight members.

- **Mr Stéphane DELACHAUX**: Chairman (ANDE)
- **Mr Guy TALBOURDET**: Chief Executive Officer
- **Mr Pierre DURAND de BOUSINGEN** (appointed by ANDE)
- **Mr Damien FAUCHER** (appointed by ANDE)
- **Mr Jean-Marie FULCONIS**
- **Ms Olivia LARMARAUD** (Independent Director)
- **Mr Lorenzo LEVI** (CDPQ)
- **Mr Alain CIANCHINI** (CDPQ)

#### **The Board of Directors implements its actions through 3 committees:**

- **the Audit, Risks and Ethics Committee** helps the Board of Directors to ensure the accuracy and veracity of the corporate accounts and the Company's consolidated financial statements and the quality of the information provided; and to monitor the effectiveness of the internal control and risk management systems and to examine the Group's ethical principles and ensure that ethical aspects are taken into consideration in the work of the Board of Directors and in the management of the Group
- **the Appointments and Remuneration Committee**, whose role is to assist the Board of Directors with (i) the composition of the management bodies of the Company and its subsidiaries, (ii) the determination and assessment of the remuneration of the members of the Company's management team and its subsidiaries and in (iii) the determination and assessment of the remuneration and bonuses paid to members of the management team (including deferred benefits and/or severance pay for voluntary or involuntary departure from the Company and its subsidiaries) and to advise and inform it in relation to remuneration issues of any kind.
- **the Strategic Committee**, whose role is to provide opinions or recommendations to the Board of Directors on the definition and implementation of the Group's strategic recommendations, to propose priorities for growth and to select investment opportunities.



## **EXECUTIVE COMMITTEE**

The Delachaux Group's Executive Committee (COMEX) has seven members. It brings together the managers of the Group's key companies and business activities. Its task is to "create the conditions for the success of the Delachaux Group's companies, including the Group's Sustainable Development model". This objective was reformulated in 2020 as part of a continuous improvement process aimed at clarifying the respective roles and responsibilities of the COMEX (Executive Committee) and the Delachaux management, as well as the corporate team.

- **Mr Guy TALBOURDET**: Chief Executive Officer, Delachaux Group
- **Mr Bruno DATHIS**: Chief Financial Officer, Delachaux Group
- **Ms Bénédicte PERONNIN**: Human Resources Director, Delachaux Group
- **Mr Eran GARTNER**: Chief Executive Officer, Pandrol
- **Mr Fabrice SEEWALD**: Deputy Chief Executive Officer, Pandrol
- **Mr François BERNES**: Chief Executive Officer, Conductix-Wampfler
- **Mr Michael THIEL**: Chief Executive Officer, Frauscher

### **The tasks of the COMEX cover:**

- **strategy**: to facilitate the implementation of the strategy for each of the businesses
- **risk management**: to protect the Group in a changing and uncertain world
- **team development**: to create the conditions necessary for employee performance and development and therefore, customer satisfaction.



## ■ D. Presentation of the business model

As a global player in industrial engineering and solutions, the Delachaux Group designs and manufactures products, systems and services that are essential for the safety, efficiency and reliability of its customers' equipment and infrastructure in rail infrastructure and in the port, aviation, logistics and mining sectors.

Our businesses, Pandrol (Rail Infrastructure), Frauscher (Rail Signalling), Conductix-Wampfler (Energy & Data Management Systems) and DCX Chrome (Chromium Metal), are world-renowned for their reliability, their expertise and their ability to innovate.

### **a. OUR STRATEGY**

The growth of the Delachaux Group is driven by structural trends: urbanisation, green mobility, industry 4.0, investment in infrastructure and an ever-increasing demand for quality and safety.

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

Our four businesses (Pandrol, Frauscher, Conductix-Wampfler and DCX Chrome) are structured around common characteristics:

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

Indeed, with over 100 sites in more than 40 countries, the unique network of our model, which is both global and local, combines responsiveness, flexibility and customer proximity. This decentralised and collaborative management method means the Group's teams have accurate knowledge of the value chain and the commercial, technological and regulatory environment in each of the markets in which we operate. Using this model, our intention is "to offer the best of Delachaux all over the world".

The Delachaux Group's business model is also based on a tradition of innovation:

- innovation focused on customer requirements, with specialised products to tackle industrial issues
- a long product development and certification cycle, of between 5 and 7 years, for a use and maintenance phase of greater than 5 years
- continuous improvement, with almost 4% of our sales turnover represented by research and development expenses
- at the heart of complex technological and industrial ecosystems, so as to contribute to defining the latest industry standards on the market



## b. OUR TEAMS

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

We have around 3,800 employees in over 40 countries, united by shared principles:

*Empowered teams  
Constantly progressing  
And working together to put the customer first*

While we are recognized for the expertise and reliability of our products, this is above all because of our day-to-day commitment and our entrepreneurial spirit.

At 31 December 2020 the Group had a total of 3,777 employees, compared to 3,789 at the end of 2019. This workforce included 3,749 active employees (employees present or absent for less than 6 months).

The weighting of the railway business workforce was 55%, of which 42% was for the rail infrastructure business and 14% for the signalling business, whilst the EDMS sector (Energy Data Management Systems) represented 39% of the workforce. The remaining 6% related to the Metal and Magnetism business and the Group Corporate function.

### Breakdown of the active workforce (permanent contracts, fixed-term contracts, apprenticeships – excluding temporary staff) by category

Blue-collar workers represented 44% of the total workforce. Managers and experts (engineers and sales managers in particular) made up 18% of the total including 14% in R&D and Engineering, and the rest of the population was made up of employees, technicians, supervisors, and administrative staff. The total workforce was stable (-0.3%) compared to 2019.

	2020	2019	2018	2017
Managers et experts	695	640	558	552
Blue-collar workers	1654	1721	1489	1545
Other*	1428	1428	1216	992
<b>TOTAL</b>	<b>3777</b>	<b>3789</b>	<b>3263</b>	<b>3089</b>

\*Administrative, employees, technicians

### Geographical distribution

The Group is present in 40 countries. Of these, 10 countries employ more than 100 permanent staff and represent 88% of the global active workforce.

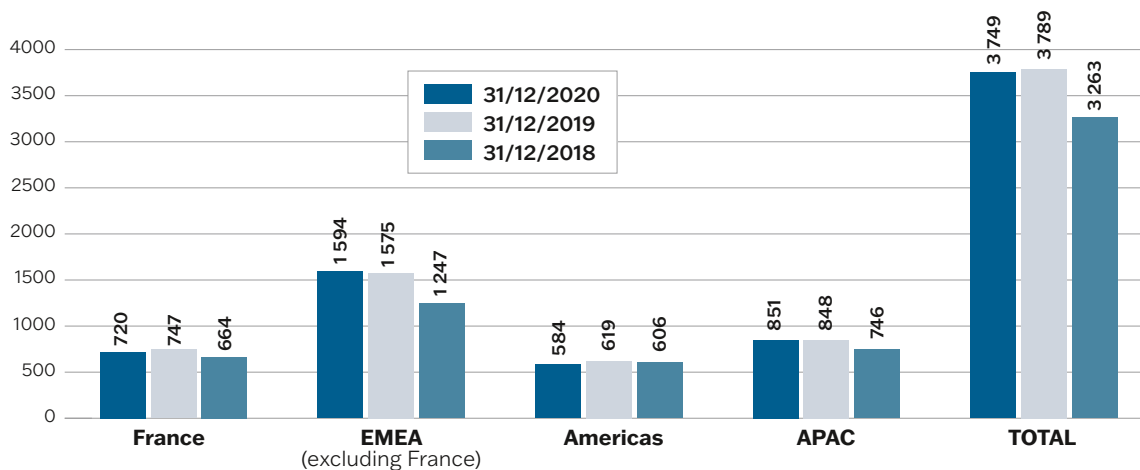
Country	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
France <sup>(1)</sup>	720	747	664	681	658
Germany <sup>(2)</sup>	509	523	511	399	358
USA	420	457	438	409	385
Austria <sup>(3)</sup>	315	293	14	10	14
United Kingdom	299	288	263	275	299
India <sup>(4)</sup>	263	278	147	129	146
China	261	249	261	238	198
Australia	234	235	259	258	269
Spain	186	176	179	174	177
Brazil	113	110	115	107	104

- (1) Significant change in France in 2019 linked to the integration of Jay Electronique (55 people)
- (2) Significant change in Germany in 2018 linked to the integration of LJU (91 people)
- (3) Significant change in Austria in 2019 linked to the integration of Frauscher (277 people)
- (4) Significant change in India in 2019 linked to the integration of Frauscher (113 people)

France remains the Group's leading country in terms of staff; the number of staff there fell in 2020, mainly due to the closure in September 2020 of the Tétang sur Nied plant, of which part of the business was transferred to the Douai site. At the end of 2020, 27 people had been made redundant out of the 28 affected by the plan. In the United States, Pandrol's move from New Jersey to Tennessee was the cause of several dozen departures, with the staff who did not move being gradually replaced at the new site. In Austria, Frauscher continued its growth. Likewise in China in Wuhan, where Pandrol and Conductix-Wampfler factories are located, activities resumed post-Covid in the spring.

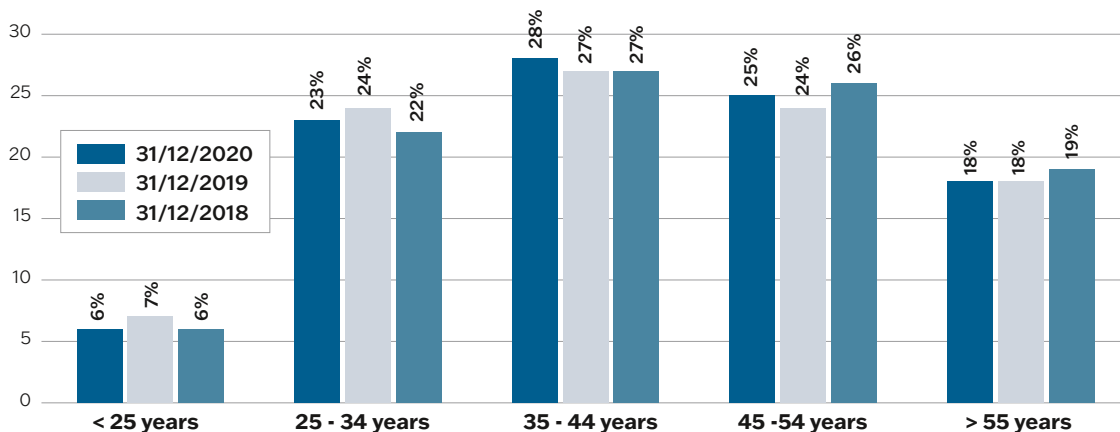
From a regional perspective:

### Breakdown of the active workforce by region on 31 December 2020

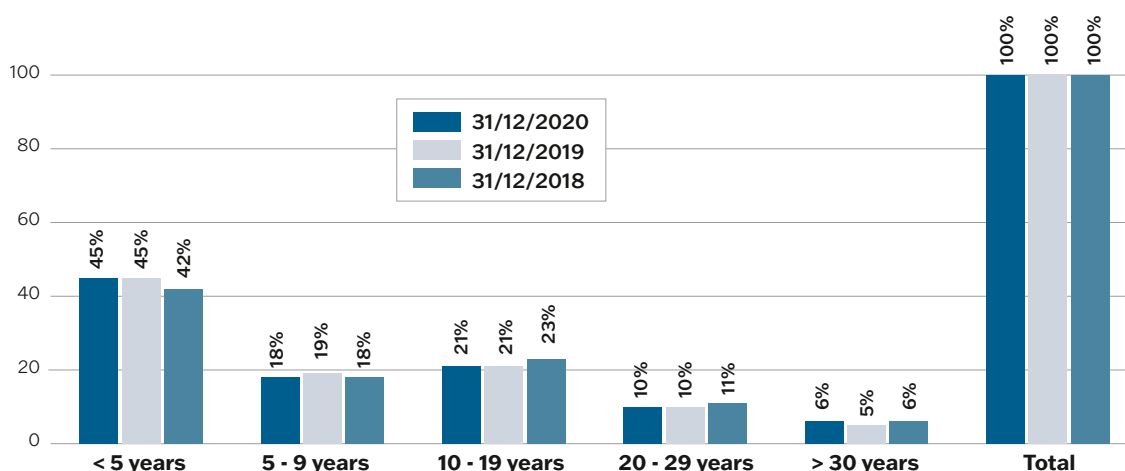


\*EMEA = Europe, Middle East and Africa

Age pyramid for the active workforce on 31 December 2020



Length of service in the company of the Group's active workforce on 31 December 2020



The age pyramid and the table showing length of service show the history of the Group's employees as well as changes and the impact of new contributions by regular recruitment activities in recent years.

Against this backdrop, the Group is particularly sensitive to the support and management of different generations and to the transfer of skills from older staff to younger staff.

The age and length of service pyramids have been stable from one year to the next. People with less than 5 years' service still represent the largest population at 45%, while those with more than 10 years' service total 37% thus allowing a balance between the acquisition of external skills and the preservation of existing knowledge. Apprenticeship programs continued, in Germany and in Austria in particular. Elsewhere there may have been disruptions to internships due to COVID while the two young French VIEs (from the French Volunteers for International Experience scheme) who were based in Wuhan had to be repatriated in the first quarter.



