NON-FINANCIAL PERFORMANCE STATEMENT
2024



DELACHAUX

PANDROL FRAUSCHER CONDUCTIX wampfler DCX CHROME LENOR-MEC MAGNETIC SYSTEMS

CONTENTS

I. Introduction 3
- A. Letter from the Chief Executive Officer 3
- B. The Global Compact and the SDGs 4

II. ESRS 2 General information to be published 5
- A. Basis for the preparation of declarations 6
- B. The Delachaux Group at a glance 7
- C. Governance 8
- D. Strategy 12
- E. Management of impacts, risks and opportunities 30
- F. Metrics and targets 31
- G. Group financial results 32

III. ESRS E1 Climate change 33
- A. Strategy 34
- B. Management of impacts, risks and opportunities 36
- C. Metrics and targets 39

IV. ESRS E3 Aquatic and marine resources 42
- A. Metrics and targets 43

V. ESRS E5 Resource use and circular economy 44
- A. Management of impacts, risks and opportunities 45
- B. Metrics and targets 48

VI. ESRS S1 Company workforce 50
- A. Strategy 51
- B. Management of impacts, risks and opportunities 53
- C. Metrics and targets 56

VII. ESRS G1 Business conduct 63
- A. Governance 64
- B. Management of impacts, risks and opportunities 65
- C. Metrics and targets 66

VIII. Communities 67
- A. Our Approach 68
- B. Delachaux Solidarity Fund 69
- C. Professional inclusion 69
- D. Actions carried out in 2024 70

Appendices 73



A. Letter from the Chief Executive Officer

"We set a new record for occupational safety"

Delachaux Group companies operate mainly in the rail sector, a decarbonised mode of transport, and contribute to the electrification of transport infrastructures and large equipment. As a 100-year-old company, we believe that our long-term success depends on our ability to operate responsibly.

2024 was an exciting year: we set a new record for occupational safety with a frequency rate of 3.0, and turnover of €1.208 million, and we made significant progress on our CSR issues within our companies thanks in particular to the implementation of the double materiality matrices of Conductix-Wampfler and Frauscher Austria.

The Group is consolidating the 5 pillars of its *WE Program*, our CSR strategy on decarbonisation, safety and employee engagement.

From an environmental point of view, the companies are improving their carbon footprints, in particular scope 3, which they have been fully calculating since 2023. We reduced CO2 emissions by 16.4% on scopes 1 and 2 since 2019, and are continuing our efforts to achieve the 2030 targets on all 3 scopes.

In terms of safety at our sites, we have achieved the target of reducing our lost time accident frequency rate by 14% annually to 2.0 by 2028.

On the social front, 3,431 employees have reaffirmed their commitment to working for our Group through our global *WEshare* survey, and we have achieved a 56% rate of very satisfied employees.

As for the other two pillars of the *WE Program*, ethics and relations with the communities around our sites, on the one hand 2,426 employees completed a refresher course on the Code of Ethics via our e-learning platform, and on the other hand the Delachaux Solidarity Fund supported 3 projects in Brazil, France and Austria, in addition to numerous local initiatives.

I would like to thank all those who have contributed to our objectives, the teams of the Group's companies, of course, but also our customers, suppliers and other partners. I invite you to read this report and share your suggestions for moving towards a more sustainable world.

Guy Talbourdet
Chief Executive Officer, Delachaux Group



B. The Global Compact and the SDGs

The Delachaux Group has been a signatory to the Global Compact since 2017. Mandated by the United Nations (UN), the Global Compact aims to be a catalyst and guide for business commitments, actions and innovations in sustainable development, covering the areas of human rights, international labour standards, the environment and anti-corruption.

In September 2015, the UN member states adopted a sustainable development programme that will run until 2030, which includes 17 Sustainable Development Goals (SDGs) covering virtually all aspects of society. The Delachaux Group has therefore decided to link its sustainable development commitments and actions to the SDGs (see the table on p.31): Performance indicators, 2024 results and 2028 targets).



2

ESRS 2 GENERAL INFORMATION TO BE PUBLISHED



A. Basis for the preparation of declarations

BP-1 - GENERAL BASIS FOR SUSTAINABILITY REPORTING

This non-financial performance statement has been prepared by incorporating a number of elements required under Directive 2022/2464 of the European Parliament and of the Council of 14 December 2022, which requires companies with more than 500 employees to publish sustainability reporting. The structure of the declaration has also changed to bring it closer to that required by this Directive. The list of sections of the CSRD - Corporate Social Responsibility Directive for which the Group has not been able to respond can be found in Appendix 1.

The financial and non-financial data presented were consolidated at the level of the legal entity "*Delachaux International*".



BP-2 - DISCLOSURE OF INFORMATION RELATING TO SPECIAL CIRCUMSTANCES

At Group level, the scope of the environmental report covers 73 sites of all types combined out of a total of 92. All sites with production activities are covered; The 19 sites not covered are tertiary sites which represent a total of 1.7% of the Group's workforce.

For employee data, all group entities and all sites are covered. Some employee data, such as the number of people with disabilities, are not collected in all countries. Details are provided in Appendix 2.

Where these changes give rise to significant discrepancies, they are mentioned in the form of footnotes in the data tables, together with the significant corrections identified in the data for previous years. It is indicated at the bottom of the page when the indicators include a large degree of uncertainty or specific sources of estimates.

CSR commitments have been made up to 2028 for all indicators in order to align them with those made by Group companies in their 2024-2028 strategies, except for the KPIs relating to climate change, which have been made up to 2030 in order to comply with the SBTI initiative – Science Based Target Initiatives.

Estimation of the value chain

Only indicators related to climate change include the value chain, especially for scope 3. We are currently unable to integrate value chain information into other indicators.

B. The Delachaux Group at a glance

Key figure for 2024

PANDROL FRAUSCHER CONDUCTIX wampfler DCX CHROME

4 **GROUP COMPANIES** have a **leading position in their market**

GLOBAL PRESENCE

38 COUNTRIES

SALES TURNOVER

€1 208 M

+25% over the past 5 years

SALES BY COMPANY

- **44%** PANDROL
- **35%** CONDUCTIX wampfler
- **10%** DCX CHROME
- **10%** FRAUSCHER
- **1%** LENORMEC MAGNETIC SYSTEMS

AND REGION

- **31%** EU
- **30%** APAC
- **29%** Americas
- **10%** MEA & other Europe

OUR EMPLOYEES

4 099 EMPLOYEES

- **49%** EU(1)
- **26%** APAC
- **18%** Americas
- **7%** MEA & other Europe

21% **women**

CSR HIGHLIGHTS

- **Reduction of 16,4%** greenhouse gas emissions (scope 1+2) vs 2019
- **2426 employees** trained on the 'refresh' of the code of ethics
- **3 associations** supported by the Delachaux Solidarity Fund
- 89% of employees participated in the engagement survey. **56% are very satisfied to work for the Group**
- Accident **frequency rate of 3,0**

4,3% **OF SALES TURNOVER DEDICATED TO R&D**

51 **ACTIVE PATENTS**

For **120 years** **DELACHAUX FAMILY** majority shareholder

(1) Including France 19%

C. Governance

GOV-1 – THE ROLE OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Board of Directors

The Delachaux Group's Board of Directors comprises eight members, one of whom is a woman, an independent member.

- **M. Stéphane Delachaux**
  Chairman (ANDE Investissements, Delachaux family entity)
- **M. Alain Cianchini**
  (Caisse de dépôt et placement du Québec)
- **M. Pierre Durand de Bousingen**
  (appointed by ANDE Investissements)
- **M. Damien Faucher**
  (appointed by ANDE Investissements)
- **M. Christian François**
  (appointed by ANDE Investissements)
- **Mme Olivia Larmaraud**
  (Independent Director)
- **M. Lorenzo Levi**
  (Caisse de dépôt et placement du Québec)
- **M. Guy Talbourdet**
  Chief Executive Officer

The Board of Directors implements its action through 4 committees, each of which meets once or several times a year (on average 3 times)**:**

- **the Audit, Risks and Ethics Committee** is responsible for overseeing issues relating to the preparation and verification of accounting and financial information and its relevance, risk management and questions relating to ethics. This non-financial report is submitted to this committee for reading and comments. As part of its mission, this committee is required to examine the effectiveness of internal control and risk management systems. It reports to the Board of Directors on its work and, if necessary, proposes measures to improve internal control mechanisms.

- **the Nominations and Remuneration Committee** assists the Board of Directors with the composition of the managing bodies of Delachaux and its companies and the determination and assessment of the remuneration of members of the management team, and provides it with advice in relation to remuneration of all kinds.

- **the Governance Committee** is responsible for analysing the Group's governance and proposing improvements. It ensures the implementation of strategic guidelines by ensuring the transmission, implementation and follow-up of the guidelines by the Group's Companies and subsidiaries. It also ensures the regular and documented reporting of strategic progress and difficulties encountered.

- **the CSR and Strategy Committee** provides the Board of Directors with opinions or recommendations on the definition and implementation of the Group's areas of strategic focus, proposes priorities for growth and selects investment opportunities. It also provides advice and recommendations to the Board of Directors on the direction of the Group's CSR strategy to ensure that it contributes to the Group's overall performance.

The direction of the Group's CSR strategy includes the double materialities of each company, the list of material topics, the risks and opportunities identified, the strategy, the objectives and performance indicators.

C. Governance

The Executive Committee

The Delachaux Group Executive Committee (ExCom) has six members.
It includes the managers of the three main companies and the Group's finance and human resources functions. Its task is to "develop the conditions for the success of the Delachaux Group's companies, in particular the Group's sustainable development model".

It meets four times a year and a CSR review is systematically included.
This review addresses the strategic and operational aspects of CSR. Group employees or external participants may be invited to attend, depending on the topics covered and the level of expertise required.

COMPOSITION OF THE EXCOM AS OF 31 DECEMBER 2024



Mr Guy Talbourdet
Chief Executive Officer of Groupe Delachaux



Mr Bruno Dathis
Chief Financial Officer of Groupe Delachaux



Ms Eléonore Tauveron
Human Resources Director of Groupe Delachaux



Mr Nicolas Groult
Chief Executive Officer of Pandrol



Mr François Bernès
Chief Executive Officer of Conductix-Wampfler



Mr Michael Thiel
Chief Executive Officer of Frauscher

C. Governance

GOV-2 - INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSES BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES.

At the strategic level, the Delachaux Group Executive Committee and the CSR Director propose the CSR strategy to the Board of Directors' Strategic and CSR Committee and, once adopted, they define the objectives of the sustainable development programme, monitor performance indicators and validate the non-financial report.

At the operational level, committees or consultants have been appointed at Group, company or site level depending on CSR issues to deploy actions in the field, report back on needs and feed into the strategy.

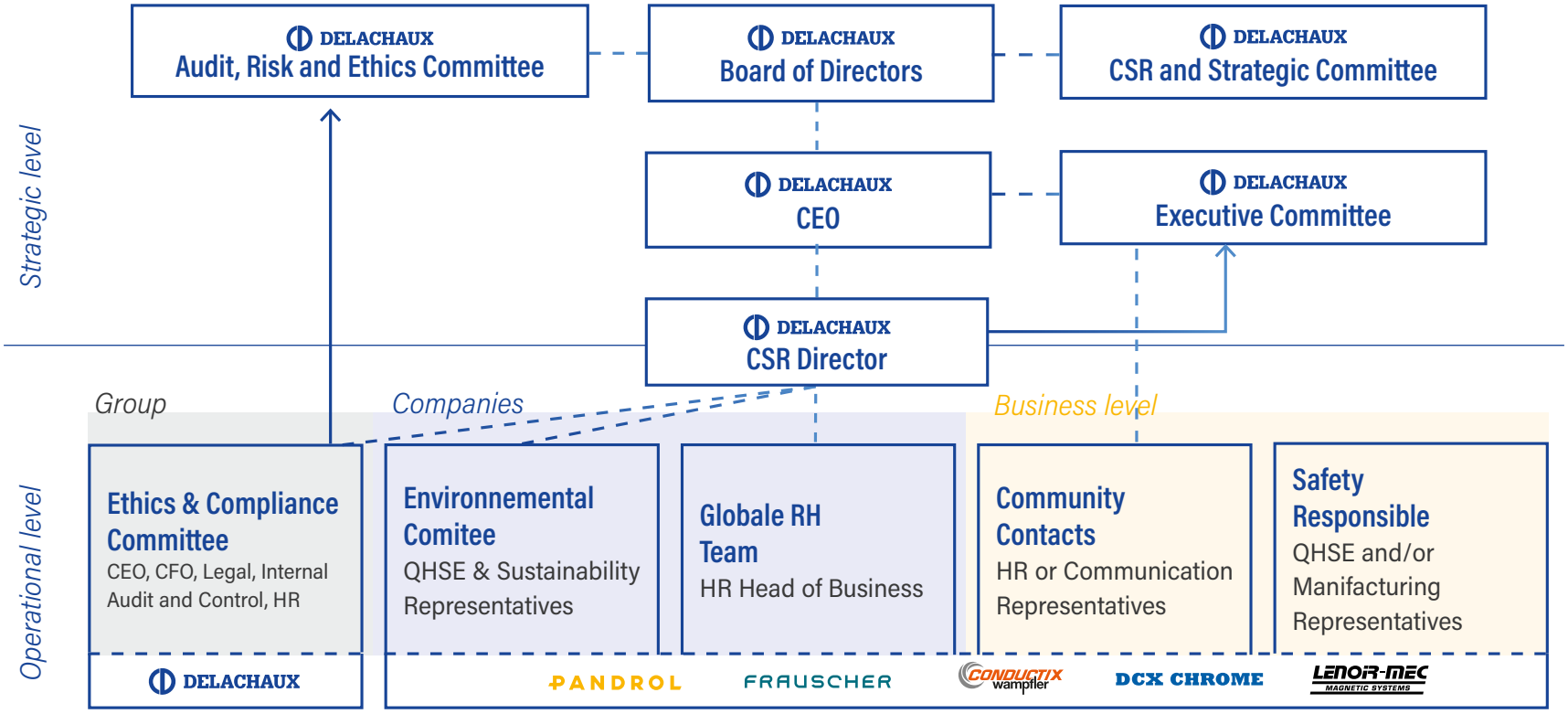
- The compliance and ethics committee meets 3 times a year and consists of 2 women and 4 men, with executive responsibilities at Delachaux Group level.
- The environmental committee meets once a month and consists of 4 women and 5 men from the various companies and an external person with environmental expertise.
- The global HR team consists of 5 women and meets once a month.
- Community contacts and Safety responsible are consulted by the CSR director on an ad hoc basis throughout the year and as required.

A CSR procedure has been implemented at group level and describes in detail the organisation and management of social responsibility issues.



C. Governance

CSR MANAGEMENT AND GOVERNANCE



C. Governance

GOV-3 - INTEGRATION OF SUSTAINABILITY RESULTS INTO INCENTIVE SYSTEMS

All group employees have common financial objectives based on common indicators. Some specific teams and roles also have goals related to improving safety on sites and reducing greenhouse gas emissions..

GOV-4 - DUE DILIGENCE STATEMENT

The environmental, social and governance risks and impacts are analysed when the double materiality analysis is carried out. Delachaux has chosen to carry out double materiality analyses for each of its 5 companies and to consolidate material topics, opportunities and risks at Delachaux Group level. At the end of 2024, Pandrol, Conductix-Wampfler and Frauscher Austria finalised their double materialities. The other companies will establish them in 2025 and Delachaux will consolidate the results in the form of a Group double materiality matrix at the end of 2025. The Group's CSR policy will then potentially be adapted according to the consolidated results.

Every year since 2018, the Delachaux Group has monitored 5 CSR performance indicators covering the Group's 5 strategic focus areas: Safety, Environment, Ethics, Community and Leadership. Annual and 2028/2030 targets are set and monitored. For the time being, most of the indicators are monitored annually, except for the accident frequency rate, which is reviewed monthly.

GOV-5 - RISK MANAGEMENT AND INTERNAL CONTROLS OF SUSTAINABILITY INFORMATION

The non-financial report is reviewed and validated by the Delachaux Group Executive Committee and the Audit, Risk and Ethics Committee. It is then submitted to the Board of Directors for approval.

