

COP 2021

Report on
Sustainable Development



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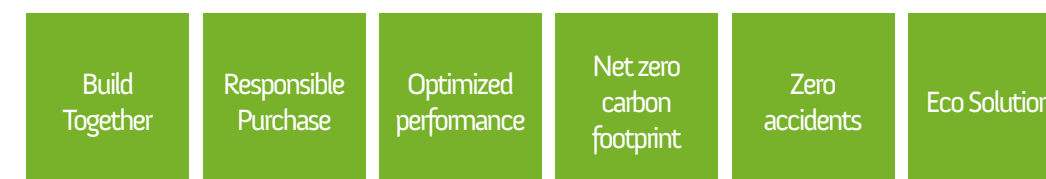
A Word from the Chairman

2021 was a growth year for the Lebronze alloys Group, with activities returning to levels similar to before the COVID crisis, resulting from the determination of the teams who were able to maintain a dynamic of progress by relying on the Group's extraordinary resilience.

Driven by macro-trends that favoured the use of Copper and Nickel as key metals to meet the challenges of energy transition and of global societal changes, our growth is part of a sustainable-performance prospect. Thus, to respond in an increasingly responsible fashion to the needs of our customers, we will strengthen our "BRONZE" Sustainable-Development Policy, which opens the way for a new era for Lebronze alloys.

Since "behind every crisis lies an opportunity", we have used the last 24 months to carry out structuring actions on which we will be able to continue to build the future. Our objective and our *raison d'être*, enshrined in our statutes, is to "consolidate and amplify the preparation and recycling know-how for mostly Copper- and Nickel-based alloys to meet the technical and environmental challenges of user industries in a responsible fashion".

Within LBA, "responding in a responsible fashion" translates into the implementation of a "BRONZE" Sustainable-Development Policy based on 6 key pillars:



We have chosen to dedicate a pillar specifically to decarbonation with the implementation of the "CAP 30" plan, the objective of which is to reduce our carbon impact by 30% by 2030 by devoting 30% of our CAPEX to projects designed to meet this objective.

LBA also confirms its support for the 10 principles of the United Nations' Global Compact which concerns human rights, fundamental labour rights, environmental protection, and the fight against corruption, and meets 10 Sustainable-Development Goals. We are committed to continuing to promote these principles in our sphere of influence and are committed to making them an integral part of our Company's strategy, business culture and practices.

Michel Dumont,
Chairman, LBA SAS



About Lebronze alloys SAS (LBA)

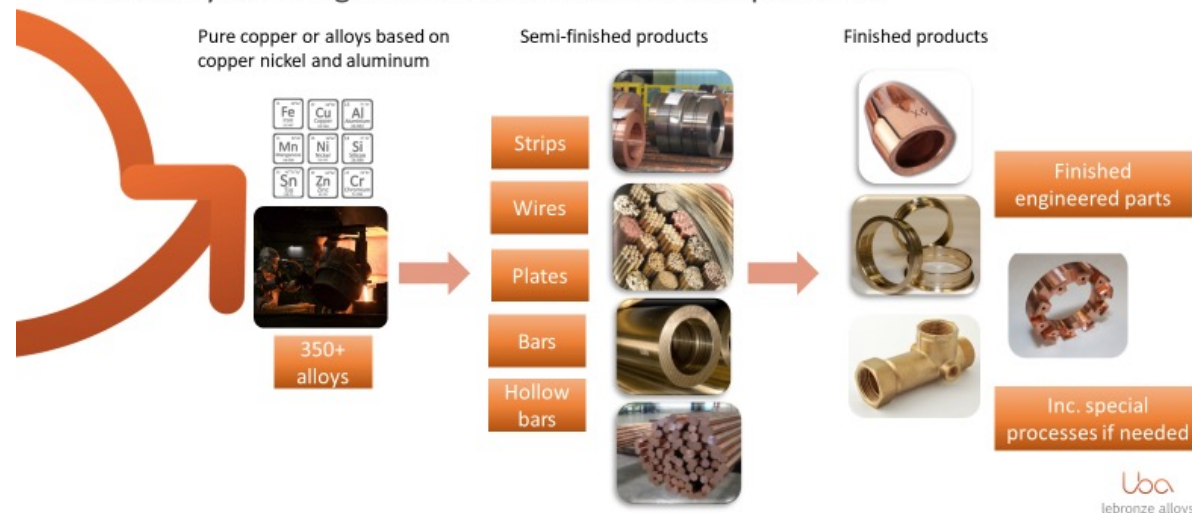
1 / FIELD OF ACTIVITY

Lebronze alloys SAS is a world leader in the processing and recycling of high-performance copper and nickel alloys.

As an integrated producer, we offer a wide range of alloys, shapes and metallurgical properties that are used in high-added-value niche applications to support our industrial customers in solving the challenges of tomorrow, such

as the energy transition, circular economy, sustainable development, miniaturization, the longevity of systems in harsh environments, or the improvement of human health.

From alloy smelting to finished and customized products



2 / KEY FIGURES

Some figures for the year 2021

850
employees

€207M
in turnover



8 industrial sites
in France, Germany, Poland, and China

€18M
in investments

600
active customers

100%
of our sites are ISO 9001-certified

2 service centres
in Hong Kong and the United Kingdom

3 / OUR SITES

Following the Rebound plan implemented during the COVID crisis, we were able to simplify the organization and refocus the sites along major business lines. This new industrial structure is part of an approach seeking to decrease our emissions, since we were able to reduce flows between sites and optimize the energy performance of our machine base.

