

2020 Sustainable Development Report

[Non-Financial Performance Report]



Sommaire

1. COMMITMENT OF THE SENIOR MANAGEMENT	4
2. INTRODUCTION	5
3. BUSINESS MODELS.....	6
4. SUSTAINABLE DEVELOPMENT GOALS (SDGs)	9
5. DIALOGUE WITH STAKEHOLDERS	10
6. NON-FINANCIAL RISKS/OPPORTUNITIES	11
7. A SUSTAINABLE DEVELOPMENT APPROACH AT THE HEART OF OUR STRATEGY ...	13
a) A Group engaged with and for its employees.....	13
a. Identified non-financial risks.....	13
b. Our human resources policy	13
c. Quality of working life (QWL)	14
d. Diversity.....	15
e. Training and skills development.....	16
f. Integration programme.....	16
b) Employee health and safety	17
a. Identified non-financial risks.....	17
b. Our HSE policy	17
c. Safety for all	18
d. Occupational health	20
c) Practicing responsible purchasing with our suppliers	22
a. Identified non-financial risks.....	22
b. Our supplier relations policy.....	22
c. Responsible purchasing.....	22
d. Commitment on conflict minerals	23
d) Business ethics.....	25
a. Identified non-financial risks.....	25
b. Our ethics and compliance.....	25
c. Anti-corruption monitoring.....	26
d. Combating tax avoidance	27
e) Climate change.....	28
a. Identified non-financial risks.....	28
b. Our environmental policy	28
c. Aiming for 100% of our manufacturing sites to have ISO 14001 certification	28
d. Reducing our carbon footprint.....	29
e. Buildings with high energy efficiency.....	29
f. Collection and sorting of hazardous industrial waste	30
g. Mobility plan.....	31

f)	Environmental impact of products	33
a.	Identified non-financial risks.....	33
b.	Our Eco-design policy.....	33
c.	Hazardous substances	33
d.	Eco-design	35
e.	Environmental impact of products (PEP eco-declaration).....	36
f.	Societal commitment	36
8.	NON-FINANCIAL PERFORMANCE INDICATORS	37
9.	INDEPENDENT THIRD-PARTY REPORT	38

1. COMMITMENT OF THE SENIOR MANAGEMENT

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

The satisfaction of our Customers, Shareholders and Employees forms the basis of our Group's strategy, which respects our natural and social environment.

Our entire organisation is geared towards this satisfaction and aims to provide adapted, customised, and innovative solutions in the following areas:

- ✓ Power availability,
- ✓ Control,
- ✓ Safety of low voltage electrical energy.

Our Group wants to remain independent and is committed to sustainable and balanced development. To achieve this, it relies on its private shareholding structure, which ensures that it has control over its decisions for profitable, value-creating growth on a long-term basis.

We are aware that our success depends on the personal development and commitment of our employees, and we therefore favour open, responsible, and committed working relationships. Our management is trained and aware of this and is responsible for implementing and maintaining these relationships.

Our local and international development strategies are clear and shared. They take into account the realities on the ground and are always adapted in a pragmatic way.

As a socially responsible company, we aim to maintain our jobs in the best possible way at our long-established European production sites. To achieve this, we depend on the professionalism and versatility of our human resources.

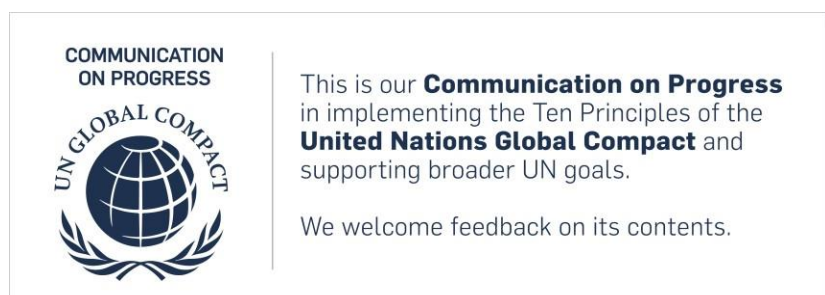
As a job creator in emerging countries, we contribute to their economic and social development, while respecting human, labour, and environmental rights.

This is why in 2003 we joined the "Global Compact", the United Nations' international pact that takes into account the social and environmental impacts of globalisation; the Executive Board of Directors and I are resolutely committed to this approach.

Socomec has thereby renewed its commitment to the 10 principles of the UN Global Compact for the year 2019.

Ivan STEYERT, CEO of the SOCOMEC Group

Benfeld, 1st April 2021



2. INTRODUCTION

The independence of the Socomec Group ensures control over its decisions, while respecting the values advocated by its family shareholders and which are supported by its employees.

For this reason, the company has to consider its responsibility towards its shareholders, employees, customers and business partners, as well as towards civil society and its environment. The Socomec Group fully assumes this responsibility through its commitments, thereby fostering the conditions for a lasting and coherent development.

Each year Socomec commissions Evovadis to assess its social practices, environmental actions, ethical business conduct and the implementation of responsible purchasing criteria; Ecovadis is an independent, international agency that assesses around 45,000 companies. Socomec has gone from a score of 48 in 2014 to 76 in 2020. We are now in the top 1% of companies in all categories.

This Extra-Financial Performance Declaration (EFPD) will be presented to the Board of Directors on 6th May 2021 and to the General Assembly on 27th June 2021. Following the appointment of an independent third-party organisation (ITO), several audits were carried out on 23rd March, 6th and 15th April 2021 at the sites of Factory 2 (Benfeld, France), Algodue (Italy) and the head office in Benfeld (France). At the end of the report, there is a certificate from the ITO on the reliability and conformity of the published information.