It is also assessed and certified by an independent third party, KPMG. The internal audit of the sustainability information takes place once a year during the external audit.

D. Strategy

SBM-1 - STRATEGY, BUSINESS MODEL AND VALUE CHAIN

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 their customers' equipment and infrastructures.

Group strategy

The strategy of each of our companies is to provide solutions that optimise the use of infrastructures and large equipment belonging to the customers of the Group's companies. We support our development through constant investment in innovation, unwavering commitment to our customers and targeted acquisitions to consolidate our technological and geographic leadership.

D. Strategy

Business Model

MEGATREND

Urbanisation | **Green mobility** | **Digitalisation** | **Energy efficiency** | **Infrastructures safety and sustainability**

RESOURCES & STRENGTHS

Sizeable Group
4,099 employees

Global presence and local roots
39 production sites in 18 countries
64 sales and distribution entities in 35 countries

Innovation capacity
4,3% of turnover dedicated to R&D
25 R&D centres/innovation offices
591 employees in R&D department
51 active patents

Long-term investment
Delachaux family majority shareholder for over 120 years

Ethical and civic commitment
Code of Ethics
Anti-corruption policy
Delachaux Solidarity Fund

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

SAVOIR-FAIRE

DELACHAUX

Global player in engineering and industrial solutions for infrastructure and amajor equipment **in key markets.**

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

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

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

Our 5 businesses:
- Rail Infrastructure
- Rail signalling
- Energy and data managementsystems
- Chrome metal
- Magnetism

PANDROL
FRAUSCHER
CONDUCTIX wampfler
DCX CHROME
LENOR-MEC MAGNETIC SYSTEMS

SUSTAINABLE VALUE CREATION

Employees
Leadership training for managers since 2019 (detail p.51-52)
21% women, including 18% managers
89% participation in the 2024 engagement survey and 56% of employees very satisfied
77% fewer lost-time accidents between 2017-24

Finance
Turnover of €1 208 M, i.e., 25% growth in 5 years (since 2019)
Turnover spread evenly over the 3 continents (detail p.32)
217,9 million in gross compensation paid
38,3 M€ in taxes paid worldwide (1)

Social
Regular training of employees to the Code of Ethics since 2019 (details p.65)
Anti-corruption training for employees since 2018 (details p.66)
Volunteering and patronage development (details p.67-72)

Environment
-16,4%% reduction in greenhouse gas emissions (tCO2eq) in Scope 1+2 between 2019 and 2024
14 EPD certifications(2) achieved

(1) This figure corresponds to the amount of tax paid by the Group's companies on their taxable profits, excluding the amount paid in respect of other taxes, duties and contributions.
(2) EPD: Environmental Product Declaration

PANDROL

Pandrol comprises all our rail infrastructure solutions and products for all rail infrastructures: freight, urban transport (tramways and metros), high-speed transport and national rail networks. Pandrol's mission is to maximise rail infrastructure availability and safety as well as its value, throughout its lifecycle, in a sustainable manner.

Pandrol's business comprises four product lines:

- Fastening systems for all track types
- Aluminothermic rail welding
- Equipment used or necessary for railway construction and maintenance
- Sustainable resilient solutions (SRS) to mitigate noise and vibration on rail networks

STAKEHOLDER MAP

In 2023, Pandrol carried out a stakeholder mapping by consulting 6 suppliers, 4 customers and 21 employees across 4 representative sites (England, India, China and the United States), 2 banks, 2 lenders and 2 shareholders.



https://www.pandrol.com

D. Strategy

DOUBLE MATERIALITY MATRIX

The main materiality issue associated with a high financial risk is the environment, with climate change and energy, followed by the circular economy and pollution, then ethics and corruption risks, and finally employee relations issues relating to health and safety, social dialogue, training and skills development, and diversity.

Impact materiality

						- Climate change - Energy		
		- Health & safety	- Circular economy					
- Human diversity		- Social dialog - Air pollution - Training & skills development - Whistleblowing		- Ethics		- Corruption & bribery		
	- Child & forced labour							
- Gender equality - Water consumption - Suppliers' working conditions - Work life balance - Privacy	- Water & soil pollution - Hazardous subs-tances - Harassment	- Biodiversity - Waste						
- Working time	- Secure employment - Adequate wages							
- Management of relationship with suppliers								

Finance materiality

Methodology notes in Appendix 3

D. Strategy

GOVERNANCE

The Pandrol Leadership Team (PLT) consists of 13 members and is led by the Pandrol's Chief Executive Officer. This team is responsible for implementing the Pandrol *On Track 2028 strategy*. It is also supported by the Extended Leadership Team (ELT), which has around 70 members, to oversee day-to-day results and performance.

To achieve the strategically linked objectives, Pandrol has defined 10 success factors, which either develop sales of a specific solution or product range, or rationalise and standardise assets and working methods.

These success factors are overseen by a project manager who is an expert on the subject and a sponsor who is a member of the Management Team. They are monitored by the Management Team as part of a governance system including steering committees and monthly reporting.

These success factors are supported by 5 levers, including one dedicated to sustainability, which currently exclusively covers the reduction of carbon emissions, the main material challenge for Pandrol.

Based on discussions with stakeholders and the implementation of the double materiality matrix, Pandrol has created a CSRD steering committee made up of seven directors and department heads to gradually integrate sustainability issues into the group's strategy. It meets every 2 months.

CSR APPROACH

Pandrol deploys the CSR strategy of the Delachaux Group as well as the objectives and metrics. The double materiality matrix and dialogue with stakeholders have enabled a better understanding and prioritisation of certain issues. The Environment is Pandrol's main priority, with decarbonisation and the sreduction of energy consumption, but also empowering people, which is also one of the 5 levers of the Pandrol *On track 2028 strategy* and includes employee development, employee engagement, attracting talent and sharing knowledge.



D. Strategy

CSR RECOGNITION

Pandrol SAS has been awarded "Gold" status by EcoVadis, a platform that assesses companies' CSR performance, placing it in the top 5% of companies evaluated.

Pandrol NV has been awarded "Silver" status by Ecovadis, placing it in the Top 15% of companies evaluated

Pandrol Iberica SA has been awarded "Bronze" status by Ecovadis, placing it in the Top 35% of companies evaluated.



FRAUSCHER

Frauscher offers innovative and highly reliable railway signalling solutions, providing accurate data for a wide range of railway applications. Their intelligent products, combined with various interfaces and supporting software tools, facilitate the integration, commissioning, operation and maintenance of rail networks.

This sensor and software package enables our rail customers to exploit the full potential of digitalisation. Frauscher offers 3 types of solution:

- Train detection and positioning
- On-track control points, in particular track switches and turnouts
- Data transmission

STAKEHOLDER MAP

30 groups of stakeholders were identified as part of the creation of the double materiality matrices. The main focus has been on Frauscher employees, who are one of the largest stakeholder groups with more than 600 employees worldwide.

CSR GOVERNANCE

Sustainability at Frauscher is managed cross-functionally according to the issues, and is coordinated by a person reporting to the general management.

All environmental, safety and quality issues are managed in collaboration with the QHSE Management team, while employee issues are handled by the human resources teams and ethics, compliance and anti-corruption issues are handled by the legal department.

With Frauscher having a significant and growing activity in India, a dedicated CSR person was recruited in 2024 to cover the various topics locally.

Over 2024-2026, Frauscher has an SAP implementation plan covering all departments of the company, which integrates the sustainability aspect necessary for monitoring and measuring non-financial performance.

https://www.frauscher.com

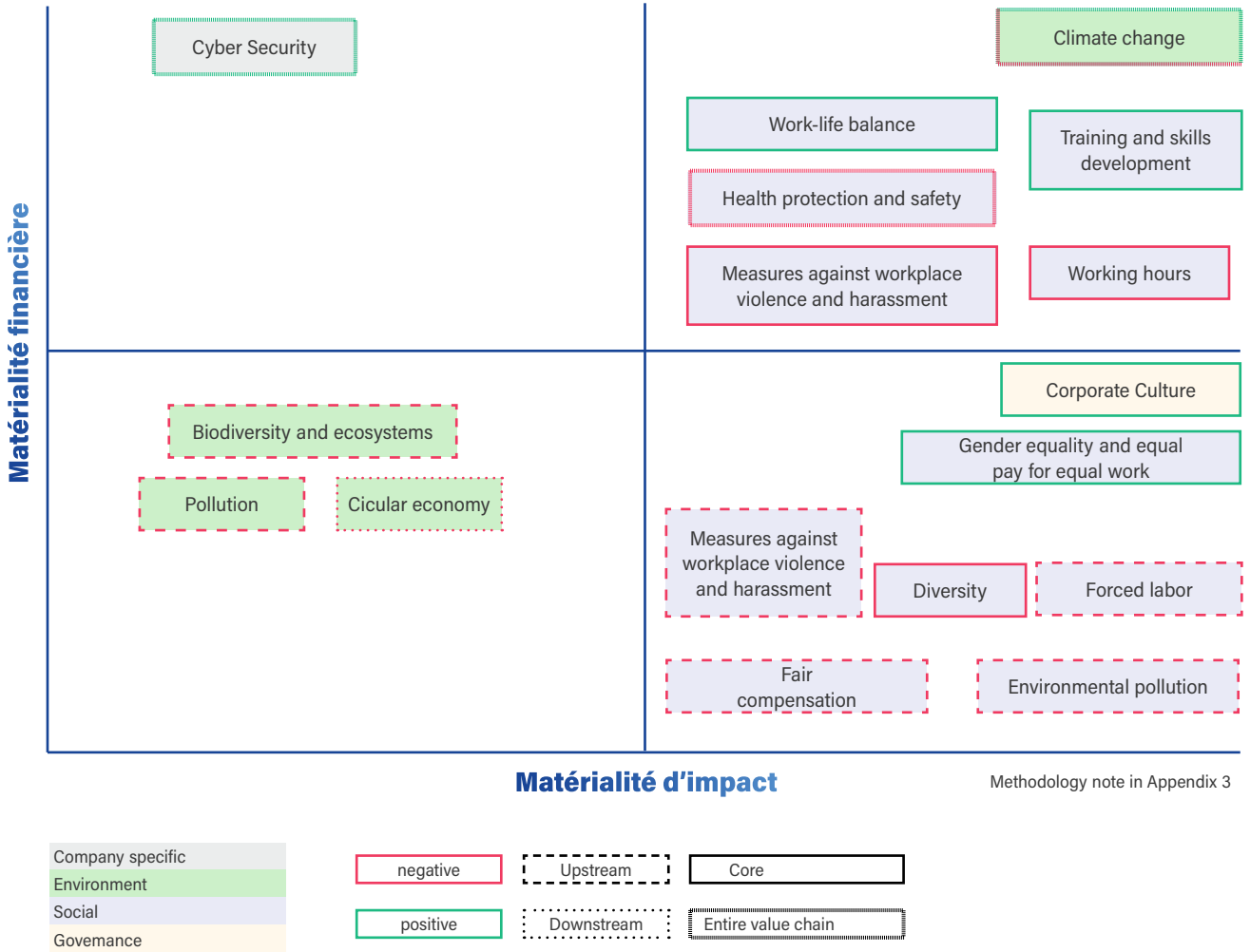


D. Strategy

DOUBLE MATERIALITY ANALYSIS

This double materiality analysis only includes Frauscher Austria, where the vast majority of the Group's industrial activity is concentrated. Another double materiality matrix concerning Frauscher in India will be produced in 2025 to better identify the specific challenges for this region.

The two main material topics for Frauscher Austria are therefore the environment and human resources, with opportunities and risks identified, followed by corporate culture, encompassing governance, anti-corruption and ethics.



Methodology note in Appendix 3

D. Strategy

CSR APPROACH

Frauscher's commitment to technological progress and market leadership drives continuous innovation. The company strives to improve its existing products while prioritising sustainability, implementing measures such as Environmental Product Declarations (EPDs) and ensuring that future generations of sensors are increasingly energy-efficient. This extends the life of the products and reduces the need for maintenance.

In terms of human resources, 3 main priorities guide actions:

- Attracting, retaining and developing talent to develop and implement data-driven business models. In 2025, the focus on the Indian market will be on recruiting and training staff for the new Mysore plant, which will go into production in 2026.
- Establishing lean processes and an agile organisation by contributing to a shared employee experience regardless of location.
- Strengthening leadership principles and disseminating them to all employees.

CSR RECOGNITION

Frauscher Sensortechnik GMBH has been awarded "Gold" status by Ecovadis, placing it in the Top 5% of companies evaluated.



CONDUCTIX-WAMPFLER

Thanks to its in-depth knowledge of applications and its close collaboration with key players in these markets, Conductix-Wampfler develops innovative solutions tailored to the specific needs of equipment, in particular industrial handling, port logistics, automotive, intralogistics and urban transport.

The main products marketed by Conductix-Wampfler are:

- Power rails, bare or insulated, for transmitting energy.
- Cable festoon systems designed to support, protect and transport flat and round cables for the transfer of electrical energy and data.
- Reeling systems (motorised or spring-driven), used to wind cables or hoses automatically for different types of mobile equipment
- Slip rings, allowing the continuity of power and electrical signals transmission between fixed and rotating units of all types of machines
- Energy transmission by induction, enabling electrical power to be transmitted without mechanical contact.
- Battery systems
- Conveyor control systems.
- Radio controls
- Les radiocommandes

STAKEHOLDER MAP

To produce the double materiality matrix, Conductix-Wampfler identified and interviewed 3 groups of stakeholders: suppliers (13), employees (22), customers (12). The information was collected through questionnaires, interviews and public reports.

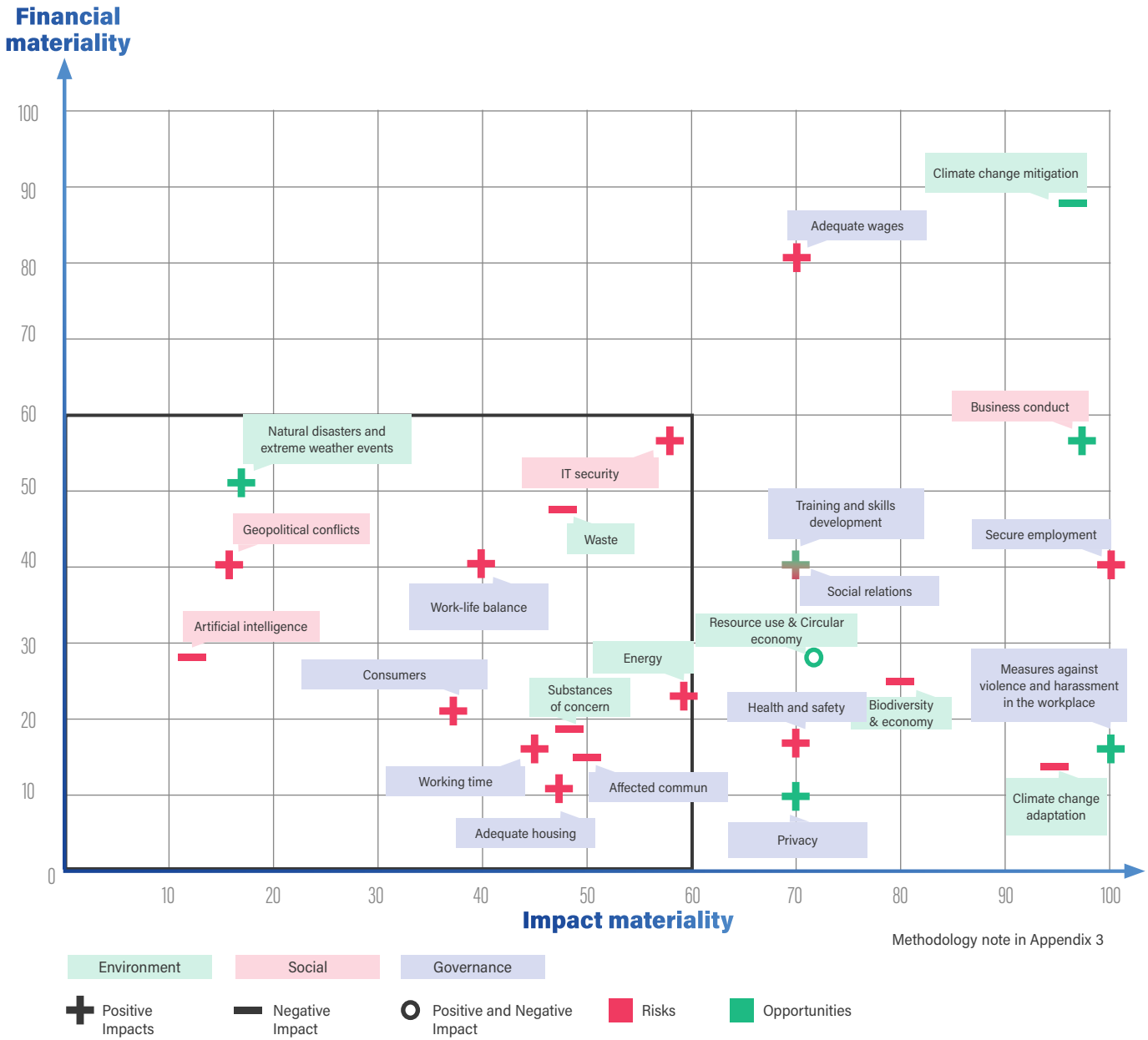


https://www.conductix.com/

D. Strategy

DOUBLE MATERIALITY MATRIX

In 2024, Conductix-Wampfler conducted its first double materiality analysis with significant management involvement. This approach included a well-balanced representation of sites (12), continents (Asia, Americas, Europe), products and markets (6), involving more than 38 employees divided into 5 working groups.