Our 2 service centres in the UK and ASIA, complemented by a network of partner distributors, allow us to have a more relevant local-distribution strategy, ensuring a neighbourhood service and greater responsiveness to their needs.

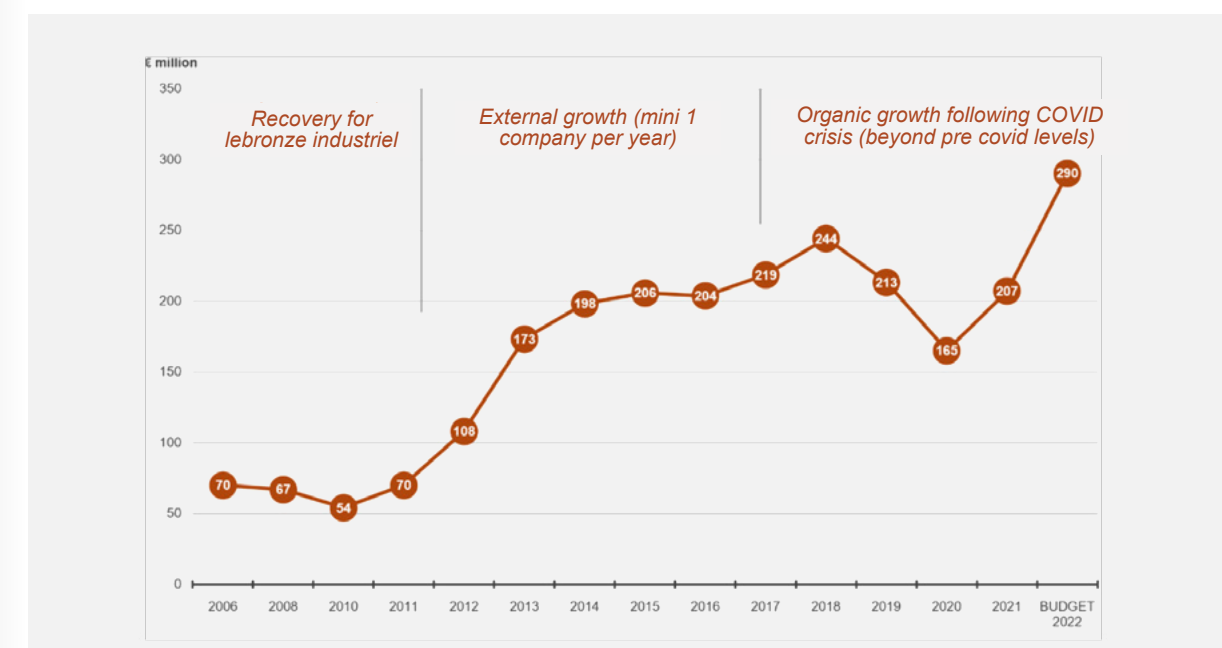
FOUNDRIES		PARTS & FINISHES		SERVICE CENTRES	
Suippes	Bars and profiles > 20 mm	Breteuil	Small forge and machining	Aldridge	UK Service Centre
	Coils/electrodes			Hong-Kong	Asia Service Centre
	Upcycling (transfer, relaunch in mid-2021)	Rydzyna	Low-cost machining		
Bornel	Flat products (< 20 mm)	Custines	Large forge		
	Bars, wires and specialty profiles	Taverny	Shape foundry		
Lüdenscheid	Wires, bars, profiles < 20 mm (new: 10 to 20 mm)	Dongguan	Finishing lamination		
			Forging, low cost machining		

4 / A UNIQUE GROWTH STRATEGY

In 10 years, the Group tripled its turnover while maintaining its competence in the territories thanks to an organic growth strategy driven by innovations but also by external growth.

These various acquisitions have allowed the consolidation of metallurgical know-how by

keeping the competence in the territories, but also by developing it thanks to the sharing of experience born from this regrouping of companies, thus giving full meaning to the Group's motto: "There is no substitute for experience".



LBA's sustainable-development policy

To ensure the Company's sustainable development, it is essential that the right balance between economic performance, social impact and environmental impact be found.

This balance within the Group is structured around 6 **"BRONZE" pillars**. Each pillar is divided into actions and KPIs that allow the Group to pursue continuous progress, the aim being to have a positive impact on its ecosystem

over the long term.

The Impact Committee, made up of members of the Executive Committee, guarantees that the actions implemented are part of the 10 objectives of the Global Compact and the Sustainable-Development Goals selected by the Group.

1 / 6 "BRONZE" PILLARS AT THE HEART OF OUR SUSTAINABLE-DEVELOPMENT POLICY



Build Together:

This pillar brings together social actions that have a positive impact on gender, sex and age equality, as well as projects that allow our teams to enjoy a betterment of working conditions.

Responsible Purchase:

Purchasing represents 2/3 of the Group's turnover, so it is essential that we develop a responsible-purchasing policy and strengthen our requirements regarding our suppliers.

Optimized Performance:

The Company's economic, industrial and environmental performance is formative, to meet the expectations of our relevant stakeholders.