The scope of the data covers the Socomec Holding Company, including all its subsidiaries and the companies it controls within the meaning of Article L. 233-3 of the French Commercial Code. However, in view of our chosen indicators, we have focused on the Socomec manufacturing sites. The details of the perimeter chosen according to the indicators are specified at the end of the report in the "Non-financial performance indicators" section.

The 2019 Extra-Financial Performance Declaration could not be verified by an ITO due to the health context. Socomec was not able to allocate the necessary resources to complete this EFPD according to the regulatory schedule, having focused all its efforts and resources on managing the health crisis.

3. BUSINESS MODELS

AN INDEPENDENT MANUFACTURER

FOUNDED IN
1922

3.600
EMPLOYEES

12
PRODUCTION
SITES

28 SALES
SUBSIDIARIES
AND OFFICES

WHO ARE WE?

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



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



OUR MARKETS




OUR MISSION

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



OUR EXPERTISE: INNOVATIVE POWER SOLUTIONS


POWER SWITCHING





POWER MONITORING






POWER CONVERSION




ENERGY STORAGE




EXPERT SERVICES





OUR VOCATION

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



OUR KNOW-HOW

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



OUR 3 CORNERSTONES



CUSTOMERS

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



INNOVATION

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



PEOPLE

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

OUR 5 STRATEGIC PRIORITIES

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



OUR COMMITMENT

WE SUPPORT



Member of the Global Compact since 2003

SOCOMECS "PULL MANAGEMENT SYSTEM"

Le client au centre
de notre production

*The customer
at the centre
of our production
processes*

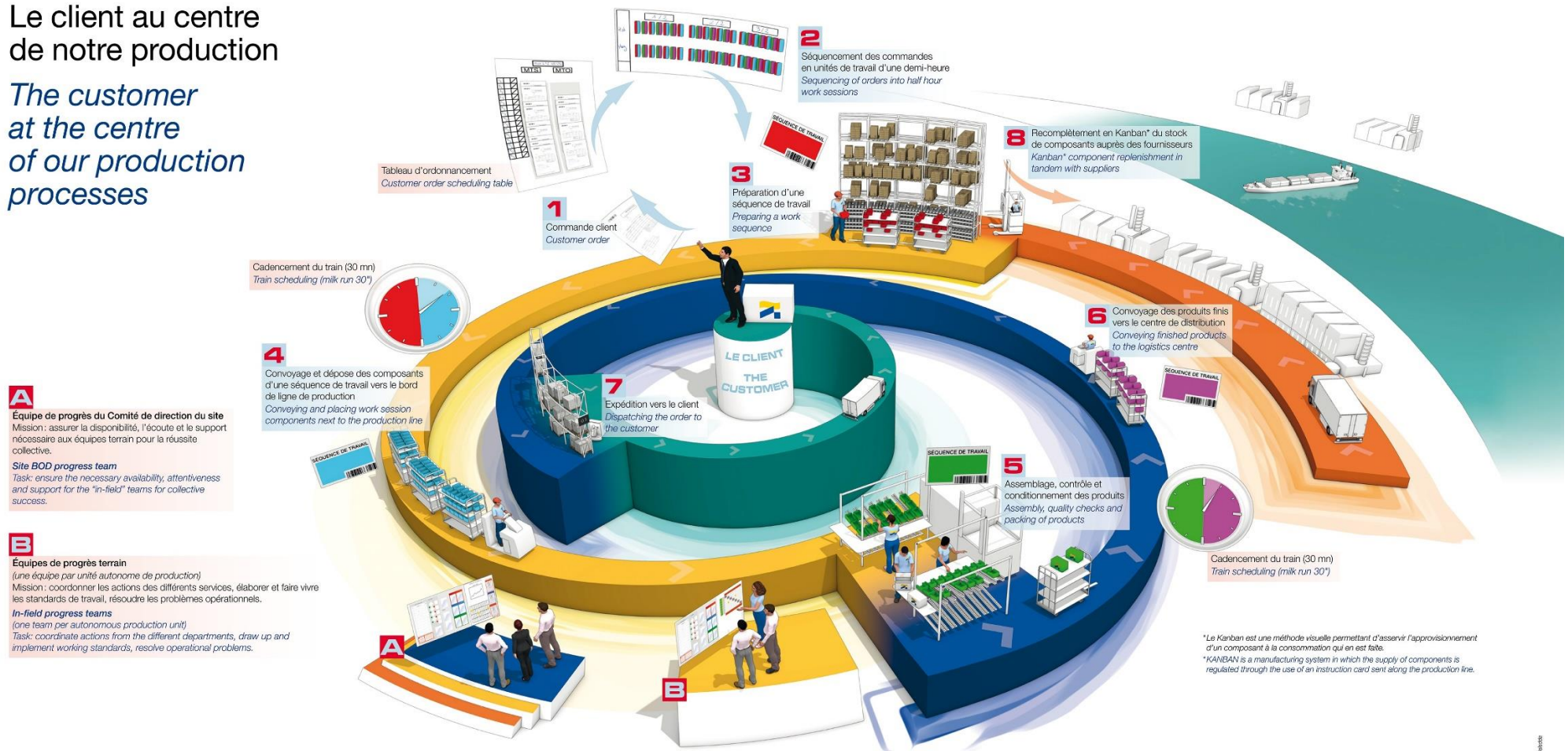


Tableau d'ordonnement
Customer order scheduling table

1
Commande client
Customer order

2
Séquence des commandes
en unités de travail d'une demi-heure
Sequencing of orders into half hour
work sessions

3
Préparation d'une
séquence de travail
Preparing a work
sequence

8
Recomplètement en Kanban* du stock
de composants auprès des fournisseurs
Kanban* component replenishment in
tandem with suppliers

6
Convoiement des produits finis
vers le centre de distribution
Conveying finished products
to the logistics centre

5
Assemblage, contrôle et
conditionnement des produits
Assembly, quality checks and
packing of products

7
Expédition vers le client
Dispatching the order to
the customer

4
Convoiement et dépôt des composants
d'une séquence de travail vers le bord
de ligne de production
Conveying and placing work session
components next to the production line

Cadencement du train (30 mn)
Train scheduling (milk run 30')

Cadencement du train (30 mn)
Train scheduling (milk run 30')

A
Équipe de progrès du Comité de direction du site
Mission: assurer la disponibilité, l'écoute et le support
nécessaire aux équipes terrain pour la réussite
collective.
Site BOD progress team
Task: ensure the necessary availability, attentiveness
and support for the "in-field" teams for collective
success.