### **c. OUR COMPANIES**

## **PANDROL**

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

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

#### **Pandrol's activities include four product lines:**

- **Fastening Systems**

Pandrol markets a wide range of fastening systems (screwed or clipped) designed for all types of track (ballasted or otherwise, high-speed lines, metro or tram tracks, freight corridors, mining tracks).

- **Aluminothermic Welding**

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

- **Equipment and Control**

This business segment consists of designing, developing, and manufacturing equipment capable of improving the efficiency of railway construction and maintenance.

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

- **Electrification**

Pandrol supplies a comprehensive range of products for urban transport systems, such as aluminum conductor rail systems, rigid catenary systems and other innovative solutions for special applications.

**In 2020 Pandrol represented 48% of the sales turnover and 41.9% of the workforce of the Delachaux Group.**



## FRAUSCHER

Frauscher is a leader in the engineering, production, and implementation of inductive sensors for rail signalling systems. These wheel detection and axle counter systems are intended for railway signalling system equipment: freight, urban transport (trams and metros), high-speed transport and national rail networks. Frauscher's ambition is to simplify the task of signal system integrators and rail operators to obtain the information they need to run, track and protect their operational network – "Track more with less".

Frauscher has also developed Distributed Acoustic Sensing (DAS) technology which uses optical fibres running along railway tracks as sensors. This technology includes the design of algorithms for acoustic signals captured through Artificial Intelligence processes (machine learning). A subsidiary dedicated to this business – Sensonic – was set up at the end of 2019 with a workforce of 43 employees, the majority of whom are engineers mainly based in Austria and England.

**In 2020 Frauscher represented 9.8% of the sales turnover and 13.6% of the workforce of the Delachaux Group.**



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

### The main products marketed by Conductix-Wampfler are:

- Conductor rails for transmitting energy (up to 2,000 amps) and digital data. The conductor rails can be configured, and their length can be adapted to suit the needs of customers and their industrial environment, including more complex environments.
- Cable festoon systems for supporting, protecting, and transporting flat and round cables for the transfer of electrical power and of data. Flexible pipes can also be integrated for the transportation of fluids, air, or gases. The festoon systems are tailored to the needs of each customer, and to difficult environments such as steel mills, port sites, composting centers, or agricultural applications.
- Reeling systems (motorized or spring-loaded), used for the automatic winding of cables or hoses of different types of mobile equipment such as hoisting and handling equipment. Motor-driven cable reels (including direct contactor-controlled drive packages, robust reels using magnetic couplers, or inverter-controlled drive packages) are tailored to any application including ports, steel mills, theatres, bulk handling machines, airport gateway cable management, wastewater treatment plants, and mines.
- Inductive Power Transfer (IPT®), especially in intra-logistic systems, is used to transfer power and data without mechanical or electrical contact, based on the principle of electromagnetic induction and developed to meet modern industrial requirements, which require mobile electrification systems based on high speeds and absolute resistance to wear.
- Control systems for overhead conveyors, used in various industrial applications, particularly automotive.

Conductix-Wampfler works primarily for six types of customer user applications:

- Heavy lifting and handling equipment (overhead cranes, automated guided vehicles, gantry cranes on tyres, gantry cranes on railways, etc.);
- Industrial handling systems (storage, production lines, intra-logistics handling, conveyors, workstations, etc.);
- Small industrial lifting and handling equipment (hoists, jib lifting systems, forklifts, construction machinery);
- Urban transport (metros and trams with conductor rails or contactless rails);
- Control and production of fiber optics/power cables and data;
- The services and maintenance relating to this equipment.

**In 2020 Conductix-Wampfler represented 31.3% of the sales turnover and 38.7% of the workforce of the Delachaux Group.**

## **DCX CHROME**

The DCX Chrome brand illustrates the one-hundred-year know-how of the Delachaux Group in aluminothermic processes. DCX Chrome is the world's leading producer of chromium metal for the manufacture of superalloys and special steels, including in the aviation and energy production sectors.

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

**In 2020 DCX Chrome represented 7.3% of the sales turnover and 1.7% of the workforce of the Delachaux Group.**

## **Other Businesses**

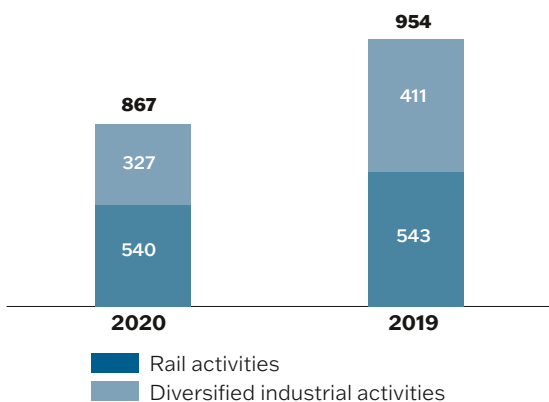
Two other companies form part of the Delachaux Group:

- **Lenoir – MEC** develops and markets magnetic systems for industrial sorting and lifting operations.
- **KLK** develops and markets power resistors and earthing devices.

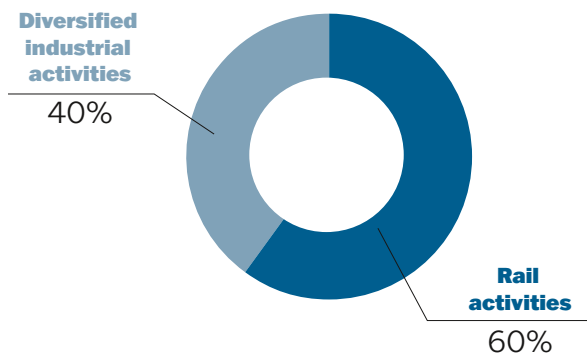
**In 2020 these two businesses represented 2% of the sales turnover and 3.3% of the workforce of the Delachaux Group.**



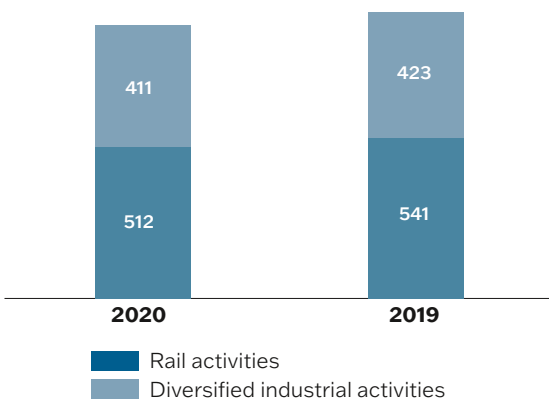
**d. 2020 FINANCIAL RESULTS**



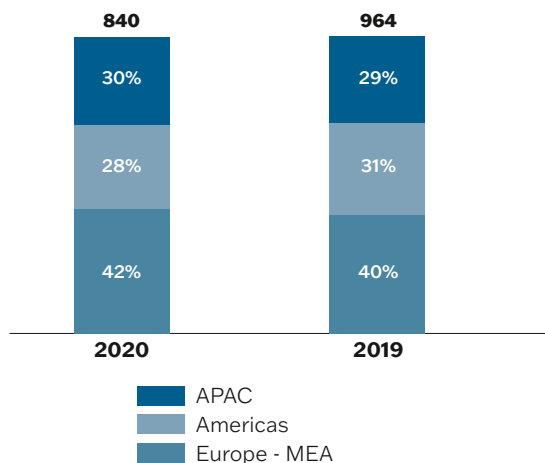
**Orders taken**  
(in millions of euros)



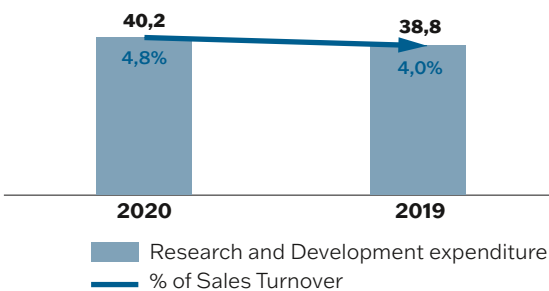
**Sales turnover by activity**  
(as % of sales turnover)



**Sales turnover by activity**  
(in millions of euros)



**Sales turnover by region of destination**  
(as % of total sales turnover and in millions of euros)



**Research & Development expenditure \***  
(in millions of euros and as % of sales turnover)

\*Total Research & Development expenditure, including engineering functions.

## Our WE - Worldwide Engagement

In 2017 Delachaux decided to formalise its sustainable development approach. To better understand the impacts of its decisions and activities on society and on the environment, the Group used the approach proposed by ISO 26000.

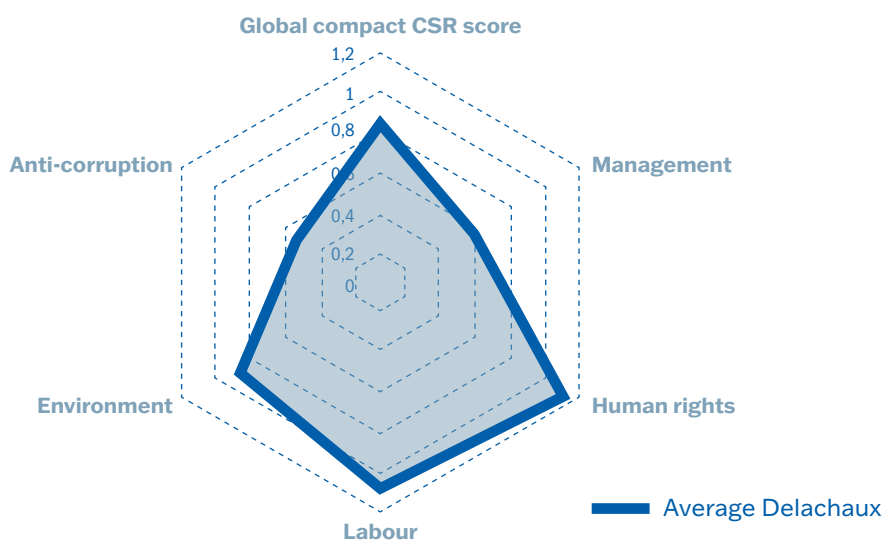
### A. Stakeholder map, materiality analysis and identification of Corporate Social Responsibility (CSR) priorities

#### a. IDENTIFICATION OF THE DELACHAUX GROUP'S CSR PRACTICES

The Group chose the Global Compact benchmark to conduct an internal survey on global and local CSR practices. The Global Compact has five categories: Anti-Corruption, Environment, Management, Human Rights and International Labour Standards which allow a CSR maturity score to be calculated.

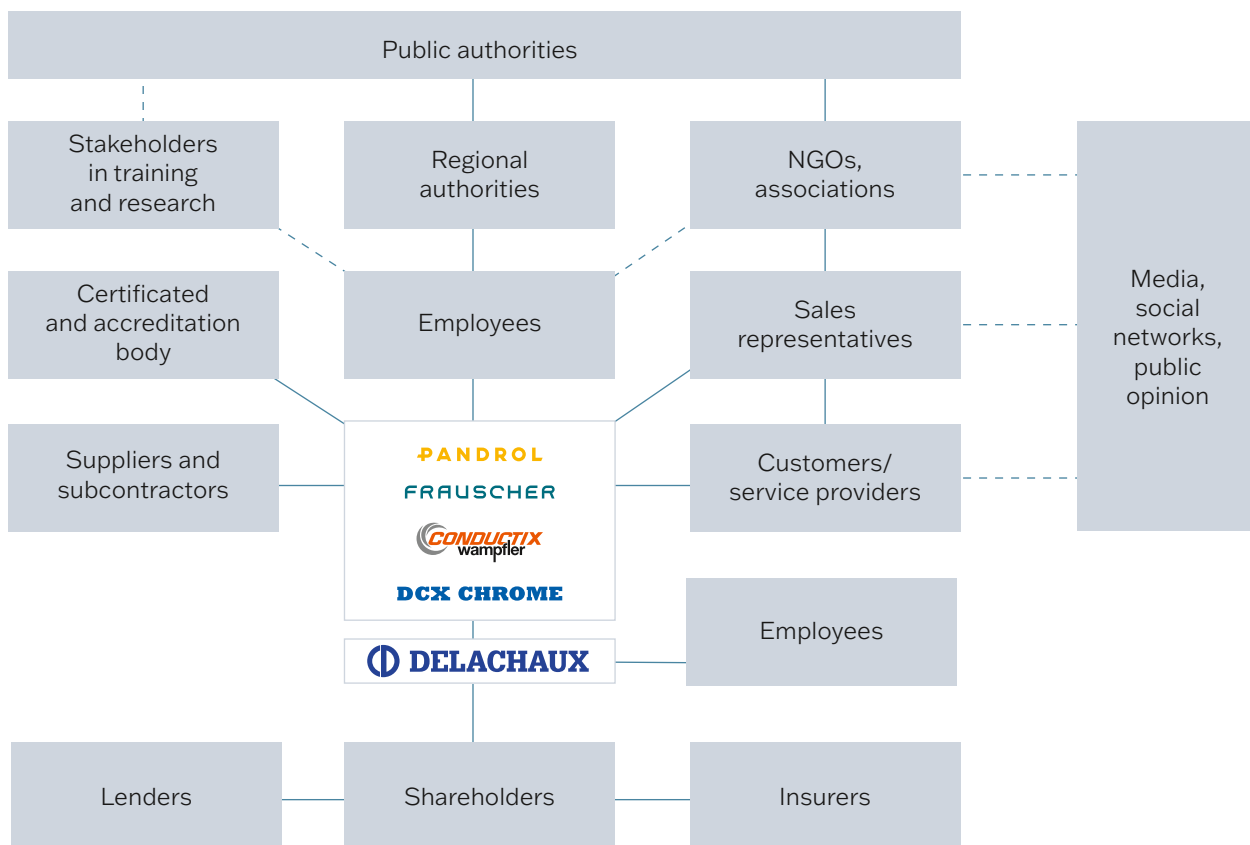
The survey was conducted between July and September 2017 on 37 sites, covering more than 2,800 Group employees. In all, more than 65 interviews with Delachaux Group employees were conducted. These interviews targeted site managers, human resources managers, QSE managers and sales functions.