Net Zero Carbon footprint:

Considering the stakes involved in decarbonation, we have decided to make it a specific pillar and to build a path that meets the requirements of the Climate Law and the Paris Agreement.

Zero Accidents:

Our transformation processes require constant vigilance. We take measures to anticipate and reduce the risk of accidents as far as possible.

Eco-Solution:

The products manufactured by LBA are used for dozens of positive-impact applications and have the distinctive feature of being recyclable. By working along with our customers, but also by offering the market innovations, we contribute to the implementation of a more sustainable approach by improving the life cycle of products.

2 / THE SUSTAINABLE-DEVELOPMENT GOALS CHOSEN BY LBA

Adopted in 2015 by 193 countries at the United Nations as a result of the Millennium Development Goals, the Sustainable-Development Goals (SDGs) seek to eradicate poverty, protect the planet, ensure prosperity for all and enable women, children and men around the world to live in dignity by 2030.

LBA, like every company, can help achieve these SDGs by actively participating in the Global Compact and ensuring coherence between its sustainable-development policy and the targets set out in the SDGs.

As a metallurgical industry, we consider that we can contribute positively to **10 of the 17 existing SDGs**, with a more significant impact on 4 of them:

- Decent work and economic growth
- Industry, innovation and infrastructure
- Responsible consumption and production
- Climate action



3 / A SUSTAINABLE-DEVELOPMENT STRATEGY SUPPORTED BY GOVERNANCE

To ensure the definition of the sustainable-development strategy as well as its proper consideration by all Group departments and sites, LBA has set up a specific governance embodied by the IMPACT COMMITTEE.

The IMPACT Committee includes:



The Chairman
Michel Dumont



The General Manager
Alexandra Dumont Nubery



The Strategy Director and Chairman of the Strategic Committee
Didier Pitot



The Finance and CSR Director
Alban Didier



The Group's CSR Manager
Alice de Jouffroy



The Group's R&D Director
François Primaux



The Chief Executive Officer of the Group's Holding Company
Carole Dumont

The objectives of this Committee are to:

- Define and structure the Group's sustainable-development policy
- Understand the evolving requirements of relevant stakeholders and build a path to meet them
- Analyse achieved progress, define objectives to be achieved, and take corrective action should targets not be met
- Validate key decisions for the provision of resources (human or financial) to help reach the objectives.

This Committee meets once every 2 months.

The major decisions taken by this IMPACT Committee are then presented to the CSR Committee.

The CSR Committee, which meets every 15 days, is an operational committee the objective of which is to deploy the BRONZE strategy within all departments and achieve the objectives set by the IMPACT Committee.

It includes Business Unit managers, the sites' Health, Safety and Environment managers, and those people in charge of CSR.

4 / SHARE AND VALUE OUR PROGRESS

As part of a sustainable-development approach, we are aware of the importance of having our efforts recognized through various certifying organizations, but also of being able to share our feedback with other manufacturers.

To this end, LBA has chosen 2 key measures:

- A scoring measure: we submit our sustainable-development policy to EcoVadis's validation once every 3 years, to measure the progress made
- Being an active member of Bpifrance's Coq Vert community to discuss environmental issues

ECOVADIS rating

Since it was established in 2007, EcoVadis has become the largest and most trusted sustainable-development and corporate-social-responsibility (CSR) rating body, creating a global network of over 90,000 evaluated companies.

EcoVadis' Evaluation Method is based on seven founding principles:

- Evaluation carried out by CSR experts
- Adaptation of the questionnaire to the company's business sector, country and size
- Diversification of sources to ensure the reliability of ratings
- Use of technology to ensure a quick, secure, and confidential process
- Traceability and transparency of documents provided
- Evidence-based analysis
- Excellence through continuous improvement

In 2019, the Group obtained a score of 39 and a Bronze status for its first EcoVadis evaluation. We are aiming for Silver status for the evaluation of our 2021 performance, which will occur in 2022.



LBA, member of the #CoqVert Community

The LBA Group was admitted to the #CoqVert Community launched by Bpifrance, in partnership with ADEME and the Ministry of Ecological Transition.

The Coq Vert Community represents:

- Over 1,000 entrepreneurs committed to #climate
- VSEs, SMEs, mid-caps located throughout the territory
- A network that promotes collective emulation and the sharing of expertise.

This membership will strengthen our ability to federate around our decarbonation evolution by co-leading workshops with BPI Grand Est and by testifying to the decarbonation evolution achieved by LBA.



BUILD TOGETHER

The Group's "human resources" policies are part of its wish to develop the skills of its employees while respecting all individuals, regardless of their origins and beliefs.

Operationally for the Group, this pillar is divided into 4 major actions:

- 1• Fighting against discrimination
- 2• Maintaining/enhancing industrial know-how and employability
- 3• Sharing profits with all employees
- 4• Fostering internal innovation and intrapreneurial spirit

1 / FIGHTING AGAINST DISCRIMINATION

Lebronze alloys SAS is committed to complying with applicable conventions and regulations, and strives to abide by the Universal Declaration of Human Rights. Concerned with equal opportunities, the Company considers cultural and ethnic diversity to be an asset and effectively rejects any consideration of nationality, gender or religious beliefs.

Currently, 16 different nationalities are represented in our French sites, to say nothing of our foreign subsidiaries (China, England, Germany, Poland, and United States).