B
Équipes de progrès terrain
(une équipe par unité autonome de production)
Mission: coordonner les actions des différents services, élaborer et faire vivre
les standards de travail, résoudre les problèmes opérationnels.
In-field progress teams
(one team per autonomous production unit)
Task: coordinate actions from the different departments, draw up and
implement working standards, resolve operational problems.

*Le Kanban est une méthode visuelle permettant d'assurer l'approvisionnement
d'un composant à la consommation qui en est faite.
*KANBAN is a manufacturing system in which the supply of components is
regulated through the use of an instruction card sent along the production line.

4. SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In response to the United Nations' global call for action by 2030, Socomec is committed to contributing to the Sustainable Development Goals (SDGs) aimed at eradicating poverty, protecting the planet and ensuring that all people live in peace and prosperity.

Through its key activities and challenges for sustainable development (Environmental Protection, Eco-design, Health and Safety, Ethics and Working Conditions), our Group contributes in particular to the following Sustainable Development Goals:

SOCOME C S'ENGAGE POUR LES OBJECTIFS DE DÉVELOPPEMENT DURABLE



Les objectifs en couleurs sont ceux visés en priorité par Socomec

5. DIALOGUE WITH STAKEHOLDERS



6. NON-FINANCIAL RISKS/OPPORTUNITIES

Methodology

Each year, the Socomec Group updates its risk mapping (or matrix). This covers the entire value chain of the Group. Each department identifies the risks related to its operations, and these risks are then aggregated and prioritized in a mapping.

Based on this matrix, the Sustainable Development Department has identified six main non-financial risks (explained in the table below): responsible purchasing, occupational health and safety, business ethics, product environmental impact, employee involvement and climate change.

Field	Risk/opportunities identified	Impact of risk	Indicators
Responsible purchasing Social and environmental practices of suppliers and subcontractors	Questionable practices among subcontractors (social and environmental practices), non-compliance of components and services with standards, legislation, disregard of ethical rules, disruption of supply, raw materials and product offering, quality defects, product counterfeiting, bankruptcy of a strategic partner.	Poor corporate and product image, difficulty attracting and retaining staff.	Percentage of turnover covered by suppliers who are signatories to the Code of Conduct. Percentage of suppliers who are members of the Global Compact. Percentage of suppliers with ISO 14001 environmental certification
Health, Safety & Environment Employee health and safety	Poor working conditions	Labour conflict, work accidents, sick leave, appearance of repetitive strain injuries and psychosocial risk factors, bad atmosphere, difficulty in recruitment, resignation of employees.	Rate of frequency of workplace accidents. Rate of severity of work accidents.

Field	Risk/opportunities identified	Impact of risk	Indicators
Business ethics Fight against corruption	Corrupt practices, conflicts of interest, influence peddling, anti-competitive practices, facilitation payments.	Damage to Socomec's reputation and viability (loss of turnover, difficulties in finding staff to join the Group, difficulties in finding business partners), information leaks (breach of data confidentiality), loss of Socomec's appeal	<i>(Future indicator for 2021)</i> Percentage of employees who have completed our ethics and compliance training module
Products Environmental impact of products (waste, eco- design)	Non-compliance of components and services with standards, legislation, and scarcity of raw materials	Difficulty of access to certain markets, lack of innovation, poor image of the company and its products, difficulty in attracting and retaining staff	Number of ranges covered by PEP eco-passport eco declarations
Social Employee involvement	Poor working conditions, failure to be heard, unequal opportunities.	Inability to attract and retain staff in the labour market, demotivation among staff.	Rate of absenteeism Gender equality index
Climate change Energy Waste	Climate change, pollution, destruction of biodiversity.	Reputational impacts, financial costs of fines, legal impacts. Additional energy costs.	Waste recovery rate Percentage of photovoltaic energy production in relation to total electricity consumption Percentage of production sites with ISO 14001 certification

7. A SUSTAINABLE DEVELOPMENT APPROACH AT THE HEART OF OUR STRATEGY

a) A Group engaged with and for its employees

a. Identified non-financial risks

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

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

b. Our human resources policy

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

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

c. Quality of working life (QWL)

Since its creation, Socomec has made the well-being of its employees one of its priorities. There have been several collective labour agreements on the reduction of working time, the management of jobs and career development, industrial relations, childcare, teleworking, work-life balance, and gender equality, etc. Socomec and union representatives are developing these issues within the company to help employees find a balance in their lives¹.

It is the Social and Economic Committee (CSE) that supports many in-house associations that are run thanks to the involvement of employees: they can practice their hobbies between noon and two o'clock, enjoy a real break and meet colleagues from other departments. Socomec has provided the "Relais des Energies", a building equipped with several rooms allowing these groups of sportsmen, music lovers, gardeners, etc. to practice their favourite pastime.

The Group is attentive to its employees and regularly organizes surveys to collect everyone's opinions and improve in-house practices. Socomec SAS France has opted for the principle of participative experimentation, whether on topics such as workshop hours or teleworking. Before implementing a system on a permanent basis, negotiations are held to define the agreement framing the pilot project. This makes it possible to involve employees and take account of their feedback, etc.