This survey also made it possible to identify the leading sites on certain themes. More than 30 good practices were thus identified within the Group. They mainly relate to the local and societal dimension of CSR (philanthropy, societal commitment, local sponsorship) as well as the environment (awareness-raising, eco-design, use of renewable energies).



Overall performance of the Delachaux Group on the different categories of the Global Compact

Thus, at the start of 2018, based on the results of the Group’s performance on the various categories of the Global Compact, and the analysis of the Group’s global and local practices, Delachaux established an initial inventory of the Group’s level of maturity in terms of CSR. Map of stakeholders and identification of their CSR practices and priorities.



Map of the Delachaux Group stakeholders

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

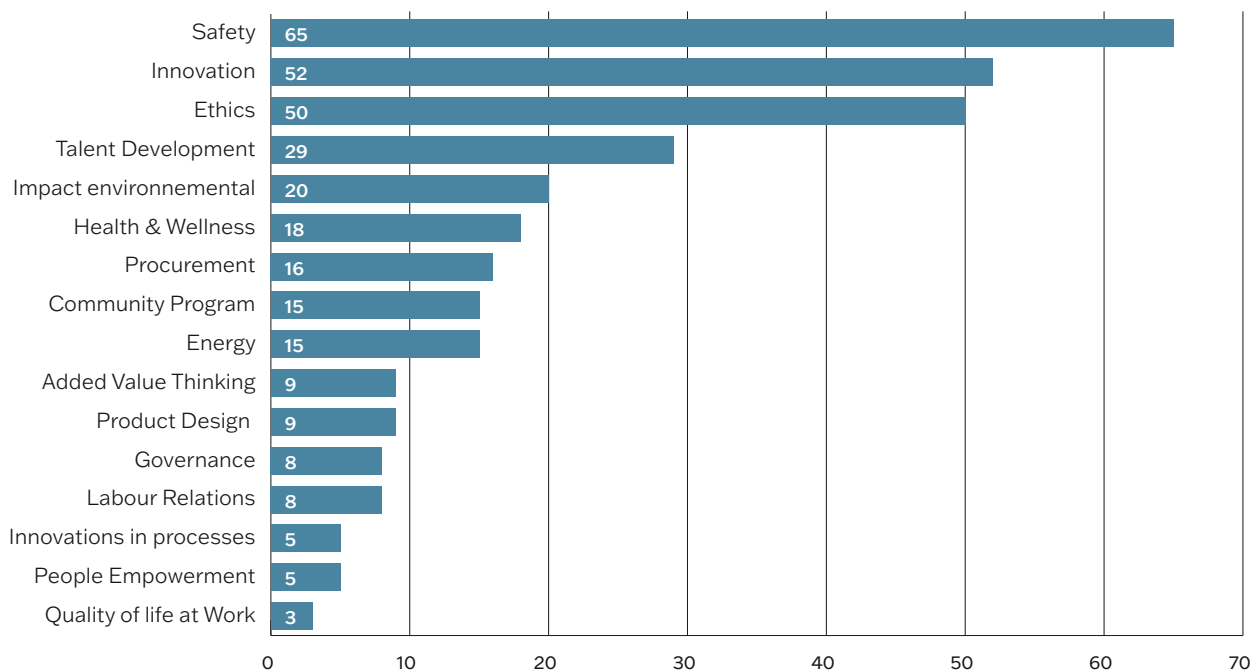
This comparative analysis covered a sample of 12 competitors, 8 suppliers, 14 customers and 14 trade associations, based on publicly available information.



**b. CARRYING OUT OF A MATERIALITY ANALYSIS AND DEFINITION OF THE DELACHAUX GROUP PRIORITIES**

Based on this information, the Executive Committee of the Delachaux Group conducted a materiality analysis in order to prioritise its CSR issues. According to ISO 26000, an issue is considered material when it is both relevant and significant for the company.

Carrying out a materiality analysis is considered best practice to firmly establish CSR as a real part of the company’s activities.



Materiality analysis of the Delachaux Group

For the Delachaux Group, Safety, Innovation and Business Ethics are the three most critical issues. These are followed by talent development, health, procurement, and social commitment.

## B. Definition of the CSR program and its governance

### a. DEFINITION OF THE CSR PROGRAM

Preliminary work on fine-tuning the materiality analysis made it possible to group material issues according to their proximity. Ten priority issues were therefore reduced to five (Safety, Environment, Ethics, Managerial Practices and Community), with these then being grouped together in two main areas (Operational Excellence and People Development). Innovation was considered an intersecting factor on all the issues.

A brainstorming session resulted in the name “WE, our Worldwide Engagement”. This name seeks to link the global and collective aspect of CSR to the local and individual aspect of the commitment.



### b. GOUVERNANCE RSE

CSR governance involves two levels, one strategic and one operational:

- the Ethics Committee, made up of the seven members of the Delachaux Group Executive Committee and the CSR Manager, defines the strategy and objectives of the WE program.
- the WE Committee, made up of 13 people representing the diversity of the Delachaux Group and recruited according to their business unit, geographical area, business and their interest in the subject, manages and deploys the WE program within the Delachaux Group.

A CSR procedure describes how the Delachaux Group is organised in order to manage its social responsibility issues. It details the constituent elements of the general management system: materiality analysis, Code of Ethics, whistleblowing system, training, management of third parties, disciplinary sanctions, reporting and verification.

On issues relating to the fight against corruption, a Compliance Committee has been created and a specific anti-corruption procedure has been drawn up in order to strengthen governance on this subject and complement the anti-corruption program in the Delachaux Group.

## ■ C. The Code of Ethics

The Delachaux Group Code of Ethics is the cornerstone of the Group's social responsibility system. During 2018 work to revise the Code of Ethics was undertaken, which resulted in the publication of a new Code of Ethics for all Group employees in April 2019.

The Code of Ethics addresses two issues:

- firstly, a regulatory issue, in relation to the obligations under the Sapin II Law
- secondly, an educational issue, with the intention of making this a document that all Delachaux Group employees can use.

As a genuine code of conduct mainly for employees, but also applying to Delachaux Group stakeholders, the Delachaux Group Code of Ethics describes and illustrates the conduct expected from them, wherever they are and whatever the nature of their relationship and work with the Group. It is written in plain and simple language and has also been translated into 18 languages to ensure that it is understood and adopted by all the Group's employees and stakeholders.

The Code of Ethics covers 14 topics and describes the Delachaux Group whistleblowing system for sharing ethical concerns confidentially or anonymously.

The Code of Ethics is reviewed and updated every year to ensure that it takes account of changes in regulations and in the practices of our employees and stakeholders.





# 04 Operational Excellence

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

## ■ A. Safety



### **a. OUR GENERAL APPROACH TO SAFETY**

Our Code of Ethics states that “**we have a right to work in an environment that is healthy, safe and secure and we must play our part in this.**” This affirmation has taken on even more significance given the health crisis we are living through, in which health has played an important part in our safety concerns.

Safety is a priority for the Delachaux Group. Improving working conditions and protecting the health of our employees are principles which contribute to the Group's sustainability and development and also constitute an important aspect of our commitment to our employees.

The prevention of occupational risks is based on an ethical and legal imperative as well as having an economic rationale: safety, quality and productivity performances are linked. Safety is therefore of strategic importance in terms of the appeal of the various businesses, whilst helping to meet the need to extend working life.

The various companies in the Delachaux Group each have a department for safety, health and quality and publish monthly performance indicators on the frequency rate for lost-time accidents and exceptionally since the health crisis started, we have strictly monitored serious instances of COVID among our employees. Up to the present time we have not had any serious complications as a result of COVID.

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

### **b. CASE STUDIES**

#### **● Raimes 2022: safety, the pillar of modern, high-quality production**

Since 2019 the Raimes site has been undertaking a reorganisation of the site with a project for the creation of a new factory in the quest for industrial excellence and continuous improvement linked to “taking time for customers” or “production for customer needs”. The priorities for this factory are safety, working conditions, quality and improving the skills of the operational teams. A lot of innovation will be used in the processes to improve safety, workstation ergonomics and process automation.

Actions in 2020 focused on making buildings available for other activities, defining specifications and selecting suppliers and equipment. This factory aims to be exemplary in terms of safety and environmental impact, exceeding regulatory standards.

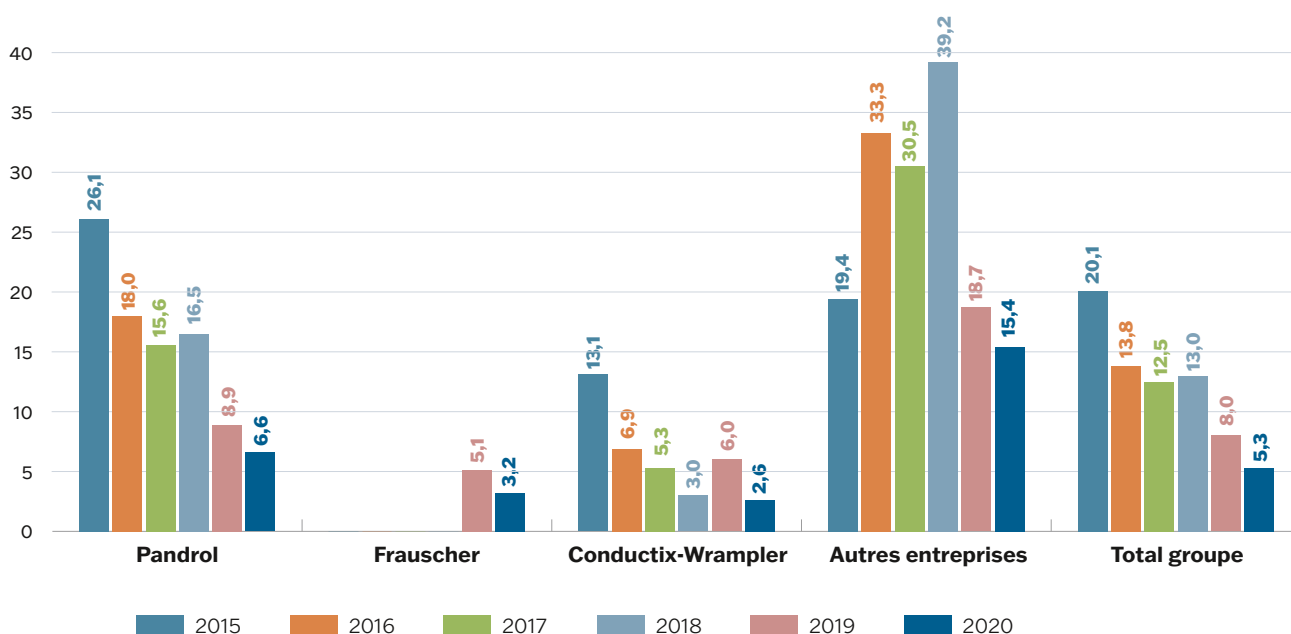
• Safety, at the heart of innovation in Conductix-Wampfler

For Conductix-Wampfler, application safety is a major design feature. Control-command systems produced in Potsdam (Germany) by LJU include key safety elements for ensuring the safety of people who work, for example, on car production lines. Similarly, the wireless remote controls and systems supplied by JAY Electronique in St Ismier (France), a company acquired in July 2019, are entirely dedicated to the safety of handling operations and use protocols which are designed in-house and patented.

c. KPI

• TF1'

For several years now we have been monitoring a safety performance indicator. The selected indicator is **the lost-time accident frequency rate, which is calculated as the number of accidents with lost working time per million hours worked** (all workers, including temporary staff – TF1').



Evolution of security performance 2015-2020

Since 2015 (over a period of 5 years), we have divided the accident frequency rate by 4. In 2020 we achieved the target of 5.3. Of the sites with more than 20 employees, 23 (57.5% of the total of 40 sites) had no accidents in 2020. Between 2019 and 2020 we reduced the accident frequency rate by over 40%, from 8 to 5.3.

The commitment and empowerment of all our employees in relation to risk and accident detection and prevention have been key in achieving the targets and in drastically reducing the lost-time accident frequency rate.