Our job offers also seek to reveal no distinctive signs of sex, race or religion. Only experiences and skills are taken into consideration during the analysis and choice related to recruitment and in career development.

Regarding gender equality:

The representation of female staff at the beginning of 2022 stands at 19% for all Company employees, and at 27% for the executive and managerial populations.

It should be noted that **the hiring rate of female staff for these same executive and managerial populations has risen to 40% over the last 3 years**. Many business sectors have been involved, such as trade, purchasing, QHSE, R&D, engineering departments...

Professional Equality Index 2021:

This index is based on 5 indicators:

- The gender pay gap
- The distribution gap of individual raises
- The gap in promotion distribution
- The number of employees given a raise upon their return from maternity leave
- The number of people of the under-represented sex among the 10 highest salaries.

With a **score of 85/100**, the Company achieved an index exceeding the expected standard (75) and an improvement over 2020 figures.

This index applies only to operations in France.

Agreement on Professional Equality:

The Company has renegotiated an **Agreement on Professional Equality signed in September 2021 with a 3-year term**; it is monitored by a commission consisting of 2 representatives per signatory trade union and 2 representatives of Management. This commission meets once a year.

This agreement also provides for measures to balance professional activity and family life, to:

- Provide employees on maternity or adoption leave with the same general raises as employees
- Compensate paternity leave above the statutory rate in order to promote the presence of young fathers at home when a child arrives

- Avoid meetings taking place outside of "normal" working hours
- Expand access to teleworking and reduce home/work commute times – A "home office" charter has been introduced allowing employees to work at home 1 or 2 days per week. A hundred positions are affected by this measure.

Another Company agreement allows and facilitates the donation of employees' days off for the benefit of colleagues whose children are sick and of caregivers.

Integration of people with disabilities:

The Company adapts workstations in order to keep employees with disabilities employed. At the beginning of 2022, **the workforce included 46 FTE employees (8.5%) recognized as disabled workers**. Lebronze alloys SAS is in fact exempt

from the tax on disabled employees.

Furthermore, some sites indirectly employ disabled employees through their Work Assistance Centres (supplies, maintenance of green spaces, packaging...).

Trade union representation serving to reduce inequalities and improve working conditions:

Lebronze Alloys SAS has a Central Social and Economic Committee consisting of 8 members, 8 substitutes and 3 trade union representatives.

3 independent unions represent the Company's employees: the FO, CGT, and UNSA.

The 3 local Social and Economic Committees, which meet monthly, bring together the responsibilities regarding social monitoring, security, and improvement of working conditions.

2 / MAINTAINING/ENHANCING INDUSTRIAL KNOW-HOW AND EMPLOYABILITY

Placing people at the heart of our industrial know-how:

On average, **the Company devotes over 2% (1% being the mandatory minimum) of its payroll to external or internal training**.

Our goal is to guarantee that everyone should acquire and develop their skills to execute their tasks in optimal way, thus ensuring the quality of our products while guaranteeing the employability of our employees.

As part of the 6-year reviews set up in 2021, it appears that all employees have benefited from training, focusing mainly on adapting to changes in employment and to skills development.

Forward-looking staff management and the anticipation of departures are essential factors for the sustainable development of the Company's activities, in view of the large number of "in-house" crafts. This is why our "Skills" process, a veritable stake, is particularly developed and monitored.

In recent years, LBA has also recruited a dozen young employees to double "single-skill" – and therefore at-risk – positions in expert professions, such as product managers, business developers, R&D profiles or metallurgists...

Internal promotions

In 2022, **nearly 10% of employees saw their "metallurgy collective agreement" grades increase**, including several transitions to executive status.

Generally, the Group fosters internal promotions in the event of a vacant position and only recruits externally when it proves impossible to find an internal application to support for a position.



Youth policy

For the past decade, the Company has pursued an active policy to welcome young people into its files (from BAC to BAC+5 levels) in many trade lines. In France, **over 50% of our apprentices have been hired by the Company**, many of whom hold managerial positions in operations, quality or maintenance.

CIFRE agreements are also signed regularly when hiring young doctoral students. The Company also welcomes between 25 and 30 interns per year from a wide range of schools and trades.

Close partnerships have been established with Schools or Universities (Lycée Marie Curie in Nogent-sur-Oise, UTC in Compiègne, LP J. Talon and Ozanam in Châlons-en-Champagne, École nationale d'ingénieurs in Metz...) situated in those regions where our industrial sites are located. These allow the Company to host a steady flow of students, while also developing training programs for sectors specific to our professions.

Many young people or people finding it difficult to enter the job market, often with but a modest level of training, are also hired and trained in our "in-house" trades in the production workshops (foundry, forge, machining ...). Thus, a total of 20 to 25 young people should receive permanent contracts for the year 2022 at our industrial sites. This also promotes the continuity of know-how in the face of departing employees, particularly due to retirement.

Maintaining the employability of employees

In addition to traditional training (language, management, project management, negotiations, IT tools...), the culture of *compagnonnage* is part of the genetic makeup of workshop staff.

"Multi-skill" grids exist in each workshop; this permits monitoring the evolution of skills and training courses taken or to be taken by each employee as soon as he enters the Company and throughout his career.

The role of tutors is crucial in this process; it is promoted by the gradual introduction of so-called *compagnonnage* (apprenticeship) bonuses and participation in examination boards.