These measures are especially widespread in France. Nevertheless, the thinking on QWL is the subject of local initiatives in order to provide the best opportunities, taking into account the expectations, culture, or legal possibilities, in all the countries where the Group operates.

The teleworking policy of Socomec SAS France allows employees to work from home for 24 days a year.

Target for 2021: Following the global pandemic (Covid-19), the telework policy will be redefined in agreement with the delegated bodies in consultation with the trade unions.

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

- induction processes dedicated to new employees (welcome day, safety induction, induction booklet, onboarding course),
- consideration of medical contraindications,
- ergonomics implemented on workstations and continuously improved (adapted lighting, air extractors, anti-fatigue mats, etc.),
- awareness-raising on ergonomics and RSI risk prevention,
- organisation of permanent support teams/helplines,
- work on multi-skilling,
- breaks tailored to needs,
- interviews following an absence.

1. Management and labour relations have not been identified by Socomec as one of the main non-financial risks; this field has therefore not been audited. However, the Group makes it a point of honour to continuously develop relations with its employee representative bodies (ERBs). In 2020, seven collective agreements were signed.

d. Diversity

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

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

With regard to recruitment, the Group has drawn up a charter which aims to define the ethical and methodological principles which our recruitment teams and any external party likely to carry out all or part of a recruitment process on behalf of Socomec must respect: selection of applications, evaluation of candidates and processing of responses, etc. Our recruitment teams are trained in the fight against discrimination, and their objective is to fight against prejudice and stereotypes.

Gender Equality

Since 2019, the French government has required all companies (with more than 1,000 employees) to calculate and publish their Gender Equality Index (F/M).

In 2020, the Group had an index of 87/100 (for Socomec SAS France). This score, together with the action plan negotiated with the trade unions during discussions on professional equality and quality of life at work, encourages us to continue our efforts in this area.

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

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

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

Inclusion of young people

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

Socomec SAS France promotes the discovery of industrial professions by:

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

For several years now, Socomec has been awarded the Happy Trainees label; this classification recognises companies that take care of the reception, support and management of their trainees and work-study students.

e. Training and skills development

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

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

f. Integration programme

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

b) Employee health and safety

a. Identified non-financial risks

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

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

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

- analysis of work accidents and occupational diseases,
- regular checks and maintenance of equipment,
- the company's attitude towards subcontractors,
- the company's attitude towards temporary workers,
- preparation and organisation of work,
- occupational health,
- carrying out and updating the occupational risk assessment (ORA) and action plan,
- training and skills programme for rescue and first aid workers,
- responsibilities, communication, and employee involvement,
- managerial prevention practices,
- fire risk control,
- general condition of buildings.

b. Our HSE policy

The Socomec Group strictly complies with the regulatory requirements and expectations of its various stakeholders. The Health, Safety and Environment policy is adapted to the risks and widely circulated.

The aim is to assess the risks and prevent any occupational accidents.

This policy specifies the objectives and resources that have been implemented:

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

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

The risk assessment inventory is regularly updated and the associated action plan is monitored on a daily basis. This assessment takes into account the existing risks on the premises and those caused by the work activity of employees who have to travel to other sites.

In conjunction with the Quality Department, HSE processes are formalised and updated according to needs.

Operational and emergency management:

- each manager implements the rules related to safety and the environment with the support of a team of safety officers,
- safety procedures and instructions are widely circulated,
- a crisis management procedure is in place: potential emergency situations and the means to respond to them are identified,
- the Group has implemented HSE procedures with associated documents, such as: workplace safety orientation, handling of chemicals, acquisition of new work equipment, warning and emergency instructions, personal protective equipment, risk assessment, electrical safety, and waste management,
- prevention plans are drawn up when external companies work on the Group's premises. The transport protocols are also regularly updated,
- safety training courses are organised with the Training Department: chemical risk awareness, stacker operation, electrical work authorisations, etc.

Corrective measures and actions:

- measurement of HSE performance and evaluation through the monitoring of HSE indicators,
- HSE audits at Socomec sites but also at customer sites, and their processing in partnership with the various coordinators implementing the associated action plans. These audits are subject to action plans, which are reviewed at the safety officers' meetings.
- analysis of accidents and incidents and their processing in partnership with the various coordinators implementing the associated action plans.

Information and awareness-raising for employees throughout the year, especially through monthly reporting.

c. Safety for all

The safety action plan is implemented through quarterly steering committees:

- INDUSTRIAL OPERATIONS,
- AFTER-SALES SERVICE,
- LABORATORIES.

We also have discussion forums with the different subsidiaries so that we can share our good practices and experiences, but also the difficulties we encounter. Each year, we identify which Health, Safety and Environment actions should be carried out as a priority.

Prevention of accidents and near misses at work

On the Alsace-based manufacturing sites, accidents and near misses are processed via a fortnightly online platform in the field. One of the aims of this approach is to promote the declaration process and make the actions carried out more transparent. This also helps to strengthen the monitoring of actions and ensure that they eliminate or reduce the risk as much as possible. This action will be extended to other manufacturing sites.

In certain cases, the accidents of other partner companies are also analysed in order to anticipate the risk of accidents as much as possible.

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

In 2020, we implemented a new management tool for safety shoes, comfort clothing and work clothes to simplify the ordering process for these materials.

We are continuously strengthening regular and non-regular checks at our sites. In 2020, we have in particular improved the annual inspection of collective protective equipment dedicated to the prevention of electrical risks and of electricians' gloves.

Safety training courses

Socomec attaches great importance to awareness-raising and safety training for its employees.

The "new employee safety training" module is carried out in two stages:

- safety training at the workstation, as soon as the new employee arrives,
- "basic safety concepts" training in an e-learning format offered to new recruits.