Methodology note in Appendix 3

D. Strategy

For Conductix-Wampfler, the material topics are:

- E1 -Climate change: adaptation and mitigation (+ energy as a voluntary addition)
- E2 -Pollution: Substances of concern or of very high concern (non-material / voluntary addition)
- E4 -Biodiversity & ecosystems: Direct impact on drivers of biodiversity loss
- E5 -Use of resources & circular economy: Outputs of resources related to products and services
- S1 -Our own workforce: Working conditions; Equal treatment and opportunities for all; Other labour rights
- G1 -Business conduct

GOVERNANCE

To effectively manage the CSR strategy and ensure its alignment with the global objectives, Conductix-Wampfler has its own governance body: the GMT (Global Management Team). It is made up of 10 members, including one woman, representing 6 different nationalities.

The GMT meets at least once a quarter to validate, monitor and adjust, if necessary, the defined strategy. A person in charge of sustainability reports to one of the members of the GMT. CSR topics are discussed, and sometimes even supplemented by external consultations, and fully integrated into Conductix-Wampfler's strategic decisions.



D. Strategy

CSR APPROACH

In terms of sustainability, the environment is a major focus of Conductix-Wampfler's 2023-2028 strategy.

Continuing the approach initiated in 2023, 2024 was marked by significant progress in terms of awareness-raising, measuring environmental impacts and integrating sustainability principles, in particular following the results of the double materiality analysis. In 2024, scope 3 calculations were extended to all Conductix-Wampfler production sites, and an action plan will be drawn up in 2025 based on the results.

After two life cycle analysis project pilots in Germany, a tool has been selected and will be deployed in 2025 at all sites with a research and development department, with specific training courses focused on product life cycle analysis.

In addition, an ambitious supplier mobilisation strategy will be launched in 2025-2026. In response to growing regulatory requirements, an initial traceability tool for purchased products is currently being deployed at Conductix-Wampfler's four main sites. This approach illustrates the company's desire to involve the entire value chain in its environmental transition.
To meet these CSR challenges in the value chain, from 2025 onwards, a comprehensive approach will be put in place to integrate CSR criteria into supply chain management and ensure more precise monitoring of performance and associated risks, in particular with the application of a due diligence process and the use of a traceability tool.

On the employee front, Conductix-Wamplfer aims to foster commitment through four strategic orientations: improving corporate culture, ensuring employee well-being, developing learning and development, and stimulating attraction and retention.

CSR RECOGNITION

Conductix-Wampfler France SAS and Conductix-Wampfler Saint Ismier have been awarded "bronze" status by EcoVadis, placing them in the Top 35% of companies evaluated.



DCX CHROME

DCX Chrome is the world leader in the production of high-purity chrome metal, produced by aluminothermic process, a product mainly intended for the manufacture of superalloys and special steels, used in particular in the manufacture of motors and turbines in the aerospace and energy production sectors.

DCX Chrome offers various grades of chromium: chrome metal with a purity of 99.4% to 99.9%, standard or vacuum-degassed aluminothermic chromium, and special types (low sulphur or low nitrogen, nitrided chromium, carburised chromium, etc.) are also produced to customer specifications.

CSR APPROACH

DCX Chrome focuses on improving safety, energy efficiency, resource management and promoting social dialogue.

CSR RECOGNITION

DCX Chrome has been awarded the "*Responsible Chromium Award*" by the International Chromium Development Association (ICDA).

RESPONSIBLE CHROMIUM
ACTING NOW FOR TOMORROW 2022/24

DCX Chrome SAS was awarded "Platinum" status by Ecovadis, placing it in the Top 1% of companies evaluated.

DCX CHROME

ecovadis

https://dcx-chrome.com



LENOIR-MEC

Lenoir-MEC designs and manufactures magnetic systems mainly intended for lifting and handling industrial products.

Lenoir-MEC also designs and manufactures separation and deferrisation systems. The fields of application are diverse and cover the mining industry, the fertiliser, glass, wood, sugar and grain sectors, as well as engineering and recycling activities in general.

CSR APPROACH

The company, whose planet-friendly range of products and services facilitate waste sorting, focuses mainly on product development and life cycle, energy efficiency at its main production site and well-being at work through social dialogue with employees.

https://www.raoul-lenoir.com



D. Strategy

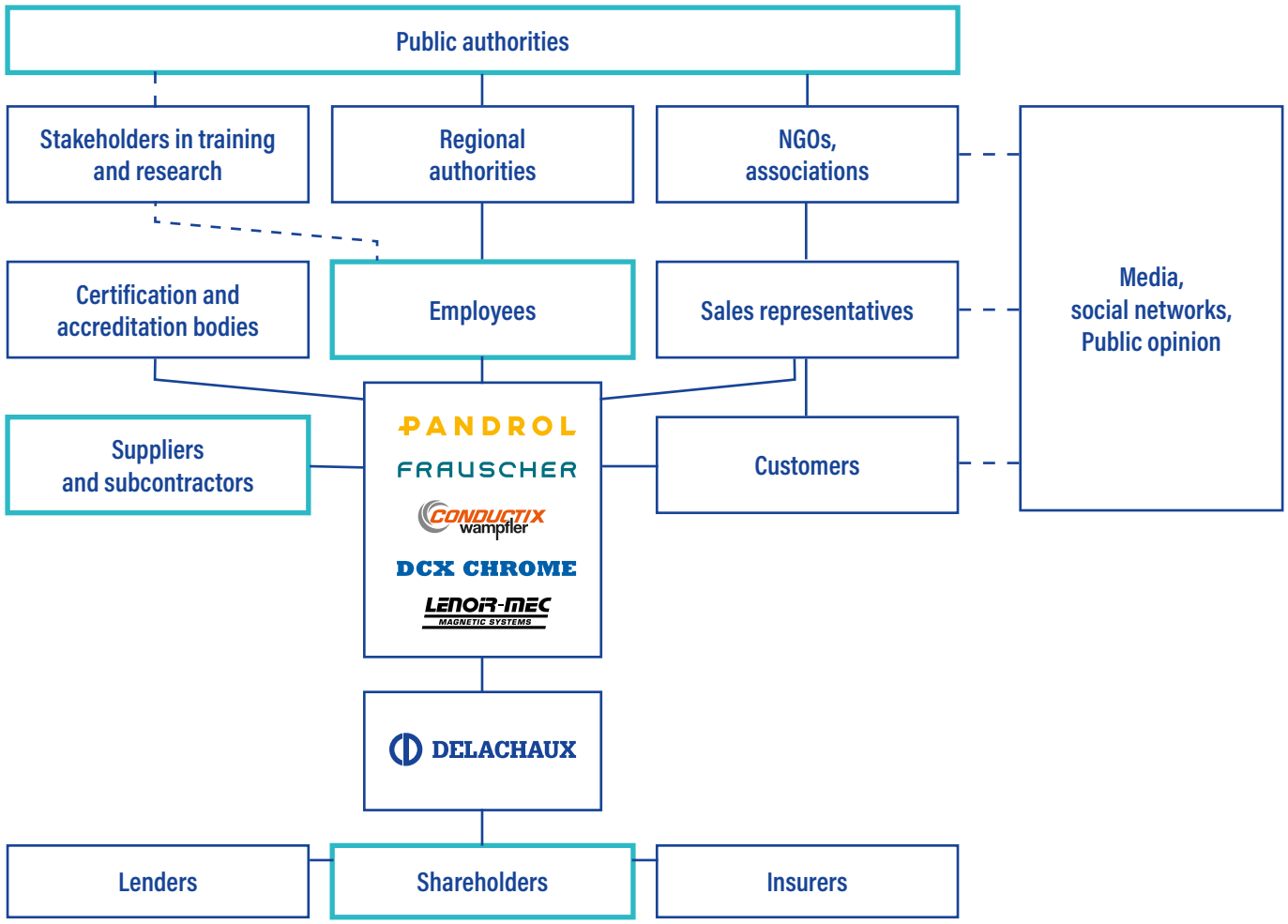
SBM-3 - INTERESTS AND PERSPECTIVE OF INTERESTED PARTIES

An initial stakeholder mapping was carried out in 2019 when the group materiality matrix was drawn up. With the switch to CSRD, the group decided that each company would make its own stakeholder and double materiality map. To date, only Pandrol, Conductix-Wampfler and Frauscher Austria have produced their stakeholder maps. At the end of 2025, the group will consolidate a mapping by identifying the main stakeholders common to all companies.

The 2019 comparative analysis covered a sample of 12 competitors, 8 suppliers, 14 customers and 14 trade associations, based on publicly available information.

The initial mapping results from Pandrol, Conductix-Wampfler and Frauscher Austria show that the most important stakeholders are: employees, customers, suppliers, public authorities and shareholders.

MAP OF GROUPE DELACHAUX STAKEHOLDERS



Map of the Delachaux Group stakeholders. In red, the stakeholders common to the 3 companies that have completed their double materialities.

D. Strategy

SBM-3 - SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR LINK TO THE STRATEGY AND THE BUSINESS MODEL

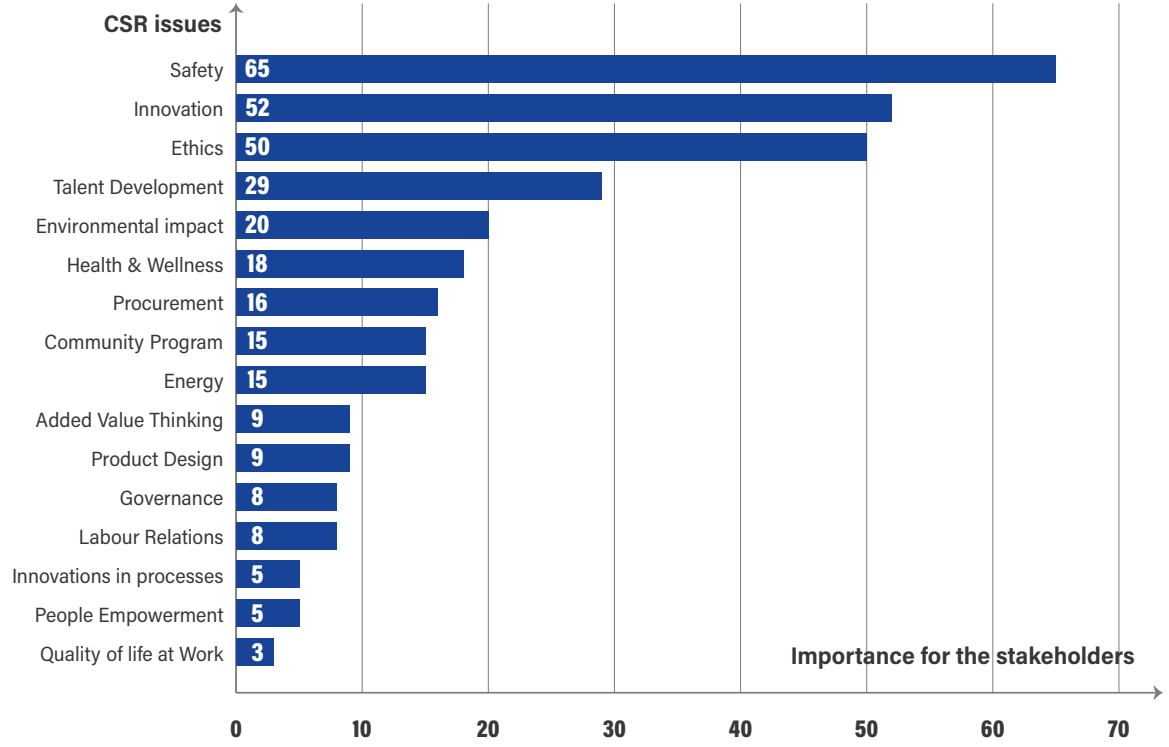
Materiality analysis

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

Safety, innovation and business ethics are the three most critical issues for the Delachaux Group. These are followed by talent development, environmental impact, workplace health and well-being, procurement and community relations. It was decided that innovation would be integrated across all the pillars, with health and well-being grouped under the topic of Safety, and procurement covered by the topics of Ethics and Environment.

Following the double materiality assessments carried out by Pandrol, Conductix-Wampfler and Frauscher Austria, we can see that the environment has become the main sustainability issue for companies, followed by employees and business conduct. Safety is still a priority for the companies, but the clear improvements made over the last 8 years allow the Group to focus on other issues.

MATERIALITY ANALYSIS OF THE DELACHAUX GROUP

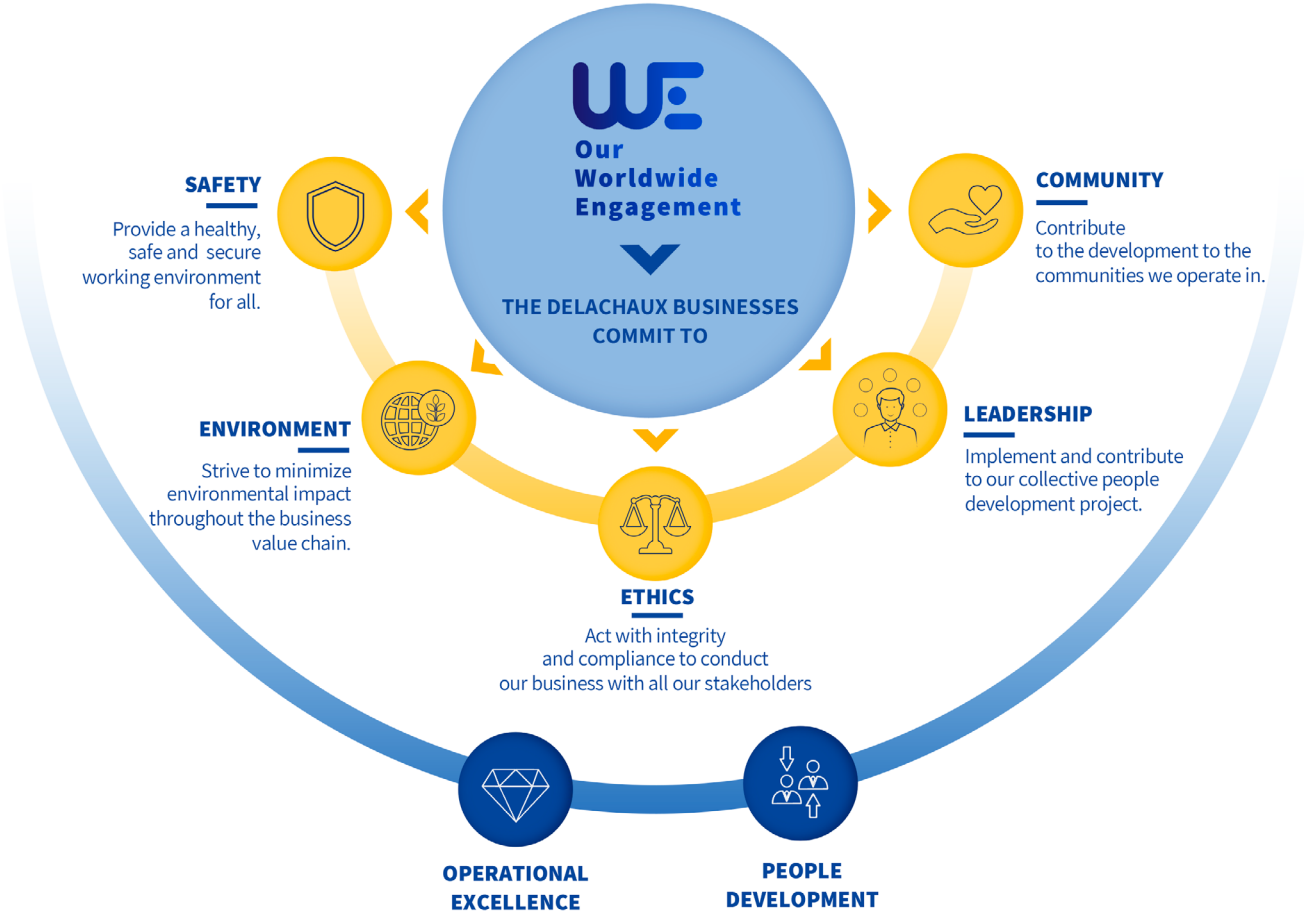


D. Strategy

CSR strategy

The main issues identified in the materiality analysis have been grouped into 5 pillars (safety, environment, ethics, leadership and communities) which fall under two main themes (operational excellence and people development).