In 2019 and 2020, for example, this commitment was reflected in the widespread implementation on the main production sites of “safety rooms”, which are used to remind all teams of safety instructions,

integrate new employees, in particular temporary staff, and work on the resolution of accidents and near misses.

In 2020, training was carried out in Conductix-Wampfler for managers and workers to emphasise the autonomy, responsiveness and initiative which applies to each employee in the formulation of solutions and response times. *“The positive error culture makes it possible to empower employees, learn quickly and identify practical improvement opportunities”*, notes Christophe Faucitano, QHSE Global Director at Conductix-Wampfler.

Pandrol significantly improved its performance as their lost-time accident rate fell from 8.9 to 6.6. It was identified that two sites in France and Spain, which represent only 20% of the workforce, accounted for 40% of lost-time accidents. These two sites have adopted similar responses by reviewing, along with other things, the diagnosis of posts with a risk factor, and equipment maintenance, and combined this with a “lean management” approach to optimise production while taking safety and quality into account. *“Clear and precise communication, particularly during the regular routines of the teams in the field, allows everyone to better understand the subject and the issues”*, affirms Fabien Marcilly, Operational Excellence Leader at Pandrol.

DCX Chrome’s lost-time accident rate unfortunately increased between 2019 and 2020 with 5 accidents between November and December at their single site in France employing 60 people. These were very different accidents involving many factors, but which have now led the company to strengthen the resources given to the quality and safety team to do substantive work by involving employees at all levels and by creating prevention working groups on various topics, in particular the identification and analysis of pre-accident scenarios. In 2021 DCX Chrome is also launching a major “lean management” project which will have a significant safety component.

Frauscher extended its frequency rate measurement beyond its historical St Marienkirchen site in 2019. Its result improved by 40% between 2019 and 2020, resulting in a score of 3.2 in 2020.

In 2020 the Delachaux Group, along with its four companies, created a joint “Safety” training module, to be taken remotely, which will be rolled out in 2021 to continue strengthening our Safety culture at all levels of the organisation and for everyone.

To underline the importance that the Group attaches to this subject, Safety objectives are now assigned as performance objectives and/or bonus objectives for industrial job roles in the Pandrol business.

## B. Environment



### a. OUR APPROACH TO THE ENVIRONMENT

Our Code of Ethics states that “**We strive to reduce the environmental impact of our activities as much as possible throughout our value chain**”.

Reducing the environmental footprint is a necessity for all companies. In 2018 the Delachaux Group carried out its first carbon review, using the “GHG Protocol” international standards framework relating to scope 1 and scope 2 to identify the main environmental impacts. At the end of 2020 a second carbon review was carried out for the years 2019 and 2020, using the same framework, in order to be able to compare the data over time, assess the efforts to reduce the impacts of CO<sub>2</sub> and to include Frauscher which was acquired in early 2019. Scope 3 data was also collected in 2019 from all companies to better understand the environmental impacts of our own operations both upstream and downstream.

The results of the different years show that our main emissions relate to the types of raw materials purchased, activities relating to the production and processing of raw materials and also the transportation of our products to customers. The challenges we have in relation to the reduction of our CO<sub>2</sub> emissions are therefore to reduce our energy consumption in our factories, improve the eco-design of our products, and the supply of raw materials and to optimise the transportation of products so that they meet the best possible environmental performance.

Most of the Delachaux Group’s industrial sites have environmental policies or environmental management systems. Two thirds of our main production sites (20 out of 32) are certified in accordance with the ISO 14001 standard. These sites measure their polluting emissions and their consumption of resources (water, energy) and implement actions to control and reduce them.

### b. CASE STUDIES

#### • Reduction in electricity consumption at Intercast & Forge in Australia

The Australian Intercast & Forge site has been implementing a plan to reduce its electricity consumption since 2016. The site’s teams have developed in-house an expert system which allows regulation of the consumption by the foundry, which is a heavy user of electricity. This expert system was then used to contribute to the Australian government’s effort (Australian Renewable Energy Agency), which closed the last coal-powered generator in southern Australia, to reduce power consumption during peak times. Further development of this system means that it is now possible to shut down 10 MW/h of consumption in two minutes, which is the equivalent of 3,000 households. I&F, which is the only manufacturer in the program (the others being electricity producers or distributors), received a national award on this occasion and receives many visitors, on the initiative of the Australian government, who can take away ideas from the system the company has developed.

- **Pandrol: a range of eco-designed products which also reduce the carbon footprint of customers**

Pandrol has implemented a variety of resilient track systems that are environmentally friendly and sustainable. They help to reduce maintenance costs and also to reduce noise and vibrations for all rail profiles and all types of rail track. Furthermore, these products use 100% recycled rubber and all their manufacturing in 2019 and 2020 was made using renewable, 100% hydraulic energy. At the end of 2020 and the start of 2021 the five products in the range obtained an Environmental Product Declaration (EPD). "These official declarations allow us to certify that our products have a quality and performance equal to products using non-recycled rubber and that, in addition, they reduce the carbon footprint of our customers", comments Thomas Lorent, General Manager for resilient and sustainable systems.

- **Sensonic or infrastructure condition tracking without having to travel**

Frauscher has developed a Distributed Acoustic Sensing (DAS) technology which uses optical fibres running along railway tracks as sensors. This technology includes the design of algorithms for acoustic signals captured through Artificial Intelligence processes (machine learning). For example, Sensonic has shown in more than 30 example cases that a control centre was able to obtain information on the condition of the railways and also on certain aspects of the rolling stock without requiring the intervention of workers on the track or having to inspect the rolling stock. This reduces the number of journeys made by maintenance teams and, more importantly, helps to maximise the use of existing railways and rolling stock.

- **Conductix-Wampfler contributes to the shutdown of diesel generators in ports**

For 15 years Conductix-Wampfler has been electrifying port handling gantries in order to reduce diesel emissions. This electrification was partial and one generator remained in service, to be used off-line with the electrification system. The new battery solutions implemented now allow full electrification of cranes and port gantries without any loss of flexibility of movement. In addition, new batteries now make it possible to recover the energy released when lowering containers. This energy was previously "burnt" in braking resistors: it can now be recovered. The first fully battery-operated equipment became operational in 2020 and has met with great commercial success, with many projects established that same year and good prospects for 2021.

- **Sensors on Conductix-Wampfler products to optimise equipment performance**

The reliability of equipment and infrastructures is key to the success of our customers' operations. In order to limit losses due to breakdown, customers' maintenance technicians are required to change certain components on their equipment for preventive reasons, even if they are still operational. Some systems are therefore equipped with sensors to measure their performance. This makes it possible to comprehensively track the performance of the systems in operation in maintenance dashboards. Some customers use this data to model and optimise the operation of their equipment, such as, for example, cranes fitted with festoons. "There is generally a growing demand from customers for smart solutions to issues such as optimising the carbon footprint of their machines and systems", notes Manuel Zach, Strategy and Development Director at Conductix-Wampfler.



### • Electricity consumption sensors on each DCX Chrome item of equipment

Since November 2020 DCX Chrome has established an electrical monitoring and control system on each item of production equipment in order to better understand the individual consumption of workstations and processing stages. Thanks to this system, in just two months DCX Chrome has identified that the treatment furnace, which operates with a pump, was running continuously, for various reasons, and could be stopped much more regularly without harming the production process. The estimated economic saving over one year is significant for the site.

### **c. CIRCULAR ECONOMY**

Each site works in a circular economy approach through a more or less automated waste recovery management system. The various types of waste reflect the activities of the Group's companies. Pandrol and DCX Chrome have more waste directly from production, while Conductix-Wampfler has a significant share of waste linked to the packaging of its purchases.

### • Recycling and recovery of waste at Conductix-Wampfler's Baltinglass site in Ireland:

The Baltinglass site has implemented several initiatives to improve the recycling and recovery of its waste. The introduction of reusable pallets for inter-site shipments now accounts for more than one third of all pallets used.

For the collection, sorting and recovery of waste, a software program now makes it possible to collect all the data relating to the quantity and types of waste and its recovery with local external partners capable of recycling them. Every month the site monitors a precise dashboard on greenhouse gas emissions linked to the production and transformation of its waste.

### • Waste recovery at DCX Chrome

DCX Chrome has a facility for processing corundum which is a by-product of the aluminothermic reaction; this by-product is therefore of value to industrial customers and treated as a product in its own right. To be marketed, corundum is crushed and classified into different sizes to then be sold and reused in refractory concrete or in industrial floors such as storage surfaces. Mixed with other components, corundum helps to strengthen the resistance and durability of materials.

### • Use of recycled steel at Intercast & Forge and production of agricultural fertiliser from waste

In 2020 Intercast & Forge used 86% recycled material as raw materials for its end production. Of this recycled material, 49% was scrap metal which came mainly from automotive recycling centres and 37% was from its own scrap iron generated by the production of cast iron parts. In addition, 70% of the products manufactured by the site are sold to the rail sector, which is 9 times less polluting than the automotive sector.

The site recovers 61% of its waste; as has been mentioned previously, the iron waste is reused in production and the sand left over from the casting process is spread in sandy soils which makes it possible to transform land with low agricultural yields into land that can produce crops with a better yield.

**d. KPI**

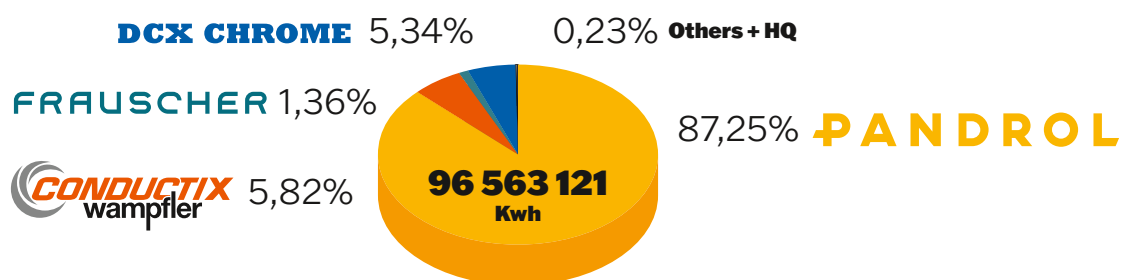
• **Electricity consumption by company in kWh\***

Energy consumption in kWh by company	2020	2019	2018
Pandrol	84 188 398	92 926 445	84 638 689
Conductix Wampfler	5 611 098	6 902 132	6 885 397
Frauscher	1 312 554	1 232 783	**
DCX Chrome	5 149 671	6 268 181	6 334 000
Magnetism/Delachaux HQ	224 105	224 105	383 055
<b>TOTAL Delachaux Group</b>	<b>96 563 121</b>	<b>107 553 646</b>	<b>98 241 141</b>

\*Includes renewable and non-renewable electricity consumption. Information collected up to September 2020 with estimates for October, November and December.

\*\*In 2018 Frauscher was not yet part of the Delachaux Group.

• **Breakdown of electricity consumption by company in kWh in 2020**



Electricity consumption is broadly stable between 2018 and 2020, even taking into account the consumption of the company Frauscher, which joined the group in 2019. In 2020, the health crisis had little effect on overall results, as our sites were very limited. The sites are increasingly equipped with energy meters such as DCX Chrome or Conductix Wampfler which allow for better control and reductions in electricity consumption. Much work has been done at the Pandrol foundry, Intercast & Forge, which in 2020 accounts for 40 % of the group’s total electricity consumption, to source from renewable energy sources such as solar and wind, which represent at the end of 2020, more than 50 % of the total electricity consumption of the site.

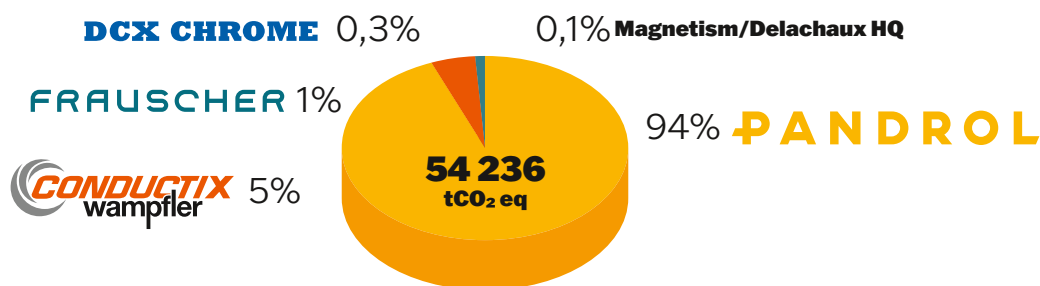
Further efforts will be required to refine the options, by country, for accessing electricity from renewable sources, particularly at Pandrol in Europe and in the United States.

• Carbon footprint emissions (Scope 1-2) in tCO<sub>2</sub> eq by company

tCO <sub>2</sub> eq emissions by company	2020	2019	2018
Pandrol	49 312	50 207	88 522
Conductix & Wampfler	4 157	5 187	5 528
Frauscher	405	764	*
DCX Chrome	259	308	313
Magnetism/Delachaux HQ	103	108	43
<b>TOTAL Delachaux Group</b>	<b>54 236</b>	<b>56 574</b>	<b>93 338</b>

\*In 2018 Frauscher was not yet part of the Delachaux Group

• Carbon footprint emissions (Scope 1-2) in tCO<sub>2</sub> eq by company in 2020



The CO<sub>2</sub> emission figures show a significant decrease between 2018 and 2020, mainly due to the supply of renewable electricity.