Specific courses tailored to the different jobs have been created.

These e-learning courses comprise in particular the following modules: "Rules, regulations and good practices", "Safety stakeholders ", "Professional risks and means of prevention", "Ergonomics, musculoskeletal disorders (MSDs) and manual handling", "Knowing how to react appropriately in an emergency", "Identifying rules and good practices at the environmental level".

For example, "virtual tour" modules, aimed at raising awareness of electrical risks were introduced for people with certain electrical authorisations/clearances. The aim of this approach is to increase the frequency of courses covering the awareness of electrical risks among employees with electrical clearance.

Training programmes are launched every year (depending on requirements).

In 2020, 9 safety training programmes were launched:

- Basic safety concepts (safety training for new employees).
- Electrical authorisations (including new modules in the form of 360° virtual tours) / Live working
- First aid at work
- Lifting equipment with mounted drivers
- Using overhead cranes
- Training for personnel working on nuclear and chemical sites
- HUET (Helicopter Underwater Escape Training)
- Work at height
- Training / in-house awareness: ergonomics, use of stackers, etc.

Reduction of occupational risks

- **Chemical hazards**

We regularly update our inventory of chemicals and work with a service provider to update Safety Data Sheets (SDS).

One of our goals in particular is to substitute any chemicals that may be dangerous and to reduce as far as possible the number of chemical products used on our sites.

- **Fire**

Our fire risk assessment of sites in Alsace was updated in 2019. We regularly organise fire drills on our sites in Alsace with the external emergency services. These drills enable us to identify areas for improvement in terms of fire safety.

In 2020, we continued to implement action plans for reducing the risk of explosive atmospheres (ATEX) and the risk of lithium batteries.

- Risks related to electromagnetic fields

In 2020, we carried out a campaign to measure electromagnetic fields in Huttenheim / Benfeld (fields generated by a mobile phone antenna, by magnets and by certain work equipment).

- **Machinery and equipment hazards**

In 2019, we finalised Phase 1 of the project to upgrade our "machinery & equipment" stock. This phase involved carrying out a complete mapping of the plant, including the following information: EC declaration, instruction manual, plans and diagrams, inspection reports, etc.

In 2020, we started Phase 2 of the project to bring our machinery and equipment into compliance.

Main targets for 2021:

- Implementation of an action plan to develop a culture of safety,
- Provision of new multi-risk clothing for the after-sales service and other departments concerned in France.
- Implementation of Phase 2 of the project to bring equipment and machines into compliance at our industrial sites in Alsace: this phase consists of bringing more than 80 items of equipment into compliance,
- Assessment of the compliance of the laboratory's equipment,
- Launch of the "isolated work" risk reduction project and revision of the associated procedure,
- Finalisation of the workflow for the introduction of chemical products,
- Measurement of exposure to hazardous chemical substances,
- Monitoring of prevention plans and safety protocols,
- Improvement of the system for monitoring prevention plans in the French branch offices,
- Updating of risk assessments and implementation of HSE audits in the various subsidiaries.

d. Occupational health

Ergonomics

The ergonomics action plan is monitored by the quarterly "industrial operations" steering committee and is applied at each production site.

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

Workstation ergonomics have been mapped on manufacturing sites in Alsace. This approach has also been launched on the Tunisian site.

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

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

A plan to improve workstation ergonomics has been drawn up. The information campaign on addictions will also be continued.

Psychosocial risks (PSR)

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

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

The PSR steering committee drew up an action plan in partnership with the CHSWT, the Management, and the *DeFacto* agency, which carried out the diagnosis. A briefing note and the detailed action plan were sent in November 2017 to all employees in France. 34% of the actions that had been identified were carried out.

In addition, two initiatives have been implemented:

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

Targets for 2021: to continue the roll-out of the PSR prevention plan.

- Updating the PSR "risk assessment inventory"
- Implementation of the action plan: launch of a training course in e-learning format

c) Practicing responsible purchasing with our suppliers

a. Identified non-financial risks

Socomec wants to forge strong relationships with its partners in order to avoid any questionable practices (social and environmental practices) among subcontractors.

Implementing a responsible purchasing policy enables us to limit our environmental impact and to ensure that human rights are respected in our value chain.

b. Our supplier relations policy

Sustainable development is one of the four main pillars of the Socomec Group's purchasing policy. Favouring responsible and committed suppliers as well as eco-responsible raw materials is part of the Group purchasing department's targets.

c. Responsible purchasing

The Socomec Code of Conduct

Each new supplier must sign the Socomec "Code of Conduct" or alternatively have its own code of conduct in keeping with the Socomec codes of conduct. In so doing, they commit to respecting the societal principles of transparency, working conditions, human rights, environmental protection, sustainable procurement, and fair and equitable business practices. Published in 2019, this document sets out the Group's expectations of its suppliers and supports them in a common approach to progress in terms of sustainable development.

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

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

Target for 2021: Socomec is committed to having all its customers and suppliers of products or services sign the Code of Conduct to cover 80% of purchasing expenditure.

The "Responsible Supplier Relations Charter"

In 2016, Socomec wanted to go further in its relations with its suppliers. The Group has become a signatory to the "Responsible Supplier Relations Charter". Drawn up jointly by the Banque de France's Credit Mediation Department and the CDAF (a French purchasing association), it encourages major contractors to implement a progress-making strategy towards their suppliers, especially small and medium-sized companies.

Socomec has chosen to follow these best practices. With its suppliers, it exercises its responsibility in a framework of mutual trust and respect for the following respective rights and obligations:

- to ensure financial equity for all its suppliers,
- to foster collaboration between major contractors and strategic suppliers,
- to reduce the risk of reciprocal dependency between contractors and suppliers,
- to involve the major contractors in their supply chain,
- to evaluate the total cost of the purchase,
- to integrate environmental issues,
- to ensure the territorial responsibility of their company,
- to ensure that the purchasing function steers the supplier relationship as a whole,
- to define a consistent purchaser remuneration policy.