More generally, and every year, **all employees**

(excluding long-term absentees) benefit not only from an individual interview taking stock of the past year and setting the objectives for the coming one, but also from a professional interview.

The latter focuses on a reflection on the conceivable evolution for each person over the next 3-5 years, and makes it possible to identify the actions or training required to support the employees' desires for evolution.

Protecting the health of our employees

All Company employees enjoy with a good level of Supplementary Health insurance and Provident Insurance coverage.

The role of Occupational Medicine supervision is an important one: many clinical or complementary examinations are carried out each year. These make it possible, notably, to trace occupational exposures.

Job studies are systematically carried out with occupational medicine and/or CAP EMPLOI to adapt them to staff suffering from medical restrictions.

In 2020 and 2021, various measures were implemented or renewed according to the needs and specificities of each population. For example:

- Seasonal influenza vaccination campaign every year
- Regular lung X-ray campaigns for specific sectors and availability to other employees on a voluntary basis
- Information workshops on public health topics (nutrition, alcohol...)
- Smoking cessation organization with Allen Carr
- MSD Pros approach in order to implement actions to improve working conditions from an ergonomic point of view
- Equipping all workers with custom-molded earplugs
- Enhanced protection for employees who work on workstations or operations exposed to dust and smoke, with the acquisition of 25 ventilated helmets
- Communication campaign related to the COVID-19 pandemic (vaccination

information with occupational medicine and/or nearby centres, synthesis of health protocols, implementation of health protocols specific to activities, ...)

- Monitoring of HSE authorizations and training in order to maintain or increase skills, but also to offer versatility at workstations
- Field audits in the form of an exchange with establishment employees to recall the safety instructions and to take into consideration the difficulties that may be encountered.

Each site has an occupational risk assessment

incorporating those related to the activities and the working environment such as fire, chemical or electromagnetic risks. This risk assessment, updated at least annually, makes it possible to generate actions to improve working conditions.

Finally, upon arrival at a site, each employee (all types of contract combined) has an HSE reception during which they are presented with the rules applicable to the site and/or the group, such as our QHSE policy.

3 / SHARING PROFITS WITH ALL EMPLOYEES

In 2018, Management and the shareholders voted a capital increase so as to open it to all our employees; this led to the issue of 1% of new shares, i.e. 25,816 shares at unit price.

To facilitate the purchase of shares by employees, the Company has supplemented their voluntary payment, under the declining-balance method, favouring the more modest subscriptions with a contribution ranging from 1.25 to 3 times the personal contribution.

At the end of 2021, 180 people were therefore both employees and shareholders, i.e. over 33% of our workforce in France.

Furthermore, several other mechanisms for sharing profits are put in place as part of the HR policy to financially reward teams when the results are in line with budgets: variable remuneration, chairman's bonus, productivity bonus, profit-sharing...

4 / FOSTERING INTERNAL INNOVATION AND INTRAPRENEURSHIP

With over 50 business projects launched in 2021 (investment projects, R&D projects, IT projects, ...), the Group has developed a methodology that promotes the spirit of initiative and the ability of teams to follow up on projects in an autonomous but structured manner, making the Company more efficient.

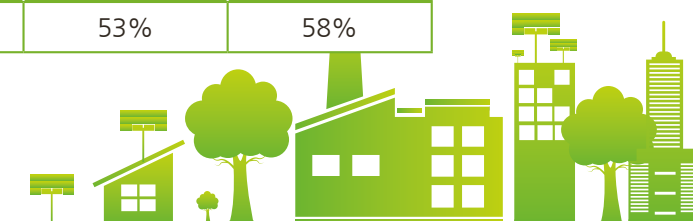
This methodology is based on a "PLR" (Project Launch Request) that seeks to structure the project very early through the development of specifications, a risk analysis, an assessment of financial issues, and which also takes into consideration the environmental risks and opportunities analysis.

Each year, over 50% of the workforce participates in the realization of at least 1 project. LBA considers that this ability to lead projects is a decisive asset

in its organic growth. Regular monitoring of time and costs spent is carried out through Capitalised Production.

Finally, internal innovation is also stimulated through meetings dedicated to taking initiatives and inter-site meetings such as the Foundry Club, the HSE Club, or the 30's Club (annual meetings for those under thirty).

% employees in France (excl. direct)	2019	2020	2021
Employees who participated in a project	57%	53%	58%



RESPONSIBLE PURCHASE

Purchases represent an average of 65% of turnover, amounting in 2021 to €97M in metal, €6.6M for energy, €6.5M in transport/taxes/packaging, and €26.5M for all other costs.

Working on a responsible-purchasing policy makes it possible to integrate environmental and societal criteria in addition to the more traditional requirements of price, quality and service.