At Frauscher, there was a clear reduction between 2019 and 2020 because there was no new consumption of refrigerants. The 2019 stocks were used until the end of 2020.

With regard to Conductix-Wampfler, there was a slight fall between 2019 and 2020, both in the consumption of electricity and in greenhouse gas emissions because the winter was milder in Europe, so there was less need for heating and the company decided to turn down the heating at all sites by an average of 1 degree Celsius.

In 2021 the Delachaux Group plans to step up its efforts to reduce CO<sub>2</sub> emissions through the definition of roadmaps for each of the companies based on analysis of the carbon reviews since 2018 and scope 3 data collected in 2019 which integrate the sources of emissions upstream and downstream of our own operations.

## C. Ethics



### a. OUR APPROACH TO ETHICS

The governance of Ethics and the fight against corruption within the Group are organised at various levels:

- The Audit, Risks and Ethics Committee, consisting of five members of the Board of Directors, supervises the progress of the Code of Ethics and the anti-corruption program.
- The Ethics Committee, composed of the members of the COMEX (Executive Committee) and the CSR Manager who, in addition to defining the strategy and the objectives of the WE program, looks after the management of ethics-related cases received through the whistleblowing platform.
- The Compliance Committee consisting of the Chief Executive Officer, the Legal Director, the Human Resources Director, the Financial Director, the Internal Audit and Control Manager and the CSR Manager, is responsible for defining and implementing the anti-corruption program.

The Delachaux Group Code of Ethics defines and illustrates the behaviour expected of each Delachaux Group employee. It covers 14 topics in the area of operational excellence and people development.

Business ethics in particular is a key element of the operational excellence which the Delachaux Group is striving to achieve. Ethical behaviour is the cornerstone of the company's reputation and long-term sustainability. This is reflected in various situations described in our Code of Ethics:

- Fairness of commercial practices: We engage in fair competition and contribute to upholding ethical standards in our industry.
- Corruption: We combat all forms of corruption, including facilitation payments.
- Representation and lobbying: Anyone who works on our behalf and represents us is obliged to adhere to the same ethical standards as us.
- Conflicts of interest: We always report potential conflicts of interest.
- Gifts and hospitality: We refuse to give or accept gifts where this could lead to suspicions of corruption or a conflict of interest.

## **b. TRAINING PROGRAM**

### **The Code of Ethics training program**

The publication and dissemination of the Code of Ethics began in April 2019 with the organisation in each establishment in the Delachaux Group of launch events which brought together all the employees of each site. Then a face-to-face and online training module was rolled out from the end of 2019.

The Code of Ethics training module includes practical cases and allows employees to be put into simulated situations. The online version is available in seven languages (French, English, German, Spanish, Chinese, Italian and Portuguese) for all employees of the Group.

Throughout 2020, until January 2021, the module was followed online by 2,641 people-which corresponds to 87 % of employees who have access to a professional e-mail address.

As far as the presential training is concerned, throughout 2020 and until January 2021, 592 people had followed the module, or 78 % of those who did not have access to a professional e-mail address. The face-to-face training was organised around collective workshops, using the basis of the online training and creating discussion and consideration around the various themes and situations presented.

The objective being that all employees should have completed this training module either online or face-to-face by the end of June 2021.

### **The Delachaux Group anti-corruption program**

In 2018 the Delachaux Group adopted a specific program to prevent and detect corruption. This program, which is described in an anti-corruption policy and in the sales representative management procedure, focuses on several areas:

- mapping, updated annually, of the corruption risk within the Delachaux Group, depending on the country, the sector of activity, the nature of business relationships and any history of corruption incidents.
- a graduated assessment of our business partners (due diligence), depending on the corruption risk.
- integration of specific clauses in our contracts with our sales representatives, depending on the corruption risk.
- face-to-face training and e-learning for our employees who are most exposed to the corruption risk and for certain stakeholders.

In 2019 the anti-corruption program formed the subject of continuous communication, backed up by the distribution of tools such as the practical guides on managing sales representatives and managing corruption risk by country, made available on the Group's intranet for all employees and colleagues.

In 2020, for the purposes of strengthening the governance and implementation of our anti-corruption action plan, the Delachaux Group created the Compliance Committee to define and implement the program.



### • TRACE International

The Delachaux Group has been a member of TRACE International since February 2018. TRACE is a globally recognised anti-corruption association and a provider of risk management solutions for third parties. TRACE members and customers include hundreds of multinational companies with headquarters all over the world.

One very beneficial aspect of the platform is the access to hundreds of online training courses that are downloadable, available in over twenty languages and regularly updated on general topics such as *global anti-corruption and compliance training for employees* or more specific topics such as *gifts and hospitality, conflict minerals economic sanctions*.

The companies in the Group also use this platform for the management of third parties level II Due Diligence.

### • Anti-corruption training courses

Anti-corruption training is an essential link in creating an ethics culture in companies. The Delachaux Group has chosen to provide its exposed employees with extensive training in the prevention and detection of the risk of corruption. In 2019 the training was more widely deployed to all employees belonging to the Senior Management, Finance, Human Resources, Commercial, Procurement, Legal, Internal Audit and Control, Risk Management and Communication functions. While in 2020 the focus was on the management teams of the Group and the companies.

These training courses are organised in two stages:

- every year, exposed employees must undertake TRACE International's "Global Anti-Corruption and Compliance Training for Employees" e-learning course.
- every three years, exposed employees must undertake face-to-face training developed in partnership with the leading legal firm Campbell-Barr, who are acknowledged specialists in anti-corruption training.

### c. KPI

Type of training / Number of employees trained	2020	2019	2018
Face-to-face training	0	405	78
E-learning training	446	385	80

The largest investment took place in 2019 with 405 people having face-to-face training and 385 people completing Trace International's e-learning training module. Out of these 790 in total, 172 received both types of training.

In 2020, the health crisis complicates presential training, it was decided to focus on the 209 senior managers of the 4 companies to follow at least one of the modules of the "Anti-corruption program" Offered on the group's e-learning platform. The content of the program had been selected from the training offered by International Trace. Another 237 employees also voluntarily took anti-corruption training, either general or specific, on the Group's e-learning platform.



The Delachaux Group is committed to people development, both within its business and with its stakeholders. This is reflected in the actions taken at both global and local levels, using the policies and tools defined for the entire Group and described in the “People Performance & Development” guide.

Overall, managerial practices and commitment to the community constitute two significant areas of focus for the Delachaux Group.

## A. People Development and Respect, Social Relationships and Remuneration

Our Code of Ethics sets out the behaviours expected of all Delachaux Group employees in terms of people development and respect for others:

- **Human Rights:** We always respect human rights and investigate any suspected violations of these rights.
- **Diversity and inclusion:** We promote diversity and inclusion. We recruit our employees according to their skills, their professionalism and their performance.
- **Fighting harassment:** We uphold the right to respect and human dignity. We fight all forms of harassment and violence.
- **Privacy:** We all have the right to privacy and we must be alert when using our personal data.

Our employment policy also reaffirms this commitment to the diversity and development of our employees.

Furthermore, we act in such a way as to allow our employees to feel that they are in a secure and respectful environment. Via the engagement survey in 2020, 78% of employees said that they were confident that the company would react appropriately to complaints relating to serious forms of misconduct.

It should be noted that the whistle-blowing line implemented as part of the Code of Ethics roll-out was mainly used in 2020 to report cases relating to respect for others (11 cases out of 14). No cases of possible corruption or ethical problems of another nature were identified. All the cases reported were handled within the confidentiality rules guaranteed by this whistle-blowing line.

**a. EMPLOYEE DEVELOPMENT**

**• Annual performance reviews**

The Group guarantees that each employee, regardless of their position or the company to which they belong, will receive constructive feedback on their performance and clarity on the objectives for the year. Clearly formulated objectives make it possible to understand the importance of everyone's work and also to make quality assessments of the impact of achievements. In 2020 for example, 9 out of 10 employees said that they know what is expected of them in their jobs.

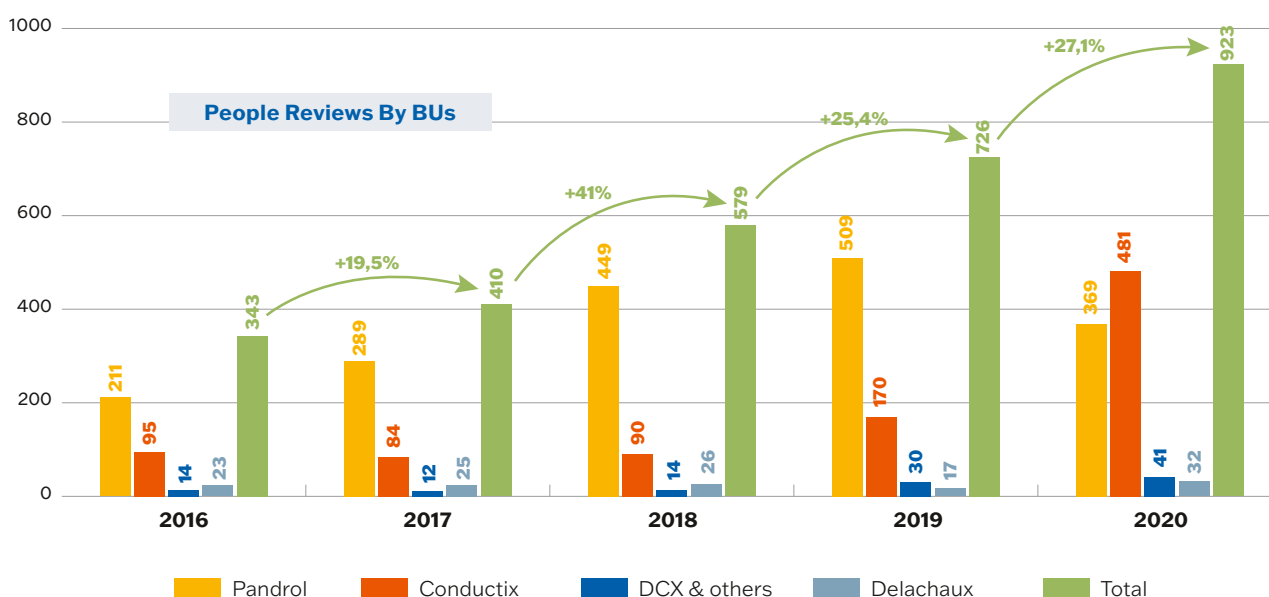
The dialogue encouraged between each employee and their direct line manager occurs for most of our businesses through a system of annual appraisal interviews. Within Frauscher, the frequency and approach are different, even though the overall objective is the same. An agile method called "OKR" (objectives by key results) is promoted, which allows employees to be provided with regular feedback on the basis of specific and contextualised objectives.

These in-depth discussions are also designed as an opportunity to discuss development plans for the coming year as well as career aspirations. A process enhanced by the People Review practice (staff review concerning N-1 staff of a group of managers carried out collectively in order to enhance the points of view on people).

Since 2017 emphasis has been placed on continuous improvement of the "People Review" tool and its process to assist with operational requirements: both to help employees show their potential and to ensure they have the necessary skills and expertise for the future.

Therefore in 2020 the practice was further developed in both form and substance. Firstly in form, since the COVID-19 restrictions meant that we had to provide options to facilitate this practice remotely, sometimes in a more restricted version.

In substance too, since the practice was expanded further, despite the health context. For example, 923 people were involved in the exercise in 2020, an increase of 27% compared to 2019. Conductix-Wampfler was a substantial contributor to this increase by significantly extending the practice within its organisation (+180%) – while the distancing and the influx of other priorities on certain of Pandrol's industrial sites led to a decline in the practice there.



### • **Training and skills**

In 2020 the Delachaux Group continued its focus on providing access to training for as many people as possible.

Since 2019 there has been awareness-raising on this topic among management teams during the budgeting process. It is therefore now expected that a specific budget for people development and training will be allocated, identified and monitored within each entity.

All forms of development and learning, whether through formal training, discussions or experience are encouraged in the teams.

The Group brings together “field” businesses whose culture values experience in the job. In 2020, 77% of people said that they have an opportunity to take on motivating challenges, and 3/4 said that they are in a position to develop new skills and knowledge in their job. All job categories, from blue-collar workers to management teams, also gave a score that was equal to or higher than the external benchmark for industrial companies (7.1) in respect of this previous statement.

Digital training is also provided at Group level and the global e-learning platform launched in January 2019 is a prime illustration of this. In 2020, local stakeholders, companies and the head office Corporate team continued to use this tool as a mechanism for the implementation of the policy and strategy of sharing knowledge and skills.

Among our employees around the world, 80% have free access to a wide range of training modules. Some of these modules are assigned to everyone and some to certain categories of employee. The training courses designated as “essential” in 2020 make it possible to greatly increase the awareness of employees in relation to specific subjects, via the platform. The “Covid – Let’s be vigilant together” module rolled out in France and the “IT security – understanding and reacting to digital threats” module made available to all users are concrete examples of this.