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



Acting as a strong and innovative link in their customers' value chain while controlling the impacts of their operations

Promoting the well-being and development of individuals - within their teams and in tje surrounding communities.

E. Management of impacts, risks and opportunities

PUBLICATION OF INFORMATION ON THE MATERIALITY ASSESSMENT PROCEDURE - MINIMUM PUBLICATION REQUIREMENT ON POLICIES AND ACTIONS

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



F. Metrics and targets

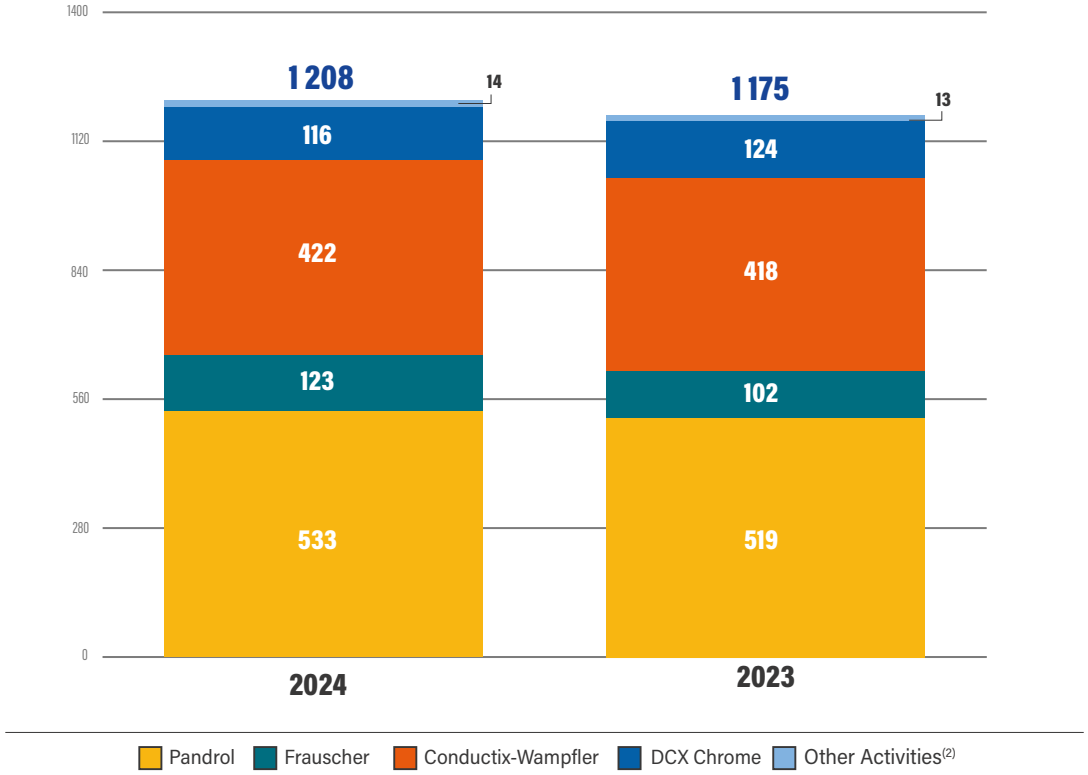
CSR PILARS	FOCUS/KPI	2024 RESULTS	2028 TARGET	MAIN SDG'S RELATED(1)
Safety	Accident frequency rate(2) - FR1'	FR1' = 3.0 vs 2024 target at 3,3	FR1' = 2 Annual reduction of 14% from 2024 to 2028	
Ethic	Anti-bribery - Risks and mitigation actions	**2 426 employees** completed a refresh Code of Ethics training. A New Group Ethics alert procedure has been deployed	Deploy businesses' action plans for anti-bribery. Train targeted population	
Environment	Greenhouse gas emission reduction on scope 1+2 with 2019 baseline and scope 3 with 2023 baseline	**-16,4% of Delachaux** GHG(3) scope 1+2 emissions vs -21% 2024 target **+4,7% of Delachaux GHG** scope 3 emission vs -2,5% 2024 target	By 2030, reduce the Group's greenhouse gas emissions by 4.2%/year for scope 1 and 2 (baseline 2019) and 2.5%/year for scope 3 (baseline 2023)	
Leadership	Employees' participation rate to the global engagement survey "WEshare". Global score on employees' engagement for their work(4)	**Weshare participation rate reached 89%,** remaining stable over the past two years. The **number of highly satisfied** employees has increased, reaching a **rate of 56%**	Deployment of WEshare action plans. Improvement in the participation rate and the % of people who are very satisfied.	
Community	Organizing and supporting volunteering and philanthropic activities around 3 topics: solidarity, education and Environment	Delachaux Solidarity funded 3 projects in Brazil, France, and Austria. A new partnership was launched with the '2nd Chance School' and our sites in France.	Develop actions with local communities through volunteering and with the support of Delachaux Solidarity Fund.	

(1) United Nations Sustainable Development Goals
(2) Number of lost-time accidents/million hours worked, all employees, including temporary staff
(3) Greenhouse gases
(4) Refers to the question: "Overall, how satisfied am I with working for the Group?"

G. Group financial results

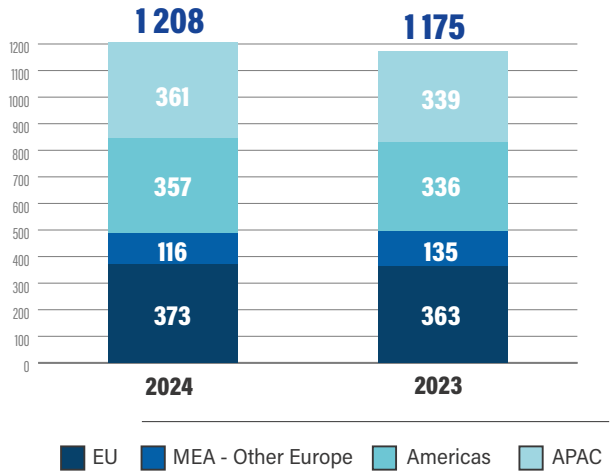
SALES TURNOVER BY BUSINESS

(in millions of euros)



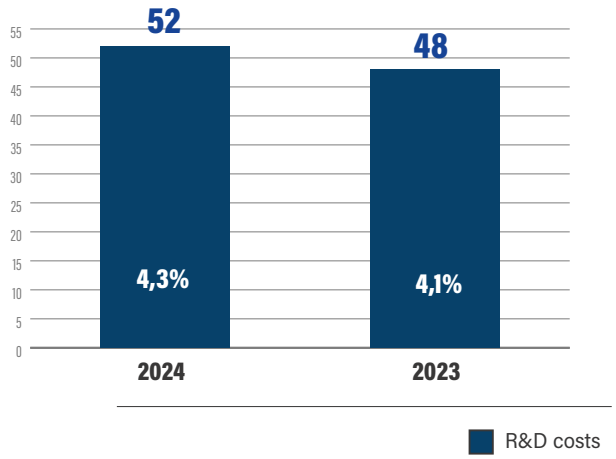
SALES TURNOVER BY REGION OF DESTINATION

(in millions of euros)



RESEARCH AND DEVELOPMENT EXPENDITURE

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



3

ESRS E1 CLIMATE CHANGE



E1-1 - TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

In 2024, the Group's companies carried out a new estimate of their greenhouse gas emissions on scope 1+2+3. The decarbonisation levers and actions are different for each company, here are the main ones at Group level:

▪ Pandrol :

- Reducing the carbon footprint of products through eco-design, in particular weight reductions and material changes, and choosing suppliers with lower emission factors. The development of Environmental Product Declarations (EPDs) enables the reduction of this carbon footprint to be measured.
- Promoting low-carbon products and solutions
Example: for the equipment and controls (QCE) product range, reducing the electricity consumption of products by improving their energy efficiency.
- Reducing the carbon footprint of supplies, particularly raw materials (steel, resin, etc.), by favouring suppliers using low-carbon technologies and/or low-carbon electricity
- Strengthening suppliers' commitment to the decarbonisation process by analysing their results, action plans and objectives.
- Improving the energy efficiency of plants by carrying out energy audits, installing smart meters and making long-term investments such as replacing gas furnaces with electric furnaces and installing solar panels on sites;
- Networking with customers to decarbonise the railway sector. Pandrol participates in an initiative led by Colas Rail.

▪ Frauscher :

- Designing sustainable and resilient products and solutions capable of operating in harsh climatic conditions.
For example, train detection and infrastructure monitoring solutions enable rail operators to anticipate problems (overheating, wear, damage) and adopting proactive maintenance to ensure system reliability and safety.
- Enabling predictive maintenance to extend the life of infrastructure and reducing the environmental impact of the rail sector through more sustainable practices.

▪ Conductix-Wampfler :

The completion of the full carbon assessment in 2023/2024 for all sites has refocused actions as a priority on products (without, however, stopping actions on internal operations):
- Improving the energy efficiency of products
- Optimising transport between sites; limiting air and express transport;
- Developing the use of recycled materials when the environmental impact is improved; deploying eco-design in all centres of excellence
- Developing new business model; being proactive on product retrofit or refurbishment proposals.

▪ DCX Chrome :

- Reducing the carbon footprint of purchased chromium oxide and aluminium powder through the migration of suppliers to low carbon technologies and/or the use of low carbon electricity;
- Reducing emissions related to the manufacture of chromium by improving the energy efficiency of production equipment, in particular with the installation of smart meters on certain processes

▪ Lenoir-MEC

- Developing products to be less energy consuming.
For example, the latest version of the ED-X separator is now equipped with a very high-performance IE5 motor that reduces energy consumption and produces energy at certain times. The energy generated is fed back into the grid.



B. Management of impacts, risks and opportunities

E1-2 - POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The group has carbon emission reduction targets by 2030 and an Environmental procedure covering the definition and measurement of annually reported performance indicators.

Carbon emissions are not the same for each company. For Pandrol and DCX Chrome, the impacts are mainly upstream of their value chain, in terms of raw material purchases, while Conductix-Wampfler, Frauscher and Lenoir-MEC concentrate their emissions downstream of the value chain, mainly on the use of products.

In 2024, **Pandrol** created an internal procedure to summarise, align and share all practices within Pandrol related to climate change and CO_2/GHG management. It covers measurement methods and tools, goal setting and deployment, roles and responsibilities, roadmaps, impact on investments, supplier selection, etc.
A shorter version, called "Carbon Management Policy", has been prepared and is intended to be shared with customers.

Conductix-Wampfler has adopted a climate change mitigation policy based on 4 key areas:
- energy: energy efficiency of buildings, processes and equipment
- transport: reduction of our freight and passenger transport
- resources: optimisation of our resource consumption
- circularity and waste: adoption of circular economy principles

In 2024, Delachaux carried out a study on the risks linked to climate change for the Group's 27 largest sites. The results were shared with the directors of the Delachaux Risk, Control and Ethics Committee as well as with the leaders of the various companies. This study enables us to understand where our most sensitive points are so that we can work on them in 2025 and establish the appropriate organisation to address them.

B. Management of impacts, risks and opportunities

E1-3 - ACTIONS AND RESOURCES RELATED TO CLIMATE CHANGE POLICIES

For the entire Group, the installation of new photovoltaic panels increased our own renewable electricity production by 23% compared to the previous year.

Pandrol :

- Pandrol actively engaged its key strategic suppliers by organising the first Global Supplier Day in 2024, the main topic of which was supplier decarbonisation roadmaps and CO_2 emissions related to their products. Significant progress has been made on the main procurement categories (for example, the use of supplier-specific rather than generic emission factors increased from 27% to 44% for steel procurement in 2024).
- A new environmental product declaration has been published for FCX rail fastening systems
- Solar panels have been installed in Zizurkil, Spain, and will also be installed at other sites in 2025.
- Several sites, such as Raismes in France and Worksop in the UK, have installed intelligent measurement systems allowing precise and rapid analysis of energy consumption and trends: in Raismes, the resulting actions have reduced gas consumption by 7% and electricity consumption by 4%. Other sites will follow in 2025.
- When making investment decisions (Capex), the CO_2 level is included in the comparisons and is taken into account in the final choice.
For example, buying a new plastic dryer in Blacktown, Australia, using technology that reduces GHG emissions by 80%, to replace the old equipment.
- Pandrol purchased guarantees of renewable origin for the electricity supply of its site in Brazil, representing the equivalent of 750 tonnes of CO_2.

Frauscher :

- The development of sustainable products and the certification of low-carbon products, via EPDs (Environmental Product Declarations). The RSR180 rail sensor will be certified in 2025.
- Improving operational efficiency through ISO 14001 and ISO 45001 management systems in place in Austria and India. An SA8000 audit will be launched in 2025.
- The resources allocated mainly concern the planning of a new production site in India incorporating the highest sustainability considerations and the recruitment of a dedicated CSR employee for Frauscher India.

B. Management of impacts, risks and opportunities

Conductix-Wampfler :

The actions carried out in previous years were focused on our internal operations and reduced our scope 1 and 2 emissions by 29% (vs. 2019):

- **Energy:** building insulation, installation of photovoltaic panels, heat pumps, etc.
- **Transport**: mobility agreements, teleworking, changing modes of transport, reducing business travel, priority to local suppliers, etc.
- **Resources:** paper reduction at all stages, reusable supplier packaging, second-hand phones, etc.
- **Circularity:** traceability, waste reduction and recovery, improving our responses to retrofit requests, etc.

The completion of the complete carbon assessment of all sites in 2024 led to the reorientation of actions as a priority towards products (without, however, stopping actions on internal operations):

- Strong mobilisation of teams by raising employees' awareness of sustainability issues and by involving them widely in each initiative (climate fresco, freight fresco, global communication, creation of international committees dedicated to carbon assessment, LCA, duty of vigilance, etc.); in each centre of excellence, an employee has been assigned to environmental topics.
- Eco-design: to support its approach, Conductix-Wampfler has carried out a life-cycle analysis of a battery and selected an LCA tool that will be tested and deployed in 2025; product sizing will be reviewed to improve their energy efficiency.
- Transport: internal skills have been developed to improve knowledge of the impact of suppliers' different modes of transport: the 15 main suppliers to the French sites were invited to a day dedicated to CSR issues and decarbonisation, and environmental issues have been integrated into the supplier audit programme; the Weil site (Germany) has switched to a low-carbon offer for the component with the greatest impact on its scope 3. This has resulted in a 25% reduction in CO2 emissions for this component. Similar operations will be conducted in 2025.