Evaluations

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

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

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

Finally, the Group has started to audit certain suppliers every 2 years to ensure that they are still in line with their values and organisations. ...

In 2018, Socomec implemented a tool for evaluating its customers and suppliers in order to improve its sourcing and control its risks. The "Business Partner Integrity" platform continuously surveys all the Group's strategic partners on their involvement in various discriminatory acts. A Committee has been set up to monitor these assessments and manage cases where the supplier is found to be non-compliant.

Awareness-raising among buyers

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

Environmentally responsible purchasing

A major part of the Group's copper purchases is made with recycled raw materials: this reduces CO₂ emissions and thus provides real environmental added value. We also use recycled plastic in some of our products.

d. Commitment on conflict minerals

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

civil war.

In force since 2010, the US Dodd-Frank Wall Street Reform and Consumer Protection Act, or "Conflict Minerals Act", requires companies registered with the US Securities and Exchange Commission (SEC) to report annually whether or not they have used minerals from this region of Africa. For its part, the European regulations on mineral supplies offer a voluntary self- assessment programme, based on a verification process carried out by importers of these minerals in the European Union.

Socomec does not purchase minerals directly from mines or smelters. Nevertheless, in compliance with legislation and human rights and in accordance with the expectations of its customers, the Group asks its direct suppliers to:

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

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

d) Business ethics

a. Identified non-financial risks

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

b. Our ethics and compliance

As part of its corporate and environmental responsibility policy, Socomec is committed to promoting rigorous ethical behaviour within its organisations and towards its partners. The rules of good conduct are based on the values advocated by family shareholders: openness, commitment, and responsibility.

Respect for fundamental rights

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

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

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

Responsible environmental behaviour

The prevention of environmental risks is a growing concern of the Socomec Group, and this is carried through in terms of:

- its development of solutions that primarily focus on the energy efficiency of customer facilities, and the promotion of renewable energy sources,
- reducing the environmental impact of its manufacturing and service activities and optimising its carbon footprint,
- raising awareness and informing its employees about environmental protection.

Fair and equitable practices

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

following principles and practices:

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

c. Anti-corruption monitoring

Socomec applies a policy of zero tolerance towards corruption and other unethical business practices. In 2017, the Group introduced new measures to prevent the risks of corruption, conflicts of interest, anti-competitive practices, influence peddling and facilitation payments.

Each year our corruption risk map is updated to identify, analyse, and prioritise the Group's threats of exposure to any external requests for the purpose of corruption.

In 2018, the "Business Partner Integrity" tool was implemented and continuously surveys all the Group's strategic partners on their involvement in various discriminatory acts. A Committee has been established to monitor these assessments and manage cases where the supplier is found to be non-compliant.

In 2019, a Code of Conduct based on precise guidelines setting out the rules of integrity, respect for rules and people was annexed to Socomec's internal regulations. An external code of conduct was also drawn up and added to the general sales conditions for partners.

In the same year, a whistleblowing system was implemented, encouraging the collection of warnings, from employees or business partners, relating to any conduct or situations that might threaten Socomec's general interest: corruption, conflict of interest, falsification of documents, accounting and audit manipulation, theft, fraud, embezzlement, child labour, forced labour, human trafficking, health and safety, environmental pollution, harassment, and discrimination.

Finally, in 2020, the Group implemented e-learning modules for employees on Socomec's ethical policy.

Target for 2021: to continue the e-learning training of Socomec employees in the Group.

Governance

An Ethics and Compliance Committee meets once a month to ensure that the Group's values and ethical principles are applied.

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

d. Combating tax avoidance

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

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

e) Climate change

a. Identified non-financial risks

In terms of the environment, the Socomec Group has identified two main risks: aggravating climate change and causing more pollution.

b. Our environmental policy

In order to help conserve natural resources, the Socomec Group undertakes to:

- Promote energy efficiency in its line of business:
 - by reducing its customers' energy bills,
 - by diversifying its offering in the renewable energy sector,
 - by equipping its manufacturing and commercial sites with solar installations.
- Reduce its environmental impacts and carbon footprint:
 - by obtaining ISO 14001 certification for its manufacturing sites,
 - by optimising the energy consumption of its manufacturing and commercial sites,
 - by rigorously managing its manufacturing and office waste,
 - by producing life cycle eco-declarations for its products.

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

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

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

The Socomec entities already ISO certified:

- six ISO 14001-certified manufacturing sites (two in France, two in China, one in Italy and one in Canada) out of twelve sites in total; 50% of our sites are certified ISO 14001,
- two ISO 14001-certified sales subsidiaries (one in Spain and one in Portugal),
- one ISO 50001-certified manufacturing site (in France).

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

We regularly analyse the environmental risks and the prevention measures to be taken within the framework of Installations Classified for the Protection of the Environment (ICPE).

In 2020, we carried out the following actions in particular:

Industrial site in France (TCT):

- Launch of a study to replace a varnish with a solvent-free varnish,
- Launch of a study to relocate machines that generate atmospheric emissions.
Objective: to bring this equipment together in the same area to optimise the reduction of emissions.

Industrial site in Tunisia:

- Reduction of water consumption (watering, company restaurant, etc.): recovery of rainwater for certain activities, etc,
- Staff awareness (use of lighting, computers, machines, etc.).

Industrial site in India (SHP): planting trees on the site and redefining green spaces.

d. Reducing our carbon footprint

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

Target for 2021: to develop a climate strategy to reduce our carbon footprint.

e. Buildings with high energy efficiency

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

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

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

Socomec is also working on the renovation of its old buildings so that they too meet these environmental criteria: insulation, LED lighting with presence detection (offices, communal areas, washrooms) and brightness detection (offices, meeting rooms), heating systems, etc. One of the actions carried out in 2019 was to improve the thermal insulation of the TIMELEC factory building in Tunisia.