### • **Internal mobility**

The Group has made efforts to increase the internal mobility of all employees. Mobility can in fact help to provide a solution for the aspirations of employees while also helping to facilitate the sharing of technologies, culture and know-how.

To promote this approach, the Group disseminates employment vacancies internally before they are published externally. An indicator to monitor internal mobility has also been created, to be implemented in 2021.

### • **Employee commitment**

Aware of the challenges linked to the systematic and in-depth listening capacity of teams, the Group conducted its first global survey on commitment in February 2020. Its main objective was to find out what our employees are thinking and feeling, to understand their daily lives and what is important to them.

The survey covered all Group employees (including employees on temporary contracts and work-study contracts), in all countries and at all levels. As a result, 3,715 employees were invited to respond anonymously to 46 rating questions translated into 18 languages.

A network of 50 local “relays” was established in order to guarantee a level of communication, promotion and logistics which would allow everyone to participate in the survey under favourable conditions.

For the survey, the Group chose a modern digital tool allowing instantaneous results and access to a private dashboard for all managers having enough employees under their direct or indirect remit to ensure responses were anonymous (minimum of 8 respondents).

The participation rate was broadly in line with expectations: 3,288 employees – or 89% of the total population – took part in the survey. Among the blue-collar population, in which assembly and encouraging involvement was a real challenge, the participation rate was 79%. The participation rates by company ranged from 80% (DCX Chrome) to 99% (Frauscher).

Commitment rate: Among the 46 standard questions, 4 central questions provided a commitment score; that is, a measure of the level of positive energy and involvement of employees in their work and their organisation.

The overall commitment score obtained was 7.6 points, i.e. 0.3 points above the benchmark for industrial companies. **With effect from 2020 the Group has adopted the employee engagement rate as a key non-financial performance indicator.** How it evolves will be measured and monitored every 12 to 18 months.

The four questions constituting the commitment rate relate to pride, satisfaction, recommendation and loyalty to the company. Among these, it is the pride in belonging which sets the Delachaux Group apart in all of our businesses, with an overall positive outperformance of +0.7 points compared to the external benchmark.

The commitment questionnaire also included around forty questions covering various aspects of the experience of working in a company considered to be drivers of employee commitment, such as the working environment, professional relationships, managerial quality or company strategy.

Employees assigned a score to each question and answered two open questions personalised to the company. In addition, they had the opportunity to write a qualitative comment for each of the 48 questions asked. Over 26,000 comments were shared.

## **b. RESPECT FOR PEOPLE**

### **• Preventing discrimination and commitment to diversity**

The Delachaux Group actively opposes all forms of discrimination. Our Code of Ethics states that “we promote diversity and inclusion and recruit our employees according to their skills, their professionalism and their performance.” This is also how we are perceived, since in 2020 a figure of 84% of employees agreed that people from all backgrounds are treated fairly in their organisation.

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

The Group is committed to the development of diversity at all levels of its business, and its workforce includes a broad diversity of ages, lengths of service and backgrounds, all over the world. The Group’s policy on equality and diversity enhances interchanges and skills, compares different perspectives and is a source of innovation.



Examples of local initiatives include partnerships in France with institutions to offer work experience to people in retraining or “returning” to the labour market (Mission locale, Valoriste Bugey Sud, Pôle Emploi, Ecole de la Deuxième Chance).

### • Gender equality at work

The Delachaux Group is committed to promoting gender equality when it comes to career development, access to training, salaries and positions in the company. Women are present in all business units and at almost all levels of the company. The proportion of women in the Group’s workforce on 31 December 2020 was 19.5%, a similar figure to the previous year (19.8%). This percentage is slightly lower than the figure for the metallurgical industry generally. There is still significant room for improvement.

Between 2019 and 2020, the proportion of women in top management teams increased from 15.3% to 16.9%. This increase was driven by Pandrol and Frauscher through internal promotions and external recruitment. There are differences between the companies; in the Corporate team at the headquarters of the Delachaux Group there is almost parity, while in Conductix-Wampfler the proportion is still below 10%. The proportion of women in top management corresponds overall to the total workforce.

More generally, over 2021, the Delachaux Group will continue these efforts in recruiting women at all levels of responsibility.

While Conductix-Wampfler France regularly updates a gender equality at work agreement, Pandrol implemented a gender equality policy in early 2021.

### • Situation of the Group and the companies

Proportion of Women by company on 31/12/2020	Number of Women	Group total workforce	%
<b>Delachaux Group</b>	<b>737</b>	<b>3777</b>	<b>19,5%</b>
Conductix Wampfler	328	1460	22,5%
Pandrol	214	1583	13,5%
Frauscher	148	513	28,9%
DCX Chrome	10	64	15,6%
Other companies	23	110	20,9%
Delachaux HQ	14	31	45,2%

Proportion of Women in the top management teams by company on 31/12/2020	Number of Women Top managers	Total workforce of the Top management teams	%
<b>Delachaux Group</b>	<b>42</b>	<b>249</b>	<b>16,9%</b>
Conductix Wampfler	7	75	9,3%
Pandrol	15	97	13,4%
Frauscher	5	21	23,8%
DCX Chrome	3	9	33,3%
Other companies	4	14	28,6%
Delachaux HQ	8	18	44,4%

Proportion of Women in the top management teams by company on 31/12/2019	Number of Women Top managers	Total workforce of the Top management teams	%
<b>Delachaux Group</b>	<b>33</b>	<b>216</b>	<b>15,3%</b>
Conductix Wampfler	7	75	9,3%
Pandrol	12	90	13,3%
Frauscher	2	15	13,3%
DCX Chrome	3	9	33,3%
Other companies	1	7	14,3%
Delachaux HQ	8	20	40%

### • Employment and inclusion of workers with disabilities

All Group companies, for which local legislation stipulates employment of a certain percentage of workers with disabilities, are working to fulfil their obligations.

See below the number of workers with disabilities for our sites located in France at the end of 2020.

List of companies in France	No. of workers with disabilities
Pandrol Raismes	9
Pandrol Douai	7
Conductix-Wampfler	7
Raoul Lenoir	0
DCX Chrome	2
Pandrol Colombes	1
Jay Electronics	0
Delachaux SA	0
<b>TOTAL</b>	<b>26</b>

A number of actions have been introduced in France to attract and promote the integration of people with disabilities. Conductix-Wampfler takes part in the Duo Day scheme, which allows people with disabilities to explore a particular profession. The establishment in Belley has integrated a system for people with disabilities at a production work station. It has also set up partnerships with establishments specialising in outsourcing tasks to people with disabilities. Vacancies at Conductix-Wampfler and Pandrol sites are systematically distributed to CAP EMPLOI, whose task is to support people with disabilities in their job search and remaining in employment. Similarly, vacancies submitted to temporary employment agencies are always accompanied by a request for the inclusion of “Beneficiaries of the obligation to employ in Article L.5212-13 of the French Employment Code”.

## **c. ORGANISATION OF WORK AND INDUSTRIAL RELATIONS**

### **• Organisation of working time**

In France, the reduction and organisation of working time are applied in Group companies in accordance with the laws and the applicable collective agreement. In the rest of the world, the organisation of working time and the management of overtime are implemented in accordance with the laws of each country concerned.

The Group does not offer a lot of part-time work, and existing cases correspond to selected part-time working arrangements.

In 2020, remote working, relatively insignificant up until that point, saw a very substantial increase for people in job roles for which being in the workplace was not essential. In many sites – particularly offices – this has become the norm for long periods of time as a result of following the recommendations of governments and health authorities in the countries in which we operate. All the companies in the Group have published Global Policies and/or Best Practices for all of their sites aimed at facilitating the practice of remote working in a spirit of “win-win”.

In the industrial sites, staggered working schedules allowing for shifts and so avoiding concentrations of people have been introduced.

### **• Collective agreements**

The French companies in the Delachaux Group are mainly subject to the national collective bargaining agreement for the metallurgy sector, but also the national collective bargaining agreement for Construction and Public Works and Rubber. Today the French companies have discussions in order to direct their decisions, whenever possible and desirable, towards greater harmonisation in terms of approach and content.

Various collective agreements were signed by the companies in France in 2020:

- In DCX Chrome a salary negotiation and gender parity agreement was signed and a company agreement relating to the implementation of reduced working to maintain employment
- In Pandrol, an NAO (annual salary negotiation) agreement was signed. The profit-sharing agreement is valid for 3 years from 2019 to 2021. The gender equality agreement was negotiated in 2020 for application from the 2021 financial year. There had no longer been an agreement in force on the issue since 2015
- In Conductix-Wampfler an NAO (annual salary negotiation) agreement was signed. The “Gender Equality Index”, the “Agreement on Gender Equality”, and an “Agreement relating to the waiver of days off” are still in force.

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

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

### • Employee representatives

In all the countries and entities concerned, the Group's employees are represented at different levels (Group/company/place of business) by representatives of the representative trade unions, staff representatives, the joint works council, health, safety and working conditions committees or local equivalent. The Group ensures compliance with the schedule of mandatory monthly, quarterly and annual meetings.

Beyond the formal relationships and discussions provided for by law, an approach is being developed based on communication, involvement in thought processes and projects and greater transparency. Compliance by the parties is noticeable. Dialogue has been more constructive and industrial relations are benefiting.

## **d. REMUNERATION**

### • Remuneration policy

The Group has developed and introduced a Compensation & Benefits Policy which sets out the main practices in this area in all its entities. This policy sets out basic control rules – for example, level N+2 approval for any decision relating to remuneration. It also aims to strengthen the link between performance and remuneration at all levels and to control the wage bill. As a result, after other countries the subsidiaries in England in 2019 and then in Australia in 2020 postponed the salary review period, which historically takes place in January, so that it occurs after the annual review period in order to strengthen the connection between performance and increases in remuneration.

### • Market data

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

Despite the COVID-19 context, the salary increases planned for 2020 were maintained across the Group although often deferred, with or without retrospective effect depending on the countries or populations.

The amount of gross remuneration paid by the Group (excluding social security contributions) for the financial years ended since 31 December 2016 is as follows, up 3.9% between 2019 and 2020. Most of the increase comes from salary increases as well as the slight change in the workforce. On a like-for-like basis, the increase in staff costs amounts to 3.2.

(In millions of euros)	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Gross remuneration	165,6	159,4	136,9	133,2	132,8






## B. Management Practices

### a. OUR APPROACH TO MANAGEMENT PRACTICES

As major players in the creation of an environment favourable to performance and to the development and commitment of individuals, managers receive particular attention.

In keeping with the training rolled out between 2017 and 2019 and the reference framework also built to guide the behaviour and actions of managers, questions relating to “the quality of the management” were provided for in the engagement survey.

These questions echo the five “WE manage” managerial aspects which have been defined within the Group as being the managerial practices expected and carried out at all levels. They therefore serve as a measure of how our employees perceive the ability of our managers to create conditions which enable them to live well, to succeed and to see themselves develop in the company.

- 
**WE**  
Are responsible
**My manager shows a genuine interest in me as a person.**
- 
**WE**  
Connect
**My manager communicates with me in an open and honest way**
- 
**WE**  
Manage performance
**My manager gives me the support I need to be successful in my job.**
- 
**WE**  
Develop
**I feel encouraged and supported in my development**
- 
**WE**  
Lead by example
**I am given sufficient autonomy to decide how to do my job.**

Questions	Delachaux Group	Pandrol	Conductix Wampfler	Frauscher	Ext MANUF Bench
I am given sufficient autonomy to decide how to do my job.	8.1	8.0	8.1	8.2	7.8
I feel encouraged and supported in my development	7.1	6.9	7.0	7.8	6.9
My manager communicates with me in an open and honest way	7.9	7.8	7.9	8.3	8.2
My manager shows a genuine interest in me as a person	8.0	7.7	8.0	8.5	7.7
My manager gives me the support I need to be successful in my job	7.7	7.5	7.8	8.3	7.7

The table above shows the results obtained for each question for the entire Group and the three main companies.

The Group is positioned close to or even above the external benchmark on all questions. It is in this context of continuous improvement that we will continue to monitor **the results of these five questions, which relate to managerial practices, as a key non-financial performance indicator.**



## **b. DEVELOPMENT OF LEAN MANAGEMENT AND AGILE METHODOLOGY**

The implementation of Lean management, which is aimed at developing the autonomy of our teams, both in the factories and within the research and development teams, for example, is another illustration of the desire for performance, progress and team autonomy which characterises the Group.

The Delachaux Group sites continued to roll out the Lean management concept during 2020. Pandrol and Conductix-Wampfler rolled out their plans – with, however, notable slowdowns in Lean projects due to the specific conditions created by the health crisis.

The empowerment of people, now facilitated by the Lean management tools, has long been an aspiration for the companies in the Group. This is reflected in the sentiment expressed by employees at all levels that they want to have enough freedom to decide how to go about their work.

The Agile methodology, which is an iterative and collaborative approach capable of taking into account the initial needs of the customer and those linked to changes, has been particularly developed at Frauscher. It was first used on the SENSONIC project and then extended to the whole company. The good results and good practices of this method were shared within the Delachaux Group to assess the possibility of having the other companies adopt it more widely.

## **■ C. Community**

### **a. OUR APPROACH TO COMMUNITY**

For the Delachaux Group, playing an active and beneficial role in the surrounding community constitutes one of the major focuses of our corporate social responsibility. Through their employees and their management teams, companies build lasting and positive relationships with their local communities to create shared value.