DCX Chrome :

- Improved regulation of the management of the furnace cooling system for the heat treatment of certain products has reduced the site's electricity consumption.
- In 2025, certain motors will be replaced, in particular for crushing, dust removal, grinding and sieving. The new motors will be more efficient and consume less energy. New sensors will be purchased and installed on the machines to analyse and optimise energy consumption.

Lenoir-MEC :

- A new robotic production line makes it possible to limit energy consumption for each product manufactured.

E1-4 - TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

In 2023, a new target was set for 2030: to reduce the Group's greenhouse gas emissions in line with a temperature rise of "well below 2°C" in accordance with the Paris Agreement and the methodology developed by the Science-Based Targets initiative.

The Group's targets for carbon reduction by 2030 are: -4.2% per year for scope 1 and 2, with 2019 as the reference year, and -2.5% per year for scope 3, with 2023 as the reference year.

With these common objectives and the same timeframe, each company could decide whether to adopt them or go further.
Pandrol and Frauscher have therefore set themselves a more ambitious target, to achieve a -25% reduction on scope 3 (reference year 2023) by 2023 Conductix-Wampfler, for its part, envisages a decrease of -50% on scope 1 and 2 (2019 reference year) and -30% on scope 3 (2023 reference year).

	Group	Pandrol	Frauscher	Conduc-tix-Wampfler	DCX Chrome	Lenoir-MEC	Objective
GHG emissions 2019 scope 1+2 (location-based, tCO2eq) (2)	55 624 (2)	48 604	760	5 482	605	173 (3)	
GHG emissions 2024 scope 1+2 (location-based, tCO2eq)	46 524	40 925	932	3 921	570	176	
Change in GHG emissions scope 1+2 (location-based)	**-16.4%**	**-15.8%**	**+22.6%**	**-28.5%**	**-5.8%**	**+1.5%**	**-21%**
GHG emissions 2023 scope 3 (tCO2eq)	1 358 590	390 864 (1)	62 472	663 305 (4)	230 788	9 793	
GHG emissions 2024 scope 3 (tCO2eq)	1 422 573	430 121	77 482	656 206	247 854	10 910	
Change in scope 3 GHG emissions	**+4.7%**	**+10.0%**	**+24.0%**	**-1.1%**	**+7.4%**	**+11.4%**	**-2.5%**
Total GHG emissions 2023 (location-based, tCO2eq)	1 396 318	424 779 (1)	63 257	667 251 (4)	231 038	9 993	
Change in scope 1+2+3 (location-based) GHG emissions compared to 2023	+5.2%	+10.9%	+24.0%	-1.1%	+7.5%	+10.9%	

(1) updated in 2024 following the calculation of emissions linked to fixed assets and the correction of the amounts of products purchased from 2 sites, increasing emissions by 35471 tCO2e
(2 Some data from 2019 has been corrected or added to come closer to the scope calculated in 2024
(3) Baseline 2021 for Lenoir (scope 1+2 not calculated in 2019)
(4) updated in 2024 following the integration of all production sites (only the top 4 had been recorded in 2023, for a total of 381,030 tCO2eq)

C. Metrics and targets

Scope 1 and 2

Frauscher increased its emissions by +22,6%, mainly due to a +20% rise in sales and production since 2019. **Pandrol** has only reduced its emissions by -15.8%, as the new foundry in India ramped up its production, accounting for over 6,000 tonnes of CO2e in 2024, compared to just 500 tonnes in 2023. Excluding this foundry, the total scope 1 & 2 emissions from all other Pandrol sites have decreased by -29% between 2019 and 2024.

Scope 3:

The increase in **Pandrol**'s emissions despite the actions taken is due to the increased volume of activity as well as changes in the distribution of the product mix and the sales geography, both of which have led to greater production using resources with higher emission factors.

Around two-thirds of the increase in **DCX Chrome**'s emissions is due to the increase in the quantities of chromium oxide and aluminium powder purchased, and around one-third to the use of more relevant emission factors for aluminium powder (switch from generic data to supplier data).

The increase in **Frauscher**'s scope 3 emissions is due to higher sales and production.

E1-5 - ENERGY CONSUMPTION AND ENERGY MIX

Group energy consumption and energy mix*	2024 (mWh)	2024 (%)
Consumption of petroleum products	6,899	
Natural gas consumption	62,521	
Consumption of other fossil fuels	803	
Total fossil fuel energy consumption	***70,224***	***41.9***
Consumption of electricity or heat of undetermined or mixed origin (1)	***80,107***	***47,7***
Consumption of electricity (2) or heat from renewable sources	***17,228***	
Self-produced renewable energy consumption	***291***	
Total renewable energy consumption	***17,519***	***10.4***
Total energy consumption	167,850	***100.0***
Renewable electricity produced and sold on the grid	118	

(1) Electricity or heat that has not been identified as renewable according to the GHG Protocol's market-based calculation methodology
(2) Electricity or heat identified as renewable according to the GHG Protocol's market-based calculation methodology

E1-6 - GROSS GHG EMISSIONS FOR SCOPES 1, 2 AND 3 AND TOTAL GHG EMISSIONS

	Group	Pandrol (1)	Frauscher	Conduc-tix-Wampfler	DCX Chrome	Lenoir-MEC
Scope 1 GHG emissions						
Scope 1 GHG emissions (tCO2e)	14,193	11,967	199	1,521	359	147
Scope 2 GHG emissions						
Location-based scope 2 GHG emissions (tCO2e)	32,331	28,959	733	2,400	211	28
Market-based scope 2 GHG emissions (tCO2e)	30,353	28,165	538	1,622	0	28
Scope 3 GHG emissions						
Scope 3 GHG emissions (tCO2e)	1,422,732	430,306	77,482	656180	247,854	10,910
1 Purchased goods and services	778,548	317,304	12,911	198,278	243,421	6,634
2 Capital goods	34,102	27,528	1,023	5,333	0	218
3 Fuel- and energy-related activities (not included in scope 1 or scope 2)	2,904	2,352	89	319	116	29
4 Upstream transportation and distribution	59,585	31,597	300	25,706	1,916	66
5 Waste generated	2,583	2,084	24	308	163	3
6 Business travel	3,996	1,213	1,015	1,744	19	4
7 Employee commuting	18,393	2,649	860	14,579	150	155
8 Upstream leased assets	0	0	0	0	0	0
9 Downstream transportation of goods and distribution	37,582	33,205	2,187	796	1,324	70
10 Processing of sold products	0	0	0	0	0	0
11 Use of sold products	459,686	12,374	58,503	385,179	0	3,631
12 End of life treatment of sold products	25,353	0	570	23,939	745	99
13 Downstream leased assets	0	0	0	0	0	0
14 Franchises	0	0	0	0	0	0
15 Investments	0	0	0	0	0	0
Total GHG emissions (market-based) (tCO2eq)	1,467,278	470,437	78,219	659,323	248,213	11,085
Total GHG emissions (location-based) (tCO2eq)	1,469,256	471,231	78,414	660,101	248,424	11,085

(1) Includes emissions from Delachaux activities on the Colombes site
Information on emission estimates is available in Appendix 4.

4

ESRS E3 AQUATIC AND MARINE RESOURCES



A. Metrics and targets

E3-4 - WATER CONSUMPTION

Overall, the Group's water withdrawals were stable between 2023 and 2024, although there was a slight increase at Pandrol, due to the opening of a foundry in India (the components produced in this unit were previously purchased from third parties), as well as an increase in activities for Conductix-Wampfler and Frauscher in 2024.

In 2024, **DCX Chrome** completed the installation of a closed water circuit for cooling the reaction shaft at their site in Marly, France, which enabled them to reduce their annual consumption by almost 40% compared to 2023.

Water used for cooling moulded or painted parts and equipment represents about half of the Group's total consumption. The other main uses are sand moulding in foundry operations and industrial flue gas treatment.

	Water withdrawals (m3)	
Business	**2024**	**2023**
Pandrol	97,944	93,829
Frauscher	4,543	3,586
Conductix-Wampfler	14,126	12,287
DCX Chrome	7,735	12,429
Lenoir - MEC	76	108
Total Delachaux	**124,424**	**122,238**



5

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY



A. Management of impacts, risks and opportunities

E5-1 - RESOURCE USE AND CIRCULAR ECONOMY POLICIES

The Group does not have a common resource use and circular economy policy. For the time being, this issue is only shared by Pandrol and Conductix-Wampfler following the results of the 3 double materialities carried out.

Conductix-Wampfler has a policy on the circular economy, which is based on:

- The development of more sustainable products or services through innovation policies (e.g. regenerative eco-design for new products, LCA for existing ranges, etc.)
- Investments in R&D to reduce the environmental footprint of our products, including removing all substances of concern where possible
- Adopting circular economy principles: using recycled materials, reducing waste, reusing materials, servicing and exploring new business models

Pandrol does not yet have a circular economy policy, but has defined 3 areas of work: supply of recycled material, reuse of certain components or products, better waste management and recycling.

E5-2 - ACTIONS AND RESOURCES RELATING TO RESOURCE USE AND THE CIRCULAR ECONOMY

Pandrol focuses on the purchase of raw materials such as steel and recycled plastic and the reuse of end of life products. The company is currently carrying out feasibility studies on certain ranges of products and has initiated a dialogue with suppliers on their decarbonised product offerings.

Pandrol's "Sustainable Resilient Systems" product line is manufactured almost exclusively from recycled products (rubber from used vehicle tyres).

The filler used for aluminothermic welds consists mainly of scalings, which are waste products from steel production.

In general, the lifespan of Pandrol products, including rail fastening systems, have a longer lifespan than the infrastructure into which they are integrated.

Frauscher designs products with an estimated lifespan of 30 years, and strives to optimise the use of resources over the entire product lifecycle.

A. Management of impacts, risks and opportunities

Conductix-Wampfler offers an equipment repair and refurbishment service at all its sites, but this service is still little used by customers. In 2024, the company finalised the two pilot projects on product life cycle analysis in Belley and in Weil. The tool selected and the methodology created will be widely extended to all ranges in 2025. This will enable teams to accelerate eco-design. A tool for tracing hazardous substances has also been selected to be deployed in 2025 and reduce their use. Finally, the procurement teams are currently assessing the possibility of replacing more components with versions made from recycled materials.

Conductix-Wampfler products have a very long lifespan, with low maintenance requirements; in 2025-2026, we will evaluate the feasibility of a "product as a service" circular business model.
DCX Chrome focuses on corundum, a co-product of chrome metal manufacturing, which is fully resold for applications in infrastructure construction.

Lenoir-MEC has set up a partnership with a young French company that recovers neodymium magnets when machines reach the end of their life. New magnets are created from neodymium waste, which is rare earth, and then returned to Lenoir.



A. Management of impacts, risks and opportunities

E5-3 - TARGETS RELATING TO THE USE OF RESOURCES AND THE CIRCULAR ECONOMY

Only Conductix-Wampfler has set itself goals related to resource use and the circular economy.

Engagement	Objective
Reduce the environmental impact of our productst	2028: 100% of centers of excellence use a product life cycle analysis tool
	2025: 100% of production sites integrate the consumption of purchased products into the selection of suppliers
	2028: 100% of centers of excellence work in collaboration with their customers to optimize the use or size of products (with a view to reducing consumption)
Reduce our consumption of resources	2026: 100% of production sites identify the ratio of recycled materials
	2028: 50% more recycled content (vs. 2026)
	2028: 30% of cables purchased from recycled copper (vs. 2024)
	2028: Optimise our packaging by ensuring that no wood/cardboard contributes to deforestation (EUDR)
	2026: study the feasibility of "Product As A Service" approach

B. Metrics and targets

E5-4 - INCOMING RESOURCES

For **Pandrol and DCX Chrome**, their incoming resources are easily identifiable. For Pandrol, these are the raw materials: steel, plastic resin, sand, aluminium, rubber and for DCX Chrome, aluminium and chromium oxide. These 2 companies have similar approaches to addressing resource management, i.e. evaluating the possibilities of making end products lighter, using more recycled materials without compromising the performance and safety of products.

Conductix-Wampfler and Lenoir-MEC have extremely varied incoming resources as their operations focus primarily on the assembly of purchased components. Conductix-Wampfler has already listed its main inputs by category and will continue to refine the list of components and their ratios in 2025.



B. Metrics and targets

E5-5 - OUTGOING RESOURCES

Waste generated by products sold

Most of **Pandrol**'s products have an extremely long lifespan, between 20 and 40 years. The rail networks recover our products and sell them as scrap metal for reuse. Pandrol is starting to ask customers to collect more information about sorting their waste and the end of life of products.

Likewise, **Frauscher** has very little insight into the end of life of the axle meters sold to its customers. For more recent electronic products, the company is seeking to maximise their service life, but no specific study has been carried out on their end of life at the moment.

The traceability of **Conductix-Wampfler** products at the end of their life is complex, as they are integrated into machines or systems sold worldwide in 17 markets. The analysis is therefore based on assumptions based on five main categories of inputs:
- Metal: 100% recycled (emission of 0.0627 kg CO_2/kg).
- Plastics 100% incinerated (2.38 kg CO_2/kg).
- Electric/Electronic: recycled according to the market (0.0552 kg CO_2/kg).
- Cable: 100% separated and reprocessed (0.91 kg CO_2/kg).
- Battery: recycled in accordance with Ademe (0.36 kg CO_2/kg).

The end of life of the products sold generates approximately 24,000 tonnes of CO_2 or 3.6% of Conductix-Wampfler's total carbon footprint.

DCX chrome products are mainly used in super alloys, well upstream of the manufacture of finished products. The chromium present in aircraft engines, in the form of a super alloy, will not be recycled "as is" but is recovered from the alloy flows and returned to the production circuit for new materials.

Lenoir-MEC mainly assembles and sells its machines to sorting centres that use them intensively. The products, mainly metallic, have an average lifespan of 7 years and are typically recycled by their end of life users.

Waste generated by internal operations

Waste production by the group is stable despite the growth of the activities of Pandrol, Conductix-Wampfler and Frauscher.

Half of the metal and oxide waste is related to Pandrol's activities. By 2024, 98% of this waste will have been recycled, thanks to well-organised recycling facilities in the countries where we operate, notably France, the United States and India. This high recycling rate is due in part to the high potential for reuse and recycling of metals.

Type of waste	2024 (tonnes)	2023 (tonnes)	2022 (tonnes)
Metals and oxides	9,899	9,628 (*)	9,193
Unsorted waste	4,233	5,754	5,851
Sand	5,084	4,642	6,559
Hazardous waste	1 150	789	698
Wood	830	713 (*)	480
Paper and cardboard	378	388	636
Plastics	202	207	231
Electrical and electronic equipment	10	8	15
TOTAL	**21,786**	**22,129 (*)**	**23,663**

(*) Data changed in 2024

6

ESRS S1 COMPANY WORKFORCE



ESRS 2 SBM-2 - INTERESTS AND VIEWS OF INTERESTED PARTIES

When the three companies Pandrol, Conductix-Wampfler and Frauscher carried out the double materialities, employees were one of the most important stakeholders and, when asked, around the world, the common interests were: good working conditions (safety, dignity, ethics), opportunities to learn and grow professionally and a level of remuneration appropriate to the market. These same elements were also identified by the Group's shareholders.

In addition to the focus on training and skills development, the group's investors and lenders paid particular attention to human diversity and gender equality.

These identified interests guide the short- and medium-term strategic directions of our companies. In our CSR programme "Worldwide Engagement", the Leadership pillar brings together the collective ambition for people development and performance.



A. Strategy

ESRS 2 SBM-3 - SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH THE STRATEGY AND THE BUSINESS MODEL

The group's collective ambition, called "WEtogether", describes the broader framework that brings us together and guides our actions and discussions about the type of environment we value, develop and seek in all our companies and their sites around the world.