Within the Group, the “responsible-purchase” policy translates into progress to be made along 5 lines:

- Integrating CSR as a selection criterion in our purchasing strategy
- Raising our suppliers’ awareness regarding compliance with environmental criteria
- Sensitizing our employees, and particularly the staff in charge of purchasing, to behave ethically in all circumstances
- Promoting the purchase of metals from the recycling sector
- Prioritizing local purchases to boost territories and reduce the carbon footprint

1 / INTEGRATING CSR INTO OUR PURCHASING STRATEGIES

The Purchasing Department is conscious of the need to consider social or environmental criteria at several stages of the purchasing process:

- When selecting the panel of suppliers who will be consulted: we deem important criteria such as geographical proximity, our suppliers obtaining ISO certifications, their CSR commitments, etc.
- When drawing up specifications, we value the impact of the purchase in terms of risk or opportunities in a sustainable vision (impact on energy savings, environmental risks, improvements in working conditions, safety...)
- Once offers have been received, the Total Cost of Ownership (TCO) analysis is incorporated as a differentiating criterion, as is the complete life cycle of a product
- Finally, in 2023, we will develop an approach allowing us to better integrate CSR during the life of the contract through supplier audits to ensure that commitments made are respected.

Furthermore, a “responsible-purchasing” training will be offered to our buyers in 2022, so that they are better trained and equipped to take these actions into consideration in their daily lives even if the consideration of these criteria is already integrated for PPE (personal protective

equipment), factory consumables or the CAPEX purchases.

For example, the PPE supplier “Groupe RG” promotes its eco-responsible approach by implementing a method of evaluating the products distributed that is based on 4 criteria:

- The existence of a CSR approach for the manufacturer
- Obtaining a label or partnership action for the benefit of a responsible/societal cause
- The place of the product’s manufacture
- The composition of recycled materials in the product

It is agreed that any new PPE purchase must meet at least 2 criteria out of these 4 if a choice between several suppliers is possible.

Another example of our responsible-purchasing strategy is the evolution of the automobile fleet following a decision to buy electric or hybrid cars as a priority, even if nominally, the initial purchase price is higher.

Finally, the product’s life cycle is also worked on for some of our consumables, such as packaging, to foster reusable packaging whenever possible.

2 / RAISING OUR SUPPLIERS’ AWARENESS

Lebronze alloys SAS has established a Responsible-Purchasing Charter that demonstrates its desire to continue with and strengthen the integration of social, environmental and economic issues in its activities and in its interactions with its suppliers, to improve performance.

The Charter is divided into 4 categories of requirements regarding our suppliers:

- Respect for human rights and working conditions
- Requirements on the environmental impact of their production, such as waste management
- Requirements on the product supplied to LBA,

including traceability

- Collaboration that meets ethical obligations and good business practices

In 2023, a training plan in responsible purchasing and in the CSR audit of suppliers is scheduled for all our buyers. A 3-year audit plan is thus defined to verify the consideration of and compliance with this Charter.

LBA is also a signatory to the “supplier relations and responsible purchasing” charter (SRRP) steered by the Corporate Ombudsman and the National Purchasing Council.

Charter  RESPONSIBLE SUPPLIER RELATIONSHIPS

The 10 commitments of the Charter:

The 10 commitments of the Supplier Relations and Responsible Purchasing Charter:

- Ensure a responsible financial relationship with suppliers
- Maintain a respectful relationship with all suppliers, conducive to the development of collaborative relationships
- Identify and manage situations of reciprocal dependencies with suppliers
- Involve signatory organizations in their sector
- Assess all costs and impact of the life cycle
- Integrate environmental and societal responsibility issues
- Ensure the territorial responsibility of its organization
- The professionalism and ethics of the Purchasing department
- A Purchasing department responsible for the overall management of the supplier relationship
- A “supplier relations” ombudsman department, responsible for streamlining the Company’s internal and external reports

3 / RAISING AWARENESS AMONG OUR EMPLOYEES

Business Ethics

We have established a **Code of Ethics and Conduct** that has been distributed to all employees since 2018. This Code, appended to the internal regulations, seeks to serve as a reference to guide employees and to combat corruption.

An Internal Alert system has been set up and communicated to employees with the Code of Ethics and Conduct.

All employees likely to be confronted with corruption receive e-learning or face-to-face training to prevent the risk of corruption within our Company, followed by an evaluation to ensure that each employee has understood its importance.

Thus, since 2019, 100% of people in France likely to face corruption risks are trained within one year of their integration. A specific follow-up will be established as of 2023 for international employees.

Delegation of authority

Each year, a control of banking powers and of delegations of authority and signing authorizations is carried out. An electronic signature has also been implemented in the Group ERP to ensure consistency between the amounts entered in the delegations and the purchasing capacity. This signature also makes it possible to trace electronically who recorded and signed the order.



4 / PROMOTING THE PURCHASE OF RECYCLED METALS

A characteristic of copper is that it can be recycled infinitely without loss of performance while keeping all its properties.

Buying alloys already composed resulting from recycling allows LBA to reduce its carbon footprint by:

- Avoiding a purchase of "primary" metals from mines, which consumes 80% more energy than a purchase of recycled metals according to the National Copper Institute.
- Avoiding the separation of the alloy into primary metals during recycling, which offers additional energy savings.
- Reducing melting temperature: an already compound alloy melts at a lower temperature compared to an alloy consisting of an assembly of primary metals.

To source and use copper or nickel alloys from recycling, LBA has developed a specific recycling know-how based on:

- Buyers specialized in the sourcing of recycled metals, who guarantee compliance with our requirements in terms of quality and traceability
- The Upcycling production workshop (Suippes), which controls, sorts, transforms and makes it

possible to make these supplies usable in our furnaces

- Foundry recipes regularly reviewed by technical departments to ensure perfect quality while introducing recycled metals as "standard" products

In 2021, a specific "UPCYCLING" workshop was built in Suippes 2 and financed by the French Recovery Plan. This investment allows:

- Recycling our secondary foundry materials in-house to convert them into a source of raw materials
- Increasing our capacity to source recycled metals internally or externally by performing a cold processing operation that allows these metals to be used directly in our foundries

In 2021, 6 machines were installed and 7 positions were created.