Social commitment covers philanthropy, patronage and sponsorship measures implemented by the Delachaux Group, its companies or its employees. From this point of view the Delachaux Group can take pride in a culture of commitment which has resulted in many actions. They are the corollary of the passion and commitment our employees bring to their jobs.

We define communities in the broad sense, including:

- Social, solidarity, sports, cultural and environmental associations, and NGOs.
- Local authorities: the municipality, the department, the region
- Local representatives in education, integration into employment
- Neighbourhood (vis-à-vis the sites) and community-based organisations
- Professional associations or local/regional company groupings

With the health crisis, many external volunteering activities could not be organised but many financial and material donations were made.

In 2021 the intention is to offer sites the choice of up to three Sustainable Development Goals from 12 selected by the Delachaux Group to guide the type of activities they wish to organise with communities. This will allow us to promote all our actions around common themes while continuing to leave the sites a certain amount of freedom to meet local needs.

## **b. CASE STUDIES**

### **• Partnership of Pandrol Brazil with a shelter for disadvantaged children**

In December the employees of Pandrol Porto Alegre in Brazil mobilised to continue supporting a shelter for abandoned or mistreated children, who, with the agreement of local authorities, could be adopted. Through financial, material and voluntary donations the Pandrol teams have contributed to improving the kitchen equipment and soon a computer room will be opened to organise workshops with the children. *“Just visiting and spending some time with the children fills me with joy and gratitude”* comments Debora Santos da Rosa, Human Resources and Administration Manager at Pandrol Brazil.

### **• Pandrol Training Academy opens its doors to universities**

The Pandrol Training Academy based on the Raismes site was reopened after work in November 2020. This project involved reconfiguring the existing training infrastructures in the workshop and making significant improvements to the reception, offices and classrooms, while introducing digital tools and services, such as high-performance touch screens as well as online training.

While mainly open to our customers, on several occasions this year it has hosted students from various training centres, such as NGHENIA Lille, the IUT of Cergy Pontoise and the SETVF, to introduce the students to the welding profession and aluminothermic techniques. *“We carried out a welding demonstration in the workshop and a presentation of the range and demonstration of ultrasonic testing. It was a great success and everyone wanted to come back to visit the factory again.”* notes Nicolas Chevalier, lead technical officer at Pandrol EMEA.

### **• The Intercast & Forge foundry manufactures bicycles for underprivileged children**

A team of employees from Intercast & Forge in Australia manufactured bikes for a children's charitable association, Bikes for Tykes, in the context of the team-building event for a strategy meeting. The bikes were donated to the Children's Heart Foundation, and are now the pride of neighbourhood children Hamish and Ivy.

### **• Tools and know-how used in the fight against COVID**

Pandrol Plymouth in England has led the way in the development of a device to assist breathing which, unlike a ventilator, can be used without invasive intubation. The device pushes a constant flow of oxygen into the lungs through a face mask while the patient is conscious. Two versions of the device – one pneumatic, the other electric – were prototyped. Manufacturing the prototype took just five days, from design to development. The breathing aid was designed under an “open source” format, and so is accessible to all, with the main objective of supporting countries which would find it difficult to increase the production of ventilators locally. In France Pandrol produced and supplied 150 visors to local healthcare facilities, an initiative led by the welding teams and the electrification teams. The visors were produced using our 3D printers.

- **Conductix-Wampfler trains and integrates Syrian refugees in partnership with the city council**

In 2017, the Conductix-Wampfler site in Weil Am Rhein in Germany was approached, along with other local companies, by the city council to accept some Syrian refugees. The aim was to train them for a profession, to offer them German lessons and to offer them a job based on their performance. In 2020, three of the four refugees received speak fluent German and were fully integrated into the operational and assembly teams. They work full time and on permanent contracts at the Weil site. *"I am very happy with the integration process for the new employees and proud of the teams who have been able to support them. This project has been a great success!"* comments Uwe Pommerening, Human Resources manager at Conductix-Wampfler.



# 06 Appendices

## A. The figures in this report

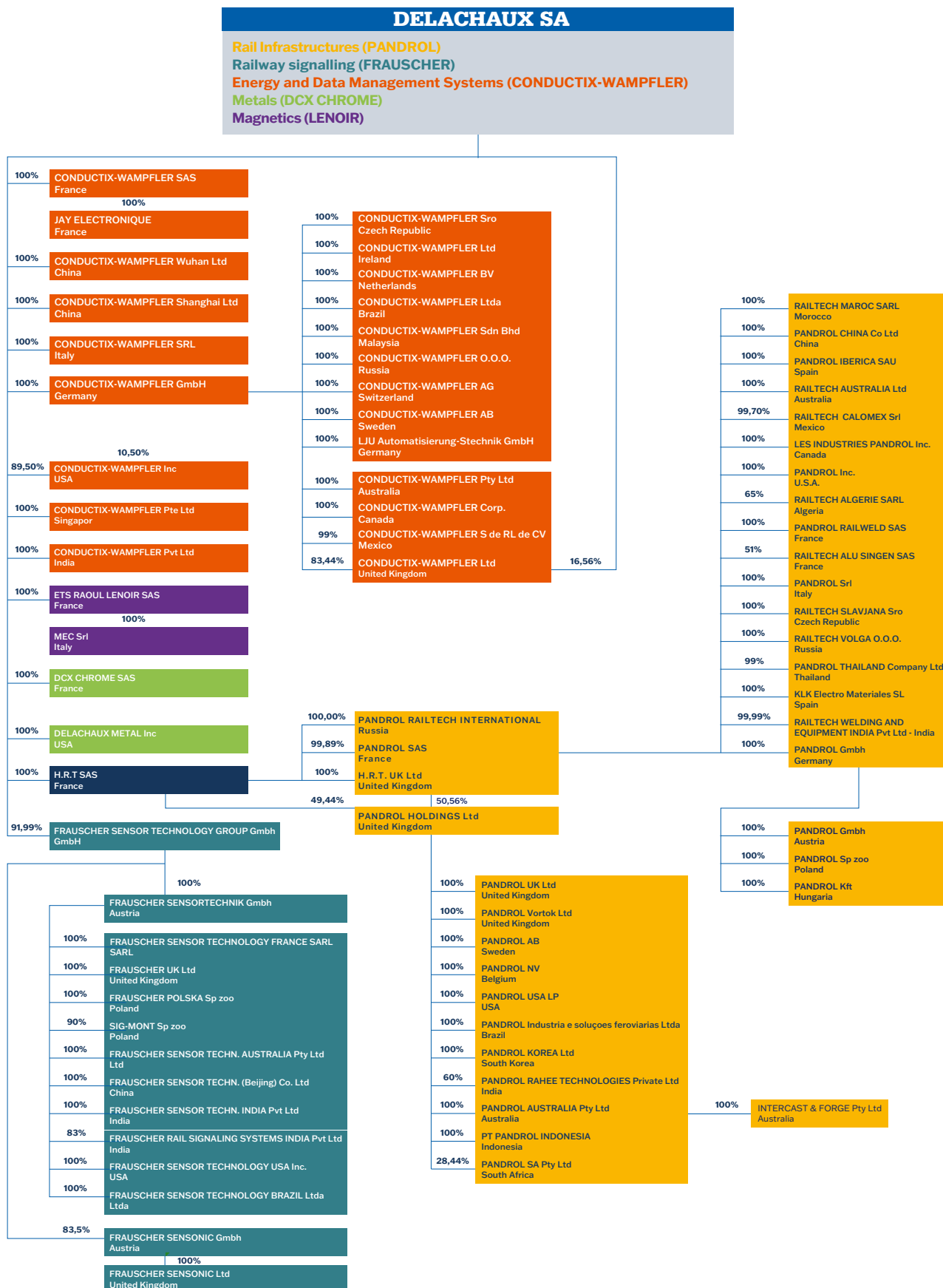
Section	Page	Name	Year	Unit	Scope	Comments
2. A	6	Sales turnover	2020	€	Delachaux Group	According to IFRS
2. A	6	Sales turnover by activity	2020	%	Delachaux Group	By brand, as % of total sales turnover
2. A	6	Sales turnover by region of destination	2020	%	Delachaux Group	By geographical area, as % of total sales turnover. MEA = Middle East and Africa.
2. A	6	Workforce by region	2020	Active employees	Delachaux Group	Active=payroll employee. Does not include temporary staff.
2. D. b	11	Total workforce	2019 2020	Active & inactive employees	Delachaux Group	Inactive=employee not currently on payroll but possibly returning (sabbatical leave, parental leave)
2. D. b	11	Workforce by activity	2020	%	Delachaux Group	Active employees
2. D. b	11	Active employees by category	2017 2018 2019 2020	Active employees	Delachaux Group	Managers: in charge of at least one permanent employee
2. D. b	12	Active employees by country	2016 à 2020	Active employees	Delachaux Group	Expert: specialist member of a management team or an international network
2. D. b	12	Active employees by region	2018 2019 2020	Active employees	Delachaux Group	Apac = Asia-Pacific
2. D. b	13	Active employees by age	2018 2019 2020	Active employees	Delachaux Group	
2. D. b	13	Active employees by length of service	2018 2019 2020	Active employees	Delachaux Group	Including non-permanent jobs (fixed-term contracts or apprentices). Length of service retained in case of acquisition.
2. D. d	17	Orders taken by activity	2019 2020	€	Delachaux Group	Diversified Industrial Activities = Conductix-Wampfler, DCX Chrome and Magnetism.
2. D. d	17	Sales turnover by activity	2019 2020	€ / %	Delachaux Group	
2. D. d	17	Sales turnover by activity	2019 2020	€	Delachaux Group	
2. D. d	17	Sales turnover by region of destination	2019 2020	€ / %	Delachaux Group	
2. D. d	17	Research and Development expenditure	2019 2020	€ / %	Delachaux Group	



Section	Page	Name	Year	Unit	Scope	Comments
4. A. c	24	Evolution of safety performance by brand	2015 2016 2017 2018 2019 2020	TF1'	Delachaux Group	Lost time accident frequency rate per million hours worked
4. B. d	29	Electricity consumption by company	2018 2019 2020	kWh	Delachaux Group	Scope 2. Sources of electricity bill of production sites and office sites
4. B. d	30	CO2 emissions by company	2018 2019 2020	tCO2eq	Delachaux Group	Scope 1 and 2
4. C. c	33	Number of employees trained	2018 2019 2020	Employees	Delachaux Group	In the Code of Ethics in face-to-face and online training
5. A. a	35	Number of annual reviews conducted	2016 à 2020	Annual review	Delachaux Group	Review conducted between a manager and his or her N-1
5. A. b	38	Proportion of women in the total workforce	2020	%	Delachaux Group	
5. A. b	38-39	Proportion of women managers in the management teams	2020	%	Delachaux Group	
5. A. b	39	Employment of people with disabilities	2020	Number of people declared	France	Workers with disabilities employed directly in Delachaux Group companies in France
5. A. d	41	Total remuneration	2016 to 2020	€	Delachaux Group	Gross remuneration excluding social security contributions



## B. Simplified organisational chart of the Delachaux Group







GRENELLE 2 - ARTICLE 225 and decrees of 19/08/2016 and 09/08/2017		Delachaux Group NFPS		
GP	GENERAL REPORTING PRINCIPLES	Section	Name	Comments
PG7 (A.R225-105.2 I-)	The independent third party body mentioned in part V of Article L. 225-102-1 is appointed, depending on circumstances, by the CEO or the Chairman of the Management Board, for a term not exceeding six financial years, from among the bodies accredited for this purpose by the French Accreditation Committee (COFRAC) or by any other accreditation body that is a signatory to the multilateral agreement on the recognition of accreditation systems drawn up by the European co-operation for Accreditation. The independent third party body is subject to the incompatibilities provided for in Article L. 822-11-3.	VI. E.	Auditor's opinion	The firm selected for the audit of this Non-Financial Performance Statement is FINEXFI.
PG7 (A.R225-105.2 II-)	When information is published by companies whose thresholds exceed 100 million euros for the balance sheet total or 100 million euros for the net total sales turnover and 500 for the average number of permanent employees employed during the financial year, the report of the independent third party body shall include: a) A reasoned opinion on the statement's compliance with the provisions of Part I and Part II of Article R. 225-105 and also on the accuracy of the information provided pursuant to paragraph 3 of Part I and Part II of Article R. 225-105; b) The procedures that it has implemented to carry out its audit assignment. (Decree of 09/08/2017)	VI. E.	Auditor's opinion	
PG8 (A.L225-102-1. IV)	Defined companies that are under the control of a company which includes them in its consolidated accounts in accordance with Article L. 233-16 are not required to publish any statement on non-financial performance if the company that controls them is based in France and publishes a consolidated statement on non-financial performance or if the company that controls them is established in another Member State of the European Union and publishes such a declaration in accordance with the applicable legislation. (Order of 19/07/2017)			
PG9 (A.L225-102-1. V)	For companies whose balance sheet total or sales turnover and number of employees exceeds the thresholds set by Council of State decree, where applicable on a consolidated basis, the information featuring in the statements is audited by an independent third party body, in accordance with the procedures established by Council of State decree. This audit gives rise to an opinion which is sent to shareholders at the same time as the report mentioned in paragraph two of Article L. 225-100. (Order of 19/07/2017)	VI. E.	Auditor's opinion	