This framework embodies and summarises our beliefs in what we want to share and experience together, which are essential to our long-term performance and development. Each of these elements – namely positive impact leadership, a welcoming and demanding environment, training and development opportunities, diverse and inclusive teams – contribute to working on the actual and potential impacts described in the double materiality results: Training & Skills Development, Securing Jobs, Combating Violence and Harassment, Health & Safety, Diversity and Social Dialogue



B. Management of impacts, risks and opportunities

S1-1 – POLICIES RELATING TO THE COMPANY'S WORKFORCE

Three Group policies are in force on social issues, covering material impacts:

- **Remuneration and social benefits policy:** This reiterates that the overall remuneration of each of our employees must be distributed on the basis of the expected contribution of the role, taking into account the position of the role in the market and internal equity.
- **Employment policy:** This establishes investment in skills development and training and development opportunities as a key principle. It reiterates our commitment to diversity, particularly when hiring or making decisions that affect the lives and careers of our employees.
- **The communication policy:** This reiterates the importance of transparent and constructive communication with all stakeholders, as well as the fundamental right to information and consultation with union representatives when they are present.

The Delachaux Code of Ethics covers measures against violence and harassment in the workplace, the right to protection of personal data, the Guiding Principles of the OECD and the UN for multinational enterprises on human rights, the fundamental conventions of the International Labour Organisation on the average age for admission to employment (convention C138), forced labour (conventions 29 and 105) and child labour (convention 182).

The group has not formalised a specific policy on diversity and inclusion. These elements are distilled into each of our policies as an essential guideline for all our current practices (recruitment, development, salary decisions, etc.). These non-discrimination and inclusion practices are applied to all our employees, without specific identification of vulnerable populations.



B. Management of impacts, risks and opportunities

S1-2 – PROCESS FOR INTERACTING ON IMPACTS WITH THE COMPANY'S WORKFORCE AND THEIR REPRESENTATIVES

The Group and our companies implement free and open communication at all levels of the organisation and for all groups of employees. Regular communication strengthens employee commitment and involvement. A number of actions and initiatives are carried out regularly

- Individual manager/employee meetings (progress review, annual appraisal, workload assessment, mid-year appraisal, etc.)
- Collective meetings: as a team, between managers, bringing together all site staff
- Engagement survey: these are carried out at least every 24 months, or more regularly at the request of the teams (e.g. in 2024: Pandrol Brazil, Pandrol's global management team, Pandrol USA Memphis), which asks questions about all aspects covered by double materiality

Each of these activities represents an opportunity for discussions on the issues identified during the implementation of the double materialities, in groups or individually.

In every country where employees have representatives, social dialogue is also conducted constructively and regularly. The countries (France, United Kingdom, Germany, Austria, Australia) fulfil all their obligations in terms of information and consultation on social dialogue aspects required by law: Health and safety, employee social policy including vocational training, diversity index, salary negotiations. Harassment officer are also appointed at each site where required by law (France, India, United States).

S1-3 – PROCEDURES FOR REMEDYING NEGATIVE IMPACTS AND CHANNELS FOR EMPLOYEES TO VOICE THEIR CONCERNS

Personnel issues may be dealt with through different channels within the Group:

- Local managers and/or HR have full powers to address these topics locally. They are the first contact person for these types of situations and are therefore encouraged to take training in dealing with these issues.
- The corporate ethics officer: He/she is the contact person communicated at company level for anyone wishing to submit a whistleblower report at company level and not at local level.
- The Group Ethics and Compliance Committee only deals with whistleblower reports received via the Group ethics line, the Group ethics e-mail address or by contacting a member of the Committee directly.

B. Management of impacts, risks and opportunities

S1-4 - ACTIONS ON SIGNIFICANT IMPACTS, APPROACHES TO MITIGATE SIGNIFICANT RISKS AND SEIZE SIGNIFICANT OPPORTUNITIES ON THE COMPANY'S WORKFORCE, AND EFFECTIVENESS OF THESE ACTIONS AND APPROACHES

Certain material risks are identified and addressed in each of the strategies of our companies.

- Skills and people development: our companies work on and improve the various tools, practices and initiatives that contribute to people development. Particular attention is paid to the quality of managerial meetings (annual appraisal interviews, regular feedback), training and career development plans (people reviews), learning opportunities within the job itself (cross-functional projects, autonomy, measured risk-taking), and face-to-face or distance training using our digital training platforms.
- The working environment: each company deploys local and global actions to raise awareness among its staff on the topics of physical safety, mental health, life balance, respect and caring for each other. To this end, information sessions and reflection/discussion workshops are organised at a local level. Content is also available on our digital training tool.

S1-5 - TARGETS RELATED TO MANAGING SIGNIFICANT ADVERSE IMPACTS, PROMOTING POSITIVE IMPACTS AND MANAGING SIGNIFICANT RISKS AND OPPORTUNITIES

The employee engagement rate is the main indicator used to measure employee engagement as well as the percentage of employees indicating that they are very satisfied with working within the Delachaux Group (rating of 9 or 10 given to the question)
In 2024, the WE Share survey was carried out in all companies except DCX Chrome, and the results are as follows: 89% of employees took part and 56% of them responded that they are very satisfied (rating of 9 or 10) working for the Group.
The group's objective is to maintain or improve this rate each year until 2028 and to implement action plans based on the answers to the questions asked during this survey.

Other indicators are consolidated once a year, but no objectives are currently linked to them:

Social dialogue:

- Percentage of employees covered by a collective agreement. In 2024, 49% of our employees were covered by a collective agreement.
- Percentage of employees covered at site level by employee representatives. In 2024, it was 71% for France, Germany and Austria.

C. Metrics and targets

Training and development:

Number of employees whose performance and potential are discussed in a "people review", i.e. as a management team. In 2024, management teams reviewed the potential and performance of 2,039 employees using a cross-functional approach.

Other indicators relating to training and development will be introduced in 2025.

S1-6 - CHARACTERISTICS OF THE COMPANY'S EMPLOYEES

NUMBER OF EMPLOYEES BY GENDER 2024:

Gender	Number of employees
Men	3244
Women	855
Group total	**4099**

NUMBER OF WOMEN EMPLOYED IN OUR COMPANIES:

Companies	Number of women as at 31/12/2024	% in 2024	Number of women as at 31/12/2023	% in 2023
Group total	**855**	**21%**	**870**	**21%**
Pandrol	234	15%	233	18%
Frauscher	193	29%	205	32%
Conductix-Wampfler	398	24%	399	24%
DCX Chrome	10	14%	9	14%
Lenoir-MEC	8	16%	8	14%
Delachaux HQ	12	46%	16	45%

ACTIVE WORKFORCE BY COUNTRY

	31/12/2024	% in 2024	31/12/2023
France	782	19%	774
United States	541	17%	507
Germany	532	13%	526
India	474	12%	407
Austria	368	9%	389
Australia	250	6%	253
China	238	6%	259
United Kingdom	222	5%	299
Spain	129	3%	128
Brazil	114	3%	112
Italy	97	2%	92

C. Metrics and targets

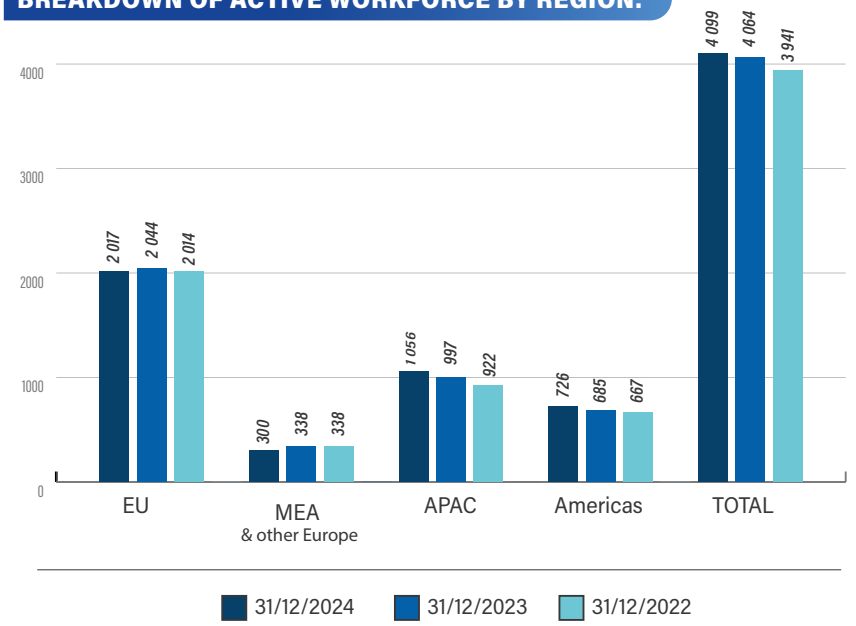
EMPLOYEE INFORMATION BY CONTRACT TYPE AND GENDER:

Women	Men	Total
Number of employees		
855	3244	4099
Number of permanent employees		
811	3105	3916
Number of temporary employees		
10	36	46
Number of employees with unguaranteed working hours		
7	8	15
Number of apprentices and trainees		
27	95	122

EMPLOYEE INFORMATION BY CONTRACT TYPE AND REGION:

EU	MEA & Other Europe	APAC	Americas	Total
Nombre d'employés				
2017	300	1056	726	4099
Nombre d'employés permanents				
1893	269	1046	708	3916
Nombre d'employés temporaires				
16	23	3	4	46
Nombre d'employés avec des heures de travail non garanties				
15	0	0	0	15
Nombre d'apprentis et de stagiaires				
93	8	7	14	122

BREAKDOWN OF ACTIVE WORKFORCE BY REGION:



STAFF TURNOVER:

Companies	Number of employees as at 31/12/2023	% in 2023	Number of employees as at 31/12/2024	% in 2024
Group total	**228**	**6%**	**286**	**7%**
Pandrol	98	6%	142	9%
Frauscher	48	7%	53	7%
Conductix-Wampfler	78	5%	78	5%
DCX Chrome	2	3%	0	0%
Lenoir-Mec	0	0%	2	4%
Delachaux HQ	2	5%	3	12%

A methodology note on employee data can be found in Appendix 2.

C. Metrics and targets

S1-8 - COVERAGE OF COLLECTIVE BARGAINING AND DIALOGUE

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 covering public works for railways.

During 2024, the various sites in France fulfilled their legal obligation in terms of agreement or renewal of company agreements. For example, wage negotiation agreements for all companies and working time agreements for most sites have been signed.

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

In the United Kingdom, the Group's main entity has a Procedural and Substantive Agreement which was drawn up in 1999 with Unite the Union (known at the time as the Transport and General Workers' Union). This agreement refers to a number of practices of a more general national agreement.

Several of our sites are located in countries covered partially or globally by national or company collective agreements. This is the case for Australia, Spain, Brazil, China, Italy, Austria, Canada, the USA and India.

S1-9 - DIVERSITY METRICS

Number and percentage of employees (headcount) in the wider management teams of each of the Group's companies.

The extended management teams (in the table above) is an indicator defined by each company and monitored at Group level.

Companies	Managers of the extended management teams as at 31/12/2024	% in 2024	Managers of the extended management teams as at 31/12/2023	% in 2023
Group total	**231**	**6%**	**261**	**6%**
Pandrol	77	5%	110	7%
Frauscher	19	3%	19	3%
Conductix-Wampfler	108	6%	106	6%
DCX Chrome	11	15%	9	13%
Lenoir-MEC	6	12%	6	13%
Delachaux HQ	10	38%	11	29%

C. Metrics and targets

Number and percentage of women (headcount) at senior management level:

Companies	Women in extended management teams as at 31/12/2024	% in 2024	Women in extended management teams as at 31/12/2023	% in 2023
Group total	**42**	**18%**	**45**	**17%**
Pandrol	14	18%	18	16%
Frauscher	4	21%	4	21%
Conductix-Wampfler	14	13%	13	12%
DCX Chrome	4	37%	3	33%
Lenoir-MEC	2	33%	2	33%
Delachaux HQ	4	40%	5	45%

There is a downward trend in the number of women in the extended management teams. The percentage growth within Pandrol comes from the revision of the "*extended management teams*" scope in December 2024 to include leaders actively contributing to the development of the 2028 strategy.

Number of employees by age category:

Age	31/12/2024	% in 2024	31/12/2023	% in 2023
< 30 years old	711	17%	711	17%
30-49 years old	2140	52%	2165	53%
> 50 years old	1248	30%	1239	30%
Total	**4099**	**100%**	**4115**	**100%**

Spécificités sur les données collectées : Pas d'historique comparable car la définition des catégories se sont alignées avec les exigences de la CSRD.

S1-11 - SOCIAL PROTECTION

All Group employees are covered by private and/or national social security schemes in accordance with the local regulations of the country in which they are based.

C. Metrics and targets

S1-12- DISABLED PEOPLE

To date, the indicator of the number of disabled workers is monitored in France only.

NUMBER AND PROPORTION OF DISABLED WORKERS IN FRANCE:

Companies	Total disabled workers in France 31/12/2024	% in 2024	Total disabled workers in France 31/12/2023	% in 2023
Group total	**31**	**4%**	**34**	**4%**
Pandrol	12	4%	14	5%
Conductix-Wampfler	16	5%	13	5%
DCX Chrome	3	4%	4	6%
Lenoir-Mec	0	0%	2	4%
Delachaux HQ	0	0%	1	3%

S1-13 - TRAINING AND SKILLS DEVELOPMENT METRICS

The Delachaux Group is committed to providing, through its companies, a variety of development and training opportunities to its employees.

Digital training platforms are one of the tools used and give access to a very wide choice of so-called "off-the-shelf" training modules, provided by external organisations, but also to internal training modules created by our teams, with specific courses created by the companies. In 2024, 3,784 people had access to the platforms, representing 92% of our employees.

In addition, management teams around the world discussed the potential and performance of 1,839 employees in 2024. These career committee discussions made it possible to draw up individual and collective action plans for development and training.

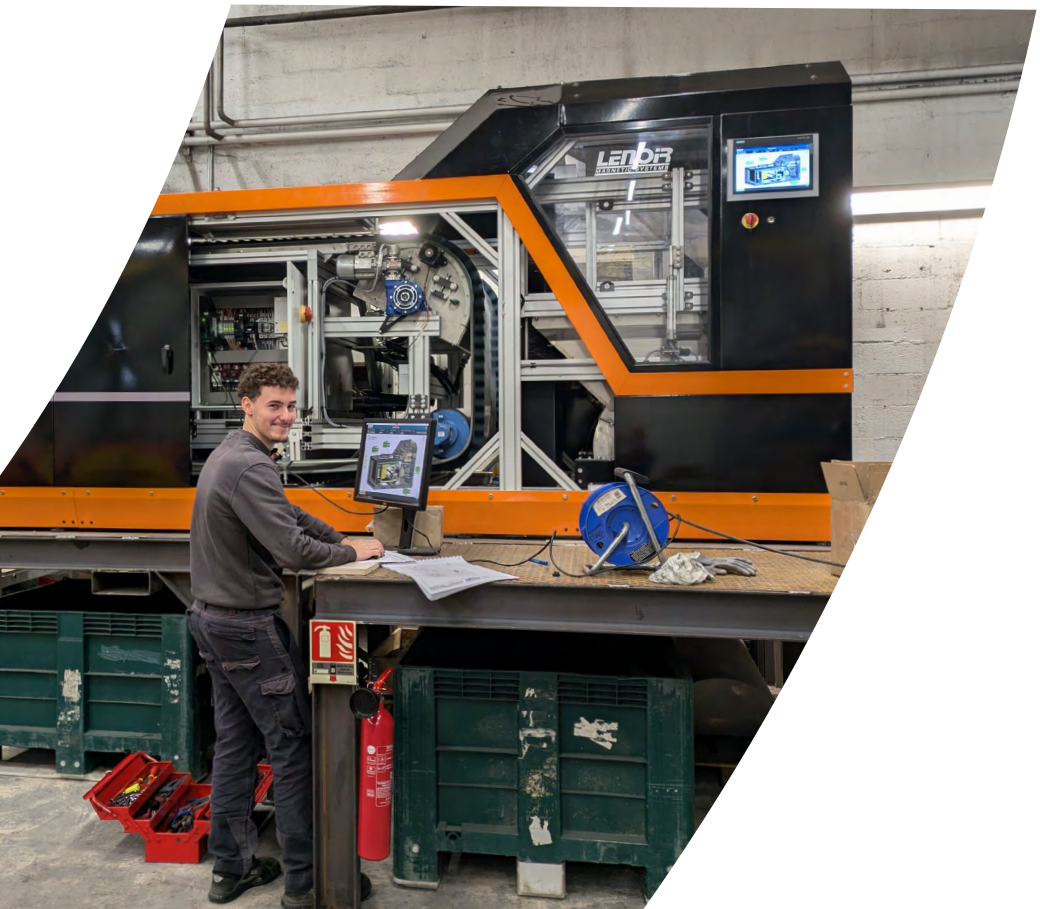
Finally, the Group and its companies, through the Global "*WElead*" programme, have continued to develop the management workforce. In addition to local training carried out on certain sites, 74 managers and experts attended specific training courses in 2024.