We are therefore targeting **75% of recycled-metal purchases since 2019, 80% by 2025, and 85% by 2030**, even if some customer applications require the use of primary metals, which can generate an evolution of the rate depending on the product mix.

% purchases recycled metals	2019	2020	2021
PRIMARY METALS	19%	21%	26%
RECYCLED METALS	81%	79%	74%

5 / BUYING LOCALLY

Our responsible-purchasing policy is also reflected in a desire to meet as much of our needs as possible through suppliers located near our factories to:

- Promote responsiveness
- Develop jobs in our territories
- Reduce the carbon footprint of transporting our supplies
- Be able to maintain relationships of trust

facilitated by a close relationship

However, considering certain purchasing specifications, it may happen that only foreign suppliers are able to meet our needs, particularly in terms of the supply of raw materials. Thus, if we withdraw the purchase of metals, we arrive at a very good score of over 90% of purchases made in France for the 3rd consecutive year for the supply of our French factories.

PURCHASES, FRENCH FACTORIES (excl. metals)	2019	2020	2021
France	92%	91%	93%
Germany, Belgium, Spain, Italy	3%	3%	2%
Rest of Europe	4%	5%	4%
Rest of the World	1%	0%	1%

OPTIMIZED PERFORMANCE

The performance of an Industrial Group can be viewed through multiple criteria. On a weekly, monthly or quarterly basis, we look at how the Group's performance is progressing on key criteria such as:

- Financial performance: EBITDA, Cash flow, Net income
- "Customer" performance: recordings, IRD, quality rates, follow-up on complaints...
- Industrial performance: productivity, OEE/OOR, space optimization...

- Environmental performance: electricity, gas and water consumption, management of our waste...

- The performance of our projects: respect of deadlines, budgets, initial goals...

In this sustainable-development report, we will focus 3 themes: financial performance, industrial performance, and environmental performance.

1 / FINANCIAL PERFORMANCE AT THE SERVICE OF SUSTAINABLE DEVELOPMENT

For years, we have developed a culture of sharing and transparency within the Group regarding its financial performance by explaining the concept of EBITDA to all employees.

This culture was born from the idea that financial performance is an essential prerequisite in view of the large amounts to be financed in investment or in need of working capital, and therefore requires a relationship of trust between the Group and its banking partners.

This transparency translates into advanced communication:

- A quarterly Financial Committee open to all our funders to analyse the financial performance and the end-of-year forward projection and to take stock of the initial Business Plan
- Quarterly training seminar: result of financial activity, end-of-year forward projection, viewing draft budget.
- Monthly declination at all our sites of the

activity's EBITDA and CASHFLOW performance

- Regular communication to employees on the Company's situation through various bodies: seminars, works council (CE and CSE), information note...

The budgetary objectives for the year are defined through a methodology specific to LBA that allows it to be highly reliable in its projections, with a voluntarily demanding growth dynamic always seeking progress and excellence.

Excluding the COVID crisis, EBITDA has always increased by over 10% per year since the Group was formed in 2011.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Bud 2022
Evol vs N-1 (%)	16%	28%	21%	41%	14%	20%	23%	-2%	-60%	135%	25%



2 / INDUSTRIAL PERFORMANCE

Investments at the service of industrial performance

By investing over 15 million euros per year for 10 years, the Group has continued to modernize its industrial park, offering greater security, more energy savings, and as well as more productivity.

Our industrial productivity is measured through the "Gross Margin/Hour of Direct Labour" indicator. In 2021, productivity increased by 6% compared to 2019, and we are looking for an improvement in excess of 10% for 2022 compared to 2021.

Beyond the strategic or pricing decisions that improve this ratio, this progress is also due to the involvement of team leaders who analyse the performance of their workshops on a daily basis, the various Lean management tools implemented in the workshops to move forward, and the department meetings that make it possible to raise points of difficulty.

Impact in our territories

The Rebound plan made it possible to consolidate activities at the remaining sites, which significantly reduced our emissions by stopping certain equipment but also by reducing inter-site transportation.

	2019	2020	2021	2022	2023
€/M2	€1,179	€1,005	€1,261	€2,212	€2,757
% evolution		-15%	25%	75%	25%

This refocusing also offers local administrations the opportunity to rethink the development of the territories of their municipality through the rehabilitation of liberated industrial sites.

Suippes' federation of municipalities considers that the cessation of industrial activity at the historic Suippes 1 site is an asset for the municipality, since it is carried out without any loss of commercial activity for the Group (transferred to Suippes 2) and it allows freeing up space. To this end, it is developing a project to redevelop the Suippes 1 factory to revitalize the city centre with the construction of housing, a coworking centre and a shopping centre. This is done in perfect coordination with the Group, which also has a stake in having attractive territories that better the employment pool.

To monitor the performance of our impact in the territories, we use the "CA/M2" KPI and seek a progress path of 5% per year by 2030, knowing that a strong increase is to be expected in 2022, 2023 and 2024, considering the refocusing carried out under the Rebound plan.