CORPORATE INFORMATION				
1.a)	EMPLOYMENT	Page	Name	Comments
1.a) 1.1	Total workforce	11	Total workforce	
1.a) 1.2	Distribution of employees by gender	38	Proportion of women in the total workforce	Proportion of women managers in the management teams
1.a) 1.3	Distribution of employees by age	13	Active employees by age	
1.a) 1.4	Distribution of employees by geographical area	6 & 12	Active employees by region	
1.a) 2.1	Recruitment	N/A	N/A	This data is not available on a consolidated scale.
1.a) 2.2	Dismissals	N/A	N/A	This data is not available on a consolidated scale.
1.a) 3.1	Remuneration	41	Total remuneration	
1.b)	ORGANISATION OF WORK	Page	Name	Comments
1.b) 1	Organisation of working time	40 & 41	Organisation of work and industrial relations	
1.b) 2	Absenteeism	N/A	N/A	This data is not available on a consolidated scale.
1.c)	HEALTH AND SAFETY	Page	Name	Comments
1.c) 1	Occupational health and safety conditions	23 to 25	Safety	
1.c) 2.1	Frequency and severity of occupational accidents	24	Evolution of safety performance 2015-2018	The severity rate is not available on a consolidated scale.
1.c) 2.2	Occupational illnesses	N/A	N/A	This data is not available on a consolidated scale.
1.d)	INDUSTRIAL RELATIONS	Page	Name	Comments
1.d) 1	Organisation of dialogue between management and employees, procedures for provision of information to, negotiation with and consultation of staff and negotiating with staff	40 & 41	Organisation of work and industrial relations	
1.d) 2	Review of collective agreements, especially in terms of occupational health and safety	40	Collective agreements	France, United Kingdom, Germany.
1.e)	TRAINING	Page	Name	Comments
1.e) 1	Training policies implemented.	32, 33 & 36	Training	
1.e) 2	Total number of training hours	N/A	N/A	This data is not available on a consolidated scale.
1.f)	EQUAL TREATMENT	Page	Name	Comments
1.f) 1	Measures taken to promote gender equality	37 to 39	Gender equality at work	
1.f) 2.1	Measures taken to promote employment	35 to 37 & 11	Employee development Changes in workforce	
1.f) 2.2	Measures taken to promote the integration of persons with disabilities	39	Employment and inclusion of workers with disabilities	
1.f) 3	Anti-discrimination policy	37 to 38	Preventing discrimination and commitment to diversity	

ENVIRONMENTAL INFORMATION				
2.a)	GENERAL ENVIRONMENTAL POLICY	Page	Name	Comments
2.a) 1.1	Organisation of the company to take account of environmental issues	26	Our approach to the environment	Environmental policy is mainly managed locally, as close as possible to the impacts.
2.a) 1.2	Environmental assessment or certification procedures	26	ISO 14001 certifications	
2.a) 2	Resources devoted to the prevention of environmental risks and pollution	N/A	N/A	This data is not available on a consolidated scale.
2.a) 3	Amount of provisions and guarantees for environmental risks	N/A	N/A	This data is not available on a consolidated scale.
2.b)	POLLUTION	Page	Name	Comments
2.b) 1.1	Prevention, reduction, reparation measures: AIR	26 to 29	Case studies	
2.b) 1.2	Prevention, reduction, reparation measures: WATER	N/A	N/A	Not material. This data is not available on a consolidated scale.
2.b) 1.3	Prevention, reduction, reparation measures: SOIL	N/A	N/A	Not material. This data is not available on a consolidated scale.
2.b) 2	Consideration of any form of pollution specific to an activity, in particular noise and light pollution	N/A	N/A	Not material. This data is not available on a consolidated scale.
2.c)	CIRCULAR ECONOMY	Page	Name	Comments
2.c)i)	Waste prevention and management	26 to 29		
2.c).i) 1	Measures for prevention, recycling, reuse and other forms of waste recovery and disposal	26 to 29	Case studies	
2.c).i) 2	Measures to prevent food waste	N/A	N/A	Not material.
2.c).ii)	Sustainable use of resources	28 & 29	Case studies	
2.c).ii) 1.1	Water consumption	N/A	N/A	Not material.
2.c).ii) 1.2	Water supply depending on local constraints	N/A	N/A	Not material.
2.c).ii) 2.1	Consumption of raw materials	28 & 29	Case studies	
2.c).ii) 2.2	Measures taken to improve efficiency in their use	30	Carrying out of Carbon Reviews by company	2018 - 2019 - 2020 data
2.c).ii) 3.1	Energy consumption	29	Electricity consumption by company	2018 - 2019 - 2020 data
2.c).ii) 3.2	Measures taken to improve energy efficiency	26 to 30	Case studies	
2.c).ii) 3.3	Measures taken to improve the use of renewable energies	26 to 30	Case studies	
2.c).ii) 4	Use of land	N/A	N/A	Not material

II.d)	CLIMATE CHANGE	Page	Name	Comments
2.d) 1	Significant sources of greenhouse gas emissions generated as a result of the company's activity, in particular through the use of the goods and services that it produces	30	CO <sub>2</sub> emissions by company	Données 2018 -2019-2020
2.d) 2	Adaptation to the consequences of climate change	N/A	(Scope 1 & 2)	
2.d) 3	The reduction targets set voluntarily in the medium and long term to reduce greenhouse gas emissions and the resources implemented to this end	N/A		
2.e)	PROTECTION OF BIODIVERSITY	Page	Name	Comments
2.e) 1	Measures taken to protect or restore biodiversity	N/A	N/A	Not material.

## CORPORATE INFORMATION

3.a)	CORPORATE COMMITMENTS TO SUSTAINABLE DEVELOPMENT	Page	Name	Comments
3.a) 1	The impact of the company's activities in terms of employment and local development	43 to 45	Our approach + Case studies	
3.a) 2	The impact of the company's activities on local populations	43 to 45	Our approach + Case studies	
3.a) 3	Relationships maintained with the company's stakeholders and the procedures for dialogue with them	43 to 45	Our approach + Case studies	
3.a) 4	Partnership or sponsorship actions	43 to 45	Case studies	
3.b)	SUBCONTRACTING AND SUPPLIERS	Page	Name	Comments
3.b) 1	Consideration of social and environmental issues in the procurement policy	22 & 31 to 33	The Code of Ethics	
3.b) 2	Consideration of suppliers' corporate social and environmental responsibilities in relationships with them	22 & 31 to 33	The Code of Ethics	
3.c)	FAIRNESS OF PRACTICES	Page	Name	Comments
3.c)	Measures taken in favour of consumer health and safety	N/A	N/A	This data is not available on a consolidated scale.

## INFORMATION RELATING TO THE FIGHT AGAINST CORRUPTION

	Actions taken to prevent corruption	31 to 33	Ethics + training	
--	-------------------------------------	----------	-------------------	--

INFORMATION RELATING TO MEASURES IN SUPPORT OF HUMAN RIGHTS				
5.a)	<b>PROMOTION OF AND COMPLIANCE WITH THE STIPULATIONS OF THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION (ILO)</b>	31 to 33 34 to 41	<b>The Code of Ethics People Development and Respect, Social Relationships and Remuneration</b>	
5.a) 1	Respect of freedom of association and the right to collective bargaining	40	Collective agreements	
5.a) 2	Elimination of discrimination in respect of employment and occupation	37 to 39	Preventing discrimination and commitment to diversity	
5.a) 3	Elimination of forced or compulsory labour	22 & 31 to 33	The Code of Ethics	
5.a) 4	Effective abolition of child labour	22 & 31 to 33	The Code of Ethics	
5.b)	<b>OTHER MEASURES TAKEN IN SUPPORT OF HUMAN RIGHTS</b>	22 & 31 to 33 43 to 45	<b>The Code of Ethics Community</b>	

## D. Global Compact Correlation Table

Topic	Page	Name	Comments
Human Rights	22 & 31 to 33 43 to 45	The Code of Ethics Respect for people Community	
Labour	22 & 31 to 33 40 & 41	The Code of Ethics Organisation of work and industrial relations	
Environment	22 & 31 to 33 26 to 30	The Code of Ethics Environment	
Anti-corruption	22 & 31 to 33	The Code of Ethics Ethics	



## E. Auditor's opinion



Accreditation n° 3-1081  
Scope of accreditation available at [www.cofrac.fr](http://www.cofrac.fr)

### DELACHAUX SA Auditor's report

Financial year ended 31 December 2020

To the shareholders,

Following our engagement by DELACHAUX (hereinafter the "entity") and in our capacity as an independent third party accredited by COFRAC Inspection under number 3-1081 (scope of accreditation available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby report to you on the consolidated statement of non-financial performance for the year ended 31 December 2020 (hereinafter the "Statement"), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

#### Entity's responsibility

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators.

The Statement was prepared in accordance with the reporting framework (the "Reporting Framework") used by the entity, the main points of which are available on request at the Company's registered office.

#### Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and by the audit profession's code of ethics. We also have a quality control system including documented policies and procedures to ensure compliance with ethical rules, professional standards and applicable laws and regulations.

#### Responsibility of the independent third party

It is our role, on the basis of our work, to express a reasoned limited assurance opinion, on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;

- the fairness of the information provided pursuant to Article R. 225-105-I(3) and II of the French Commercial Code, namely the outcomes of the policies applied, including key performance indicators, and the actions to address the main risks (hereinafter the “Information”).

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable laws and regulations, specifically with regard to due diligence, anti-corruption and anti-tax evasion;
- compliance of products and services with applicable regulations.

### Nature and scope of our work

We conducted our work in accordance with professional standards applicable in France, which specify the terms and conditions for the performance of its engagement by the independent third-party organisation, and with international standard ISAE 3000.

Our audit was conducted between 26 March 2021 and 28 April 2021 over an average of eight person/days.

We conducted three interviews with the individuals responsible for drafting the Statement.

Our work allows us to assess the compliance of the Statement with the regulations and the fairness of the Information:

- we reviewed the activity of all the companies included in the scope of consolidation, and the presentation of the principal social and environmental risks related to this activity;
- we assessed how appropriate the Reporting Framework is in terms of relevance, completeness, reliability, neutrality, clarity, taking best practice in the industry into account where relevant;
- we checked that the Statement covers each category of information required under Article L. 225-102-1, with respect to social and environmental matters
- we verified that the Statement describes the business model and the main risks related to the activity of all entities included within the consolidation scope, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as the policies, actions and outcomes, including key performance indicators;
- we verified, where relevant to the risks or policies presented, that the Statement presents the information required by Article R. 225-105-II;
- we assessed the process for identifying and validating the main risks;
- we investigated which internal control and risk management procedures are implemented by the entity;
- we assessed the consistency of the outcomes and key performance indicators selected in respect of the main risks and policies presented;
- we checked that the Statement covers the consolidated scope, in other words, all the companies included within the scope of consolidation as per Article L. 233-16;
- we reviewed the entity's data collection process to ensure comprehensive and fair Information;
- for the key performance indicators and other quantitative results that we considered most important, we implemented:
  - analytical procedures consisting in verifying the consistency of the data gathered and their correct consolidation;

- granular tests on samples, which involved checking that definitions and procedures are correctly applied and reconciling the data with supporting documents. This was done on a selection of contributing entities that cover between 12% and 100% of the consolidated data from the key performance indicators and selected outcomes for these tests ;
- we consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and outcomes) that we considered most important;
- we assessed the overall consistency of the Statement based on our knowledge and understanding of all the companies included within the scope of consolidation.

We consider that, through our work based on our professional judgement, we have obtained sufficient appropriate evidence to support a limited assurance conclusion; a higher level of assurance would have required more in-depth verification work.

Due to the use of sampling techniques and other limitations inherent in the operation of any information and internal control system, the risk of not detecting a material misstatement in the Statement cannot be completely eliminated.

## Conclusion

Based on the procedures carried out, and within the limit of the foregoing, no material misstatements have come to our attention that caused us to believe that the statement of non-financial performance was not presented in accordance with applicable regulations and that the Information, taken as a whole, is not truly and fairly presented, in accordance with the Reporting Framework.

Lyon, 30/04/2021

FINEXFI  
Isabelle Lhoste  
Partner

### FINEXFI

Registered office: 96 Boulevard Marius vivier merle – 69003 Lyon, France Tel.: +33 (0)4 78 89 00 11.  
Limited liability company (Société à responsabilité limitée)  
with share capital of €40,000. Lyon Trade and Companies Register no. 537 551 434

#### 1 Entities audited:

*Social indicators: France (CxW France, Jay Electronique, Delachaux SA, ETS Raoul Lenoir, Pandrol Sas, Railwel, SRS France, DCX Chrome) and Germany (Weil)*

*Environmental indicators: Pandrol (Intercaste & Forge, USA, UK, Douai, Raismes)*

2 Indicators audited: Our teams, health and safety, electricity consumption per company, carbon footprint (scope 1-2) in tCO<sub>2</sub> eq. per company, ethics (training program, KPI), professional gender equality, group and company position, employment and integration of workers with disabilities.