In the companies, in 2024, Pandrol focused on sales training with the participation of 130 employees, including operational expertise on LEAN techniques for 230 people. 280 employees were also trained in sustainable development over 2 years through the AXA Climate School. Frauscher offered intercultural training to better understand the differences between India and Austria, their two main countries of operation.

C. Metrics and targets

As cybersecurity is an important risk for companies, every year the Delachaux Group trains its employees on this risk; in 2024, 2,581 completed the Social Engineering Red Flags module, a cyber risk test module.

In-house trainers at Delachaux companies trained 152 employees around the world on the understanding and basics of corporate finance.



S1-14 - HEALTH AND SAFETY METRICS

Safety is one of the 5 pillars of the Group's CSR strategy. By improving working conditions and employee health, we contribute to the Group's sustainability and development.

Occupational risk prevention is based on ethical and legal imperatives as well as good economic sense; the performance of safety, of quality and of productivity are interrelated. Safety is also strategic for the attractiveness of our professions.

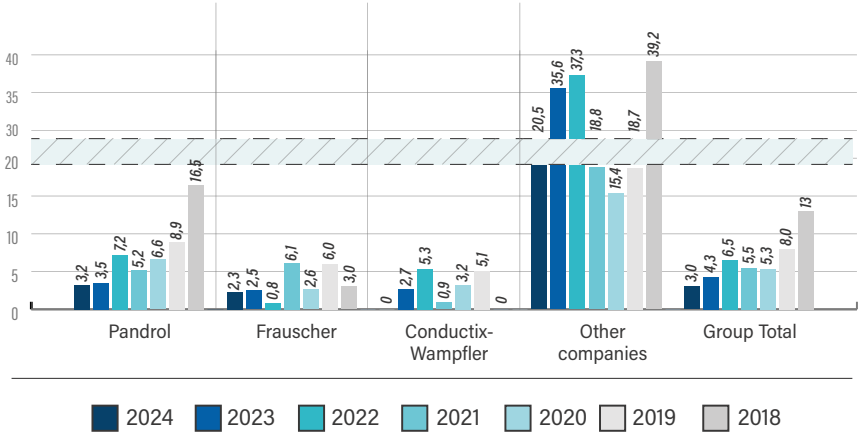
Every company in the Delachaux Group has a safety, health and quality department which monitors the frequency and severity indicators of accidents in real time.

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 guarantee the safety of our customers and end users.

The Group has set itself the target of reducing the accident frequency rate (AFR) by 14% a year by 2023, with a target of 2 by 2028. In 2024, with an accident frequency rate of 3, we achieved our annual targets.

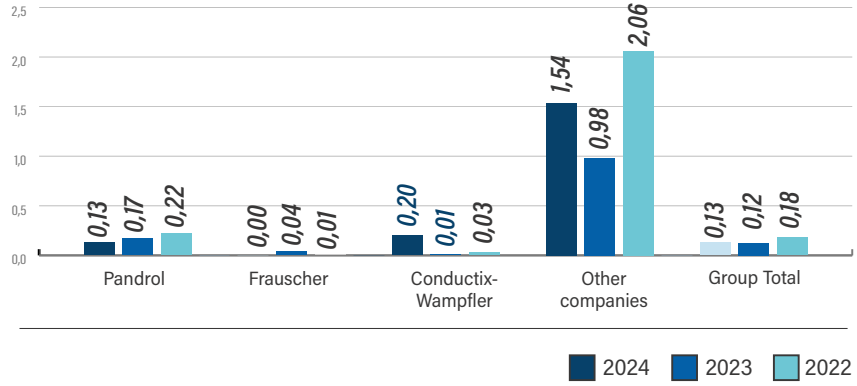
C. Metrics and targets

ACCIDENT FREQUENCY RATE:



Accident frequency rate (number of accidents with lost time/million hours worked, all employees, including temporary staff) – AFR

ACCIDENT SEVERITY RATE:



Some subsidiaries only report the operational data and not the theoretical hours as indicated in the Group procedure.

S1-16 - REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

For several years, annual data on changes in the salary market by country (covering 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 market development data is also shared with employee representatives and used to frame the financial package for salary increases.

Between 2023 and 2024, the weighted average of salary increases within the group was 6.96%, including salaries and bonuses, while the number of employees remained stable.

AGGREGATE GROSS PAY (in millions of euros):

	2024	2023	2022	2021	2020	2019	2018	2017
Gross pay	219.7	205.4	203.5	184.9	165.6	159.4	136.9	133.2

Gross pay includes salaries and bonuses (excluding social security and pensions)

7

ESRS G1 BUSINESS CONDUCT



A. Governance

ESRS 2 GOV-1 - THE ROLE OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Ethics is one of the pillars of the Group's CSR strategy. It incorporates the code of ethics and an anti-corruption programme based mainly on the requirements of the French Sapin II law.

Ethics governance and the fight against corruption within the Group takes place at various levels:

- The Audit, Risk and Ethics Committee, composed of several members of the Board of Directors, invites the Chief Executive Officer, the Chief Financial Officer and the Director of Audit and Internal Control to present the work carried out in these 3 areas.
- The Compliance and Ethics Committee, made up of 6 representatives of Delachaux's management (the Chief Executive Officer, the Finance Director, the Human Resources Director, the Legal Director, the Audit and Internal Control Director and the CSR Manager) is responsible for defining and implementing the anti-corruption programme and all ethical issues, including the handling of whistleblower reports.
  A document entitled "Group Ethics and Compliance Committee Operating Model" has been drawn up to define the tasks, responsibilities and operating procedures of the committee.
- In 2024, Pandrol and Conductix-Wampfler appointed an ethics officer, primarily in charge of managing whistleblower reports. Frauscher also has a person in charge of compliance and whistleblower reports. For the two smallest companies in the Group, DCX Chrome and Lenoir-MEC, the Delachaux Group Ethics and Compliance Committee is responsible for this matter.



B. Management of impacts, trisks and opportunities

G1-1- CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES

The main tool for disseminating an ethical culture is our Code of Ethics, which is available as a paper or digital booklet and covers 14 themes in the areas of operational excellence and people development. It describes and illustrates in clear, simple language the behaviours expected from Delachaux Group employees and stakeholders. It has been translated into 18 languages. It was revised and distributed to all employees in 2024.

The 2 main changes concerned the creation of a whistleblowing procedure and a gifts and hospitality procedure.

To promote its adoption among employees, a digital training module, available in seven languages on the Group's e-learning platform, was deployed at the end of 2019. Delachaux is committed to ensuring that all employees take this training module within their first 30 days of joining the Group. For employees without an e-mail address, face-to-face training courses are organised.

The group has undertaken to train its employees on the code of ethics every 4 years. In 2024, Delachaux created an e-learning course to remind employees of the Code of Ethics, translated into 7 languages, which was carried out by 2,426 employees.

Anti-corruption is one of the 14 topics addressed in the Group Code of Ethics. The description of the methods of prevention and detection of corruption in the guide was updated in 2023. Two procedures are linked to this policy, the management of whistleblower reports and the gifts and hospitality policy, which was created in 2024.

The Group places particular emphasis on the application of its employee policy by the companies, given the risks of corruption associated with this type of partnership: regular training of staff on anti-corruption, implementation of verification and control tools, meticulous review of agreements and contracts.

G1-2 - SUPPLIER RELATIONSHIP MANAGEMENT

Supplier relationship management is carried out at individual company level.

In 2024, **Pandrol** restructured and deployed a new CSR supplier charter integrating environmental, social and ethical issues. Through this document, Pandrol aims to share its CSR commitments and expectations with its suppliers and to ensure that they are deployed and implemented in its value chain.

Conductix-Wampfler has strengthened its actions to raise awareness and integrate CSR criteria as well as controls in supplier evaluation and monitoring. A tool for the traceability of substances of very high concern, in line with certain European regulations, has been implemented at 4 major company sites and shared with suppliers.

Frauscher Austria prioritises local sourcing. The company has also put in place a local procurement and logistics strategy by integrating CSR criteria, mainly favouring geographic proximity, short-distance and low-carbon transport.

B. Management of impacts, trisks and opportunities

G1-3 - PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

In order to prevent cases of corruption, training is organised for the highest risk groups. The extended management team is trained every 2 years and from 2025 onwards, some more specific groups such as sellers, buyers and finance staff will receive appropriate training.

In 2024, the "Code of Ethics reminder" e-learning course included corruption prevention topics and covered our so-called "at-risk" populations.

Anti-corruption training courses are also freely accessible for our employees on our *e-learning* platform.

C. Metrics and targets

G1-4 - PROVEN CASES OF CORRUPTION OR PROVEN PAYMENTS OF BRIBES

In 2024, 9 ethics cases were reported via the various communication channels (external ethics line, Group ethics email, alerts made to HR contacts or local managers), and only 4 of these were confirmed following an assessment and/or investigation.

G1-6 - PRATIQUES EN MATIÈRE DE PAIEMENT

The Delachaux Group has a Procurement policy which stipulates that each company must apply the legal payment deadlines in all countries where transactions are carried out.



8

COMMUNITIES



A. Our Approach

The Delachaux Group wishes to contribute to the development of the local communities in which its units are located. This social commitment is one of the five pillars of the CSR programme.

Based on a review of the volunteering activities existing in our companies, the Group has decided to organise all its activities around 3 themes: solidarity, education and the environment. These voluntary and sponsorship actions are proposed and supported by employees and each company has its own personalised societal commitment programme. Employees organise themselves locally to carry out solidarity projects in partnership with associations.



B. Fonds de dotation - Delachaux Solidarité

In May 2022, the Delachaux Group also created the Delachaux Solidarity Fund to support and encourage local initiatives. In 2024, 3 associations benefited from a financial donation from the Delachaux Solidarity Fund:

- In Brazil, the Paceiros Voluntarios association was able to finance educational and survival kits in schools affected by floods in the state of Rio Grande do Sul, where a Pandrol site is located.
- In Austria, SOS Children's Village, a partner association of Frauscher for 2 years, received funds to finance new residential, therapeutic and administrative infrastructure as well as a summer holiday stay in Caldonazzo for children in need.
- Near the Lenoir-Mec site in Cosnes-et-Romain, the Lorraine Longwy Second Chance School received funds to finance the construction of a model to raise young people's awareness of recycling and to carry out educational activities afterwards.

C. Professional inclusion

In 2024, the Delachaux group created a long-term partnership with the network of Second Chance Schools - E2C in France. The association helps young people with little access to employment to enter the world of work. In 2024, 4 of our sites in France – DCX Chrome in Marly, Pandrol in Raismes, Lenoir-MEC in Cosnes & Romain and Conductix-Wampfler in St Ismier – actively contributed to the courses offered to young people by this network, with the involvement of our employees: participation in selection juries, site visits, presentation of our businesses and funding of educational projects.

D. Actions carried out in 2024







1. SOLIDARITY

PANDROL

- The Memphis team in the United States organised a prize draw to raise money to buy personal hygiene products for the local hostel.
- The Mexican team went to distribute water to the people affected by the hurricane.
- The Brazilian team celebrated Easter with children in the shelters. They also donated winter clothes to the people affected by the hurricane in October.



FRAUSCHER

- The St. Marienkirchen team in Austria works closely with the Upper Austrian Red Cross. Together, they organise blood donation campaigns, first aid training and mental health awareness workshops.



CONDUCTIX wampfler

- The team from Weil am Rhein in Germany has established a partnership with the local fire station and the federal technical rescue agency. Volunteer employees are allowed to take time off work to participate in initiatives.



DCX CHROME

- The DCX Chrome team organised a Christmas collection at their site to collect clothes, food and toys for the association PASS.

D. Actions carried out in 2024



2. EDUCATION

PANDROL

▪ The Raismes team took part in the Second Chance School selection jury and gave a presentation on the industry and the jobs on the site, giving pupils an insight into the world of the rail industry.



CONDUCTIX wampfler

▪ As part of a study trip organised by the Ain metallurgy industries union, the Belley site was pleased to welcome students from Grenoble's Institut National Polytechnique on Thursday 21 March 2024. A total of 52 student engineers, specialising in value chain engineering or product engineering, were able to discover the Group, the Belley site and the products.

FRAUSCHER





▪ The Mysore team in India installed and equipped two computer rooms, each with around a dozen computers. The first, set up in a public school, allows 127 students to develop their digital skills and enrich their knowledge. The second, created at the All India Institute of Speech and Hearing, supports parents of children with disabilities by providing them with tools to better understand language development and improve communication with their children.



DCX CHROME

▪ The DCX Chrome team made career presentations and organised a tour of its site for pupils from the the Second Chance School in order to introduce them to the chrome industry.



LENOIR-MEC MAGNETIC SYSTEMS

▪ The team from Cosnes-et-Romain, France, is helping to build a model with young people from the Second Chance School to raise their awareness of recycling and waste sorting.

D. Actions carried out in 2024





3. ENVIRONNEMENT

PANDROL

- In China, employees participated in a low-carbon life initiative to encourage the use of low-emission vehicles, promote a greener lifestyle and encourage participation in local environmental actions.



FRAUSCHER

- To mark Environment Day, teams in India contributed to a tree planting operation at the Pan-India Institute of Speech and Hearing.



CONDUCTIX wampfler

- In Ireland, as part of Recycling Day, employees participated in a waste collection walk and in discussions around recycling.

9

APPENDICES



APPENDIX 1 – Missing DPEF and CSRD information

Below is the list of requests for information to which the Delachaux Group was unable to respond, either because it is not material, according to the 3 double materialities carried out, or because the information is not yet available or is not relevant.

DPEF :

Combating food waste
Not relevant
Fight against food poverty
Not relevant
Respect for animal welfare
Not relevant
Responsible, equitable and sustainable food
Not relevant
Actions aimed at the practice of physical and sporting activities
Not relevant
Actions to promote the link between nation and armed forces and to support involvement in the reserves
Not relevant

CSRD :

ESRS 2 General information to be published
ESRS 2 SBM-3 – Significant impacts, risks and opportunities and their link to strategy and the business model
Information available only for the 3 companies that have completed their double materiality.
ESRS E1 Climate Change
ESRS 2 IRO-1 – Description of processes for identifying and assessing significant climate change impacts, risks and opportunities
Information not available at Group level
E1-7 - GHG absorption and mitigation projects financed by carbon credits
Information not relevantt
1-8 – Internal carbon pricing
Information not relevantt
E1-9 - Expected financial impacts of significant physical and transition risks and potential opportunities related to climate change
Information not available
ESRS E2 Pollution
Information not available
ESRS E3 Aquatic and marine resources
E3-1 – Policies on aquatic and marine resources
Information not available
E3-2 – Actions and resources relating to aquatic and marine resources
Non-material information
E3-3 – Targets relating to aquatic and marine resources
Non-material information
E3-5 – Expected financial impacts of impacts, risks and opportunities related to aquatic and marine resources
Information not relevant
ESRS E4 Biodiversity and Ecosystem
Non-material information
ESRS E5 Use of resources and circular economy
E5-6 – Expected financial impact of impacts, risks and opportunities related to resource use and the circular economy
Non-material information

APPENDIX 1 – Missing DPEF and CSRD information

ESRS S1 Company workforce

S1-7 - Characteristics of self-employed workers in the company's workforce

Non-material information

S1-10 – Decent wages

Information not available

S1-15 – Work-life balance metrics

Non-material information

S1-17 – Serious human rights cases, complaints and incidents

Non-material information

ESRS S2 Workers in the value chain

Non-material information

ESRS S3 Affected communities

Non-material information

ESRS S4 Consumers and end users

Information not available

ESRS G1 Business conduct

G1-5 – Political influence and lobbying activities

Non-material information

APPENDIX 2 – Methodology note on employee data

Employee data is collected mainly by head count using a digital data reporting tool (Tennaxia). Data is reported from 1 to 30 June and from 1 to 31 December. The only exception concerns the "staff turnover" key performance indicator, which is presented as an average over the period from 1 January to 30 June and from 1 July to 31 December.
Only one data source is used as a starting point, usually the local payroll system.
A single process owner is appointed/identified - responsible for controlling and delivering accurate and consistent data. This is the local HR person or equivalent.
We are moving towards maximum automation of data integration: at least one standardised file format, or an automatic file extracted from the local payroll system and converted to Tennaxia format for download.
An integrity check is carried out by a person other than the person who has prepared the files.