Three manufacturing sites (two in France and one in Italy) are equipped with solar panels. These sites produce 438 MWh of solar energy. Our solar energy production represents 4% of Socomec's total energy consumption.

Several solar panel installation projects are underway, especially for our manufacturing

sites in France and Tunisia.

In 2012, Socomec began installing meters to monitor consumption in real time, adapt it accordingly and thus contribute to reducing its overall electricity production. In 2018, the Group continued its aim of installing one meter per building. In the same year, Socomec installed one of the products in its "power monitoring" range at one of its French sites: this device analyses energy consumption and monitors the electrical parameters that impact on the quality of the energy. This industrial demonstrator will help to better design future applications for the optimisation, availability, and safety of electrical energy.

In 2020, we carried out the following actions in particular:

Industrial site in Italy: replacement of a UPS with a new Green Power UPS (optimal energy saving thanks to the system's high efficiency + longer battery life).

Industrial site in Tunisia: improvement of the thermal insulation of the building.

In 2021, our roadmap includes the following actions:

Industrial site in Tunisia :

Actions to reduce electricity consumption: monitoring of consumption, analysis of discrepancies, change of lights (LED).

Industrial site in France (TCT): replacement of fluorescent tubes by LED lamps.

Industrial site in Italy: replacement of outdoor lighting with LED lighting.

f. Collection and sorting of hazardous industrial waste

Our waste management procedure sets out the rules to be followed from the production and storage of waste, through to its removal for treatment and disposal.

Socomec is responsible for all waste produced within the company until its final disposal.

Hazardous industrial waste generated by Socomec (used oil, aqueous cleaning fluids, batteries, etc.) is stored, disposed of and recycled in accordance with the regulations and practices in force.

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

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

The Group ensures that the transport of hazardous waste does not generate any risks of pollution. To this end, an annual audit is organised at the sites in Alsace.

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

Industrial sites in France:

- Project to relocate and redevelop the Benfeld site's waste disposal centre. This

redevelopment also includes the reorganisation of waste flows: these flows, which have been defined and simplified, will enable the sorting of waste to be improved, significantly limiting the risk of error.

- Reduction in the storage of hazardous waste on our sites in Alsace thanks to more frequent disposal of this waste: sorting instructions are regularly communicated to user departments.
- Reintroduction of sorting of plastic packaging film at the Huttenheim site in September 2020 following the cessation of sorting in 2019 when Asia was closed to plastic waste imports.
- Monitoring of the waste register at TCT with the aim of starting a waste reduction study.

Industrial sites in Asia:

- Revision of the used battery management process to improve recycling (SUE site in China).
- Revision of the process for the disposal of electronic waste (WEEE) and oil in accordance with local legislation (SHP site in India).

Industrial site in Tunisia:

- Launch of the bio-waste composting project.

Main targets for 2021:

Industrial sites in France:

- Audit of the service providers who manage the waste of the sites in Alsace.
- Reintroduction of plastic film sorting at the Benfeld site.
- Implementation of new procedures for plastic waste (such as plastic bottles and thermosetting materials) produced on our sites in Alsace.
- Installation of a new moulding machine at TCT, which eliminates the need for purging operations and therefore reduces resin consumption by several hundred kilos.
- Improvement of the identification of hazardous waste containers in order to improve sorting at source.

Branch offices in France:

- Limit the number of subcontractors managing our waste in order to facilitate monitoring.
- Continue the process of monitoring the waste produced by our clients: drafting a process for monitoring and recycling our waste.
- Consideration of the waste generated by technicians working from home offices.

Industrial site in Tunisia:

- Reduction in the consumption of printing paper.
- Continuation of "waste sorting" awareness campaigns.
- Finalisation of the composting project for waste produced by the company restaurant.

g. Mobility plan

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

The aim is to:

- save time when travelling and parking,
- participate actively in reducing CO₂ emissions,
- encourage employees to take part in physical activity.

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

f) Environmental impact of products

a. Identified non-financial risks

In its various production processes, Socomec faces the risk that its products and services do not comply with the standards set out in the legislation. This can lead to chain reactions: difficulties in accessing certain markets, lack of innovation, poor corporate and product image, difficulties in attracting staff, and the need to motivate and retain employees who are increasingly aware of environmental issues.

b. Our Eco-design policy

Socomec develops innovative solutions focused primarily on the energy performance of low-voltage networks: the Group helps its customers design installations that are less energy-intensive, better managed, and more environmentally friendly. In recent years, Socomec has diversified its offering in the renewable energy and energy efficiency sector.

The Socomec Group's objective therefore is to:

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

c. Hazardous substances

By mainly focusing on the development of innovative solutions that respect human health and the environment, the Socomec Group aims to:

- limit the use of hazardous substances at the earliest possible stage in the design of its new products,
- monitor its supplies, to anticipate restrictions on certain substances that may be imposed by future regulations and thus ensure the continued availability of its products.

Our policy on hazardous substances has four objectives:

- To comply with and proactively anticipate the "Restriction of Hazardous Substances" (RoHS) and "Registration, Evaluation, Authorization and Restriction of Chemicals" (REACH) regulations by:
 - designing most of our new products in compliance with European and international regulations on the control of hazardous substances, including hexavalent chromium, mercury, cadmium, lead, PBB and PBDE, even when these regulations do not directly affect our products,
 - favouring materials and components that do not contain substances of very high concern under REACH regulations,
- To carry out permanent monitoring to:
 - identify regulatory or normative changes and their impact on our products as soon as possible, and thus maintain Socomec's offering,
 - stimulate technological innovation by incorporating our hazardous substances policy in the Socomec Group's more global eco-design programme.
- To support suppliers and business partners:
 - Socomec intends to raise awareness among its suppliers and partners of the growing number of complex and restrictive substance regulations, by providing them with the necessary support to identify these new obligations.
- To provide to our customers with:
 - the best available and most relevant information about the possible presence of substances in our solutions,
 - solutions that can be fitted in installations that are themselves subject to regulations on hazardous substances.