APPENDIX 3: METHODOLOGY NOTE ON THE DOUBLE MATERIALITY ANALYSES

The materiality analyses were conducted in accordance with the guidance provided in ESRS 1 and 2, as well as the draft EFRAG guide to implementing materiality analysis and the French Accounting Standards Authority guide.

The business models of each company have been summarised and their main stakeholders identified. The value chains were analysed to define an approach for identifying and assessing impacts, risks and opportunities.

The impacts, risks and opportunities have been identified and rated with the company's experts at each level of the value chain and based on the available external and/or internal indicators.

For Pandrol, the results of its analysis were presented in the form of a matrix with 20 stakeholders from 5 groups (shareholders, customers, employees, suppliers, investors) to obtain their general opinions and comments. A number of elements of the analysis were then reviewed, and some adjusted before being approved by management.

For Conductix-Wampfler and Frauscher, the results were shared internally with the management committees to validate the final work.

APPENDIX 4: METHODOLOGY NOTE ON THE GHG REPORT

The GHG reporting used for this report was drawn up according to the GHG Protocol standard with the "operational control" approach.

Emissions relating to the transport and distribution of products between Group companies and their customers were reported in the category "Downstream freight transport and distribution" regardless of the entity paying for the associated services, except for Conductix-Wampfler, which reported them in the category "Upstream freight transport and distribution" (in accordance with the GHG Protocol).

	Scope of business activities	Methodologies, main assumptions and emission factors used.	Subcategories excluded from the emissions estimate
Delachaux		Exchanges between the different Group companies are marginal and have not been deducted. The data relating to scopes 1 and 2 were collected with reporting software, and most of the data from scope 3 with the help of carbon consultants. Unless otherwise indicated, the emission factors used are those from the ADEME Empreinte® database, including national emission factors for electricity, with the exception of scope 2 for the United States (eGRID) and Australia (Emissions and Energy Reporting System).	Unless otherwise stated, visitor travel has not been taken into account.
Pandrol		For purchased products and services, emissions were recalculated for the 10 sites representing 90% of the total in 2023, then extrapolated to the other sites. Emissions were calculated for 80% of expenditure on the basis of physical data and for 10% on the basis of monetary ratios, with the remaining 10% extrapolated as a proportion of total procurement expenditure. For steel and plastics purchases, the emission factors used were those provided by suppliers where available and supported by documentation (approximately 44% of the value of raw steel purchases and 27% of the value of plastic resin purchases). In the other cases, the emission factors from the EcoInvent 3.9.1 database were used. Emissions linked to upstream logistics were calculated for 70% of the value of purchases, taking into account the average distance from the issuing country for road transport, and the average distance between major shipping hubs for maritime transport, and extrapolated for the remaining 30%. Emissions linked to downstream logistics were estimated on the basis of upstream emissions and the results of the previous assessment, and will be calculated in greater detail.	Emissions linked to end of life products were not calculated. When calculating GHG emissions in 2019, this category represented 1% of Pandrol's total emissions.

Pandrol (suite)		For the product use phase, product emissions, usage profile, service life and fuel consumption of each EQC product category (equipment & control) were estimated; those of the electrification product line, part of which was sold in 2024, were not estimated. In total, 20% of 2024 emissions were estimated based on 2023 results prorated with activity data (turnover, expenses, number of employees).	
Frauscher		For equipment purchases, about three quarters of emissions were estimated from physical data (weight), and the rest with monetary ratios. For the product use phase, direct emissions were estimated by assessing the electricity consumption, use profile/intensity and lifespan of each product category, depending on the country of destination. Some minor categories (4% of total emissions in 2024), were estimated based on 2023 results prorated with activity data (turnover, tonnages).	
Conductix-Wampfler		Scope 3 data was mainly extracted from management systems (SAP, etc.) and integrated into calculation and reporting software. Emissions were calculated for 88% of expenditure based on physical data. For the purchases of metals (steel, aluminium, copper), plastics and electrical and electronic equipment, the emission factors from the Empreintes database or EcoInvent 3.10 cutoff were used, supplemented by supplier data and life cycle analyses. For the product use phase, consumption was estimated by assessing the electricity consumption, use profile/intensity and lifespan of each product category. The overall uncertainty calculated by the reporting software is 8%.	

DCX Chrome		For the purchase of aluminium, several emission factors reported by suppliers were used, either directly or to make an estimate for suppliers without information. For the other specific raw materials, the EcoInvent 3.9.1 database was used, supplemented by a life cycle analysis result for chromium oxide.	The use of chromium marketed by DCX is generally unknown, and probably does not directly generate GHG emissions in its use phase, which DCX has no way of influencing. Consequently, no usage-related emission data was reported. However, some common applications of chromium such as the aviation industry would generate significant emissions by taking into account the transport of the weight of chromium on board aircraft during their lifetime, while at the same time reducing the fuel consumption of the aircraft.
Lenoir-MEC	The scope 3 emissions of the entity MEC (20% of Lenoir-MEC's total turnover and 0.2% of Group turnover) were not calculated.	The majority of emissions from equipment purchases were estimated based on 5 emission factors/monetary ratios from the Empreinte database. For the product use phase, emissions were estimated by assessing the direct electricity consumption, use profile/intensity and lifespan of each product category, by country of destination. Some minor categories (4% of total emissions in 2023), were estimated based on 2023 results prorated with activity data (turnover, tonnages).	

APPENDIX 5 - Auditor's opinion

Report of the Statutory Auditor, appointed as independent third party, on the verification of the consolidated non-financial statement

Year ended December 31th 2024

To the annual general meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "Entity") appointed as independent third party, and accredited by the Cofrac (A*ccréditation Cofrac Validation /Vérification, n°3-1884 révi2*, scope available at www.cofrac.fr), we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended Month 31th, 2024 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Conclusion

Based on the procedures we performed as described under the "Nature and scope of procedures" paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comment

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

- **Results of these policies including key performance indicators:** We draw your attention to the information specified in section S1-14 of the consolidated non-financial statement regarding the working hours used in the calculations of safety indicators. Some subsidiaries only report operational hours data and not theoretical hours as indicated in the Group procedure.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or of a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters.

Inherent limitations in preparing the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- 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 considering those risks and the outcomes of said policies, including key performance indicators,
- preparing the Statement by applying the entity's "Guidelines" as referred above, and
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

Responsibility of the Statutory Auditor, appointed as independent third party

Based on 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 historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

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

It is not our responsibility to report on:

- the entity's compliance with other applicable legal and regulatory,
- the compliance of products and services with applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagements, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, "*Intervention*

du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière"[1], pplemented, where applicable, with our own procedures[2], acting as the verification program, and with the international standard ISAE 3000 (revised)[3].

Independence and quality control

Our independence is defined by the provisions of Article L. 821-28 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of 4 people between February 2025 and March 2025 and took a total of 2 weeks.
We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted a dozen of interviews with 7 people responsible for preparing the Statement, representing in particular the Environmental, Social & Governance (ESG), human resources, health and safety, environmental departments, as well as Pandro USA LP and Intercaste&Forge Pty Ltd subsidiaries.

(1) Avis Technique - Intervention du CAC - Intervention de l'OTI - Déclaration de performance extra-financière – Actualisation décembre 2024
(2) The procedures of KPMG France's ESG Center of Excellence relating to the verification of Extra-Financial Performance Declarations as independent third party (2)
(3) ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise..

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding all the consolidated entities' activities and the description of the main related risks,
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- 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 as well as information regarding compliance with human rights, anti-corruption and tax avoidance legislation, 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 provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks,
- We verified that the Statement presents the business model, and a description of main risks associated with the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks,

▪ We referred to documentary sources and conducted interviews to:
- assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the Appendices. For all risks, our work was carried out on the consolidating entity and on a selection of entities],

▪ We verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code,

▪ We obtained an understanding of internal control and risk management procedures the entity implemented, and assessed the data collection process aimed at ensuring the completeness and fairness of the Information,

▪ For the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in the Appendices, 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 definitions and procedures and reconcile the data with supporting documents. This work was carried out at the entity's headquarters and covers between 19% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests,

▪ We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.de leurs évolutions ;

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*), a higher level of assurance would have required us to carry out more extensive procedures.

Paris la Défense, 10 avril 2025

KPMG S.A.

Géraldine LEBRUN
Partner

Isabelle Lhoste
Partner, ESG Expert

APPENDIX 1

Qualitative information (actions and results) considered most important	Assurance level
Lost time accident frequency rate	Moderate
Accident severity rate	Moderate
Number of employees	Moderate
Number of employees by gender	Moderate
Percentage of women employed in our companies	Moderate
Number of permanent employees by gender	Moderate
Number of employees by age category	Moderate
Water consumption	Moderate
Total energy consumption	Moderate
Consumption of electricity or heat of undetermined or mixed origin	Moderate
Natural gas consumption	Moderate
Waste generated by internal operations	Moderate
Total GHG emissions (location-based) (tCO2eq)	Moderate
Number of active patents	Moderate
Number of employees trained on anti-coruption topics via the code of ethics	Moderate
Employee engagement rate	Moderate
Number of employees having participated in the WEshare survey	Moderate
Number and percentage of women (headcount) at senior management level	Moderate

APPENDIX 2

Procedures Manual – ESG Centre of Excellence Part II – NFRD Procedure – Simplified Version January 2025 – Version 3**

This document is a simplified version of the Procedures Manual of KPMG's ESG Centre of Excellence (Part II). The purpose of this NFRD (Non-Financial Reporting Directive) procedure is to describe the methodological approach adopted for verification engagements of non-financial performance statements (NFRD reports).

The verification program applicable to these NFRD verification engagements consists of the technical opinion issued by the *Compagnie Nationale des Commissaires aux Comptes* (CNCC) relating to this engagement ("Technical Opinion – Non-Financial Performance Statement: Statutory Auditor's Engagement – OTI Engagement"), supplemented by KPMG's internal procedures (Procedures Manual, Parts I, II, and III), in particular the NFRD procedure (Part II), of which this document is a summary.

This simplified version is available, upon request (by mail or email), to any stakeholder from the ESG Centre of Excellence at the headquarters of KPMG ADVISORY.

1. Specific Competency Criteria for the Verification Team and the Organisation

Auditors involved in NFRD verification engagements must meet the following competency criteria:

- Knowledge of the regulations applicable to the NFRD and its verification;
- Familiarity with KPMG's verification methods for non-financial data and NFRD reports, including:
  - analysis of reporting procedures,
  - analysis of risks related to non-financial reporting,
  - development of a sampling plan,
  - evaluation of data and information systems components (tools, controls, etc.),
  - assessment of the materiality of inaccuracies,
  - review of NFRD compliance,
  - review of the treatment of mandatory NFRD topics, etc.

References:

- CNCC Technical Opinion NFRD Version 13, December 2024: [Documentation | CNCC]
- Procedures Manual includes:
  - Part I: General procedure, Version 14, September 2024
  - Part II: NFRD procedure, Version 13, September 2024
  - Part III: SAM procedure, Version 4, September 2024
- Ordinance No. 2017-1180 of 19 July 2017 regarding the disclosure of non-financial information by certain large companies and groups;
- Decree No. 2017-1265 of 9 August 2017 for the implementation of Ordinance No. 2017-1180;
- Order of 14 September 2018 amending the Order of 13 May 2013 setting out the procedures for third-party verification;
- Taxonomy Regulation;
- Relevant articles of the French Commercial Code governing NFRD verification;
- ISO 17029 standard;
- Ordinance No. 2023-1142 transposing the CSRD directive into French law, repealing the previous NFRD regulatory framework.

Auditors must also possess:

- Analytical skills: consolidation reviews, consistency checks, analytical reviews, etc.;
- General CSR knowledge: national and international reference frameworks (e.g., CSRD, ISO 26000, Sustainable Development Goals) and specific ones (e.g., Paris Agreement, SBTi, CSDDD).

Auditors must complete a qualification process, including training on non-financial information verification and specific NFRD verification requirements, a supervised period under an experienced verifier, and an observation period, after which their ability to perform verifications independently is assessed. This qualification is periodically renewed through a monitoring process, requiring a competency assessment at least every four years.

2. Evidence Collection Activities in the Context of Verification

The verification process follows these steps:

1. Pre-engagement
2. Engagement
3. Planning
4. Execution of verification
5. Review
6. Issuance of the verification statement

Evidence collection activities primarily take place during the following phases, as described below.

Site-level Data Review

Work at the site level includes interviews with key data contributors, document-based data review, potentially an on-site visit, and an oral debrief of our findings. A work program may be sent to the site in advance to specify the scope of the verification work.

Our verification work involves reviewing:
- the reporting organization, roles and responsibilities, and tools used,
- the correct application of entity definitions,
- internal control systems for the data,
- explanations for data variations compared to the previous year,
- arithmetic verification of indicator calculations,
- relevance and reliability of any alternative estimation methods,
- supporting documents on a sampling basis.

The sampling strategy is defined based on the assessed risk level at Group and site levels and the desired assurance level (moderate or reasonable). If errors are detected in the initial sample, tests may be extended to a second sample. During interviews, we may request copies of certain documents.

Following our work, we provide the client with a summary of our findings, such as a report. Any anomalies, limitations, or uncertainties identified are monitored to assess their impact on the reliability of the published data.

Data Consolidation Review

When NFRD data are consolidated, this work aims to understand the setup for non-financial data consolidation and the controls performed over the indicators. Specifically, the following tasks are carried out:
- Review of data consistency from sites (year-over-year changes, ratio analyses, etc.),
- Review of scope changes,
- Cross-checking of audited site data.

Questions identified during the data review may be shared with the Group through a “Q&A” file.

Qualitative Information Review

The consistency of qualitative assertions deemed material by the verification team is reviewed based on supporting documentation or interviews with the responsible personnel.

3. Decision and Reasoned Opinion

The OTI (independent third party) report includes a reasoned opinion providing moderate assurance regarding the compliance of the NFRD report with the provisions of Article R. 225-105 of the French Commercial Code and the accuracy of the information provided under points 3° of I and II of the same article.

OTI opinions are drafted based on templates established by the CNCC in the NFRD technical opinion and are reviewed with each update of this opinion. They include the key information required by ISO 17029 (in particular, section 9.7 "Issuance of the validation/verification statement") and other standard disclosures. The OTI opinion may include an unqualified conclusion, a qualified conclusion, an adverse conclusion, or a disclaimer of conclusion. Should the verification result in a conclusion other than an unqualified opinion, or should the organisation be unable to issue an OTI report, the Group is informed as early as possible.

The file is submitted to the signing partner(s) for review prior to signature of the OTI statement. During the review, the partner(s) ensure that the conclusion is appropriate in view of the audit objectives and substantiates the opinion expressed by KPMG.

The OTI may conduct additional work and investigations if facts are discovered after the issuance of the opinion, provided these facts could potentially affect the validity of our conclusions.