As part of the legislation on hazardous substances, the European RoHS Directive will enter into force in July 2019. It will require companies in the electrical and electronic sector to ensure that their products comply with the limitation requirements for lead, hexavalent chromium, cadmium, mercury and two brominated flame retardants. This directive also provides for a restriction of phthalates (other hazardous substances) according to an amendment to the RoHS Directive of 2015.

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

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

d. Eco-design

Recycling and recovery

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

A shared responsibility

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

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

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

Socomec's targets

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

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

Product dismantling form

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

Socomec has participating in creating a collection and recycling network

In Europe, before the WEEE Directive came into force, it was up to the owners of used products to organise their collection and recycling. The WEEE Directive now requires equipment producers to organise and finance product recycling chains. In France, Socomec has volunteered to contribute to the creation of a new recycling sector for professional electrical products, in collaboration with other manufacturers and the Eco-systèmes recycling organisation. As professional electrical and electronic products are very specific, there has not

yet been a single channel for processing them at the end of their operational life.

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

Finally, Socomec marks its products with the "crossed-out waste bin" logo, in accordance with EN 50419, in order to encourage customers not to dispose of electronic and electrical products with household waste and to direct them towards the specific professional channels provided for this purpose.

e. Environmental impact of products (PEP eco-declaration)

PEP Eco-Declaration (Product Environmental Profile)

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

A Product Environmental Profile (PEP) is an eco-declaration tool: it qualifies the environmental performance of products in an objective and reliable manner, in order to help customers and prescribers make a fair and reasoned choice, in accordance with international standard ISO 14025. These declaration forms are certified by PEP eco-passport.

The completion of the PEP includes the various environmental impacts throughout the product's life cycle: material composition of the products, manufacturing, transport used, energy consumption, and end-of-life, in accordance with international standard ISO 14040.

Socomec now lists twenty-five product ranges covered by PEP eco-passport eco-declarations, including eight new ones released in 2018. Most product ranges are covered by a PEP eco-passport eco-declaration.

Target for 2021: to increase the number of products covered by PEPs.

f. Societal commitment

Socomec intends to support local businesses, share its expertise, and attract new staff. Since 2017, the Group has been working at the Strasbourg-Europe Catholic School of Arts and Crafts (ECAM) as part of a module on Eco-design.

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

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

8. NON-FINANCIAL PERFORMANCE INDICATORS

Field	Indicators	Results in 2020
Responsible purchasing <i>*suppliers covering 73% of Socomec's turnover</i>	Percentage of sales revenue covered by suppliers who are signatories to the Code of Conduct	56%
Health, Safety, Environment <i>Scope: excluding worldwide sales subsidiaries</i>	Rate of frequency for workplace accidents Rate of severity for workplace accidents	6.16% 0.29%
Products	Number of ranges covered by PEP eco-passport eco-declarations	25
Social <i>Scope: excluding worldwide sales subsidiaries and Chinese production site SUKE</i>	Rate of absenteeism	3%
Environment <i>Scope: excluding sales subsidiaries and US production site CCS for waste</i>	Waste recovery rate Percentage of photovoltaic energy production in relation to total electricity consumption Percentage of production sites with ISO 14001 certification	73% 4% 50%

9. INDEPENDENT THIRD-PARTY REPORT

Socomec Holding

Year ended the 31 December 2020

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

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

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your company (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on the 31 12 2020 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

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

Independence and quality control

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

Responsibility of the independent third party

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

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

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of the work

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

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III of the French Commercial Code;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and

- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (exemple : anti-corruption, eco-design of products and responsible procurement), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities : Algodue (Italy) and Benfeld (France);
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 15% and 27% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (15% headcount and 27% energy consumption);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

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

Means and resources

Our verification work mobilized the skills of five people and took place between December 2020 and May 2021 on a total duration of intervention of about six weeks.

We conducted interviews with the persons responsible for the preparation of the Statement including in particular the General Management, Facility Management, Sustainable Development, Eco-design, Health and Safety, environment and purchasing.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comments

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

- Regarding the risk related to climate change, the policy, action plans and key performance indicators are neither formalized nor managed by the group.
- Most of the indicators cover a partial scope, in particular those related to the environment (the main production sites representing 67% of the consolidated workforce), absenteeism (72% of the consolidated workforce) and health and safety (74% of the consolidated workforce).
- The methodologies for calculating the published indicators are not formalized within a group reporting protocol.

Paris-La Défense, 6 May 2021

French original signed by:

Independent third party EY & Associés	
Partner, Sustainable Development Christophe Schmeitzky	Partner Laurent Vitse

Appendix 1 : The most important information

Social Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Frequency rate of work accidents (Nb / thousand hours worked). Severity rate of work accidents (Nb / thousand hours worked). Absenteeism (%).	The health and safety of employees. Employee engagement.
Environmental Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Number of products ranges covered by PEP Ecopassport eco-declarations. Waste recovery rate of industrial sites (%). Share of photovoltaic energy production in relation to total electricity consumption (%). Share of industrial sites certified ISO 14001 (%).	The eco-design of products. Measures to improve energy performance. Waste Management.
Societal Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Share of turnover covered by suppliers who have signed the Socomec code of conduct (%).	Social and environmental practices of suppliers and subcontractors. The fight against corruption.