3 / IMPROVING THE ENVIRONMENTAL PERFORMANCE OF OUR SITES

As it is aware of the environmental constraints associated with its industrial activities, LBA is committed to preserving resources, reducing its impact on the environment, and promoting recycling.

This commitment to the environment leads us to take specific control and improvement measures, and Ecovadis granted us a score of 50/100 in this area (which is higher than the average company score in our sector) in 2019.

Certification of our sites

- All of our European sites are ISO 9001 certified
- 2 ISO 14001-certified sites (the head office in Suippes and the production site in Breteuil)
- 1 EN 9100-certified site
- 1 50001-certified site

For the first year, in 2018, we obtained a Group certification for French sites with a centralization of all support processes; we

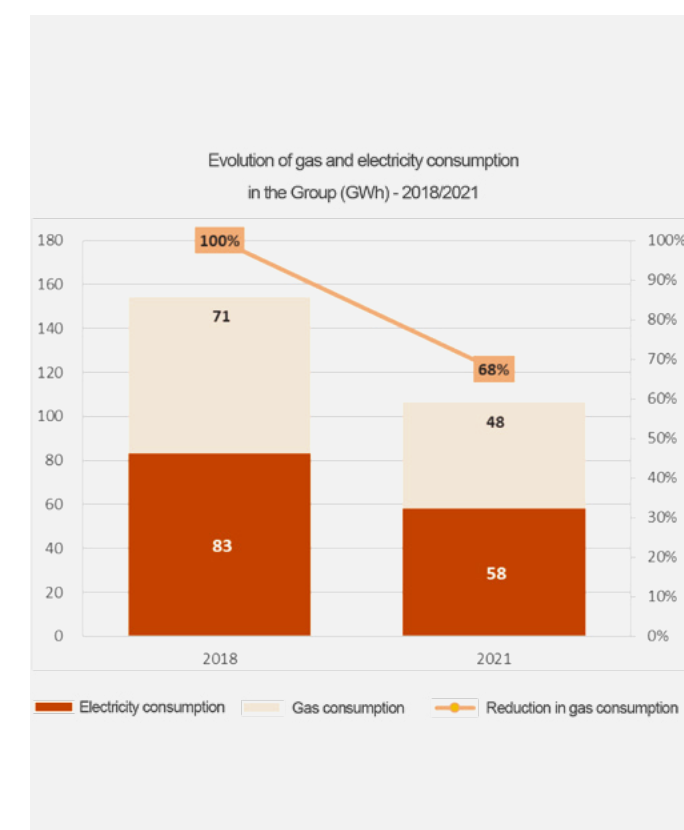
successfully renewed this certification in 2021.

To continue to structure our environmental approach through the ISO approach, we wish to qualify the Suippes 2 industrial site under ISO 14001 in 2024, taking into consideration that all production processes will now be grouped in the new premises following the closure of the historic Suippes 1 site.

Reducing energy consumption

Reducing energy consumption is a major focus of the Group's sustainable-development plan. Our energy consumption comes from 3 sources: electricity, natural gas, and propane.

As part of the Rebound plan, between 2018 and 2021, a first radical change was made on our consumption profile as we reduced our overall consumption by 35% in 4 years, with a particular effort being made regarding gas to foster our decarbonation.



In the second half of 2021, and to go even further in our reduction process, we launched an **Energy Audit along with a "Diag Eco-Flux"** conducted by the OID consulting company and subsidized by Bpifrance to continue to increase our turnover without increasing our volume of consumption.

Taking into consideration all the proposed avenues of progress, 3 key actions have been carried out:

- Create a **"NET ZERO CARBON FOOTPRINT"** pillar within our sustainable-development policy, dedicated specifically to reducing our emissions

- Structure a **"GROUP ENERGY AND DECARBONATION"** monitoring committee that meets twice a month to monitor consumption and the progress of actions
- Obtain help from specialized consultants to carry out the Group's scope 3 assessment, structure the 2030 decarbonation roadmap, and help us accelerate projects.

Thus, regular monitoring is carried out at the Executive Committee level at our production sites, to understand the evolution of consumption per Tonne and per Gross Margin Invoiced.

kWh/Kg invoiced	2019	2020	2021	Target 2022
Electricity	3.21	3.51	2.91	2.67
Gas	2.67	2.97	2.41	2.00

kWh/GM invoiced	2019	2020	2021	Target 2022
Electricity	0.62	0.68	0.60	0.47
Gas	0.51	0.57	0.50	0.35

Assumptions:

- **Electricity perimeter:** all Group sites that consumed energy over the period
- **Gas perimeter:** all Group sites that consumed energy over the period
- **Kg invoiced:** volume invoiced over the period
- **GM invoiced:** GM invoiced excluding material margin over the period

Reducing water consumption

Each industrial site monitors its water consumption (municipal and industrial water).

The foundry plants' water consumption represents over 95% of the water consumption of the Group's plants. **Our new foundries are systematically designed with a closed-loop cooling system, and we are converting the older sites to this system.**

With the commissioning of a physicochemical treatment plant for all industrial wastewater and the improvement of our manufacturing processes, we have been able to reduce our water consumption and therefore our impact on water resources.

We also have infrastructures that allow us to recycle wastewater, the guiding principle being the decentralization of industrial water treatment by process: each process is managed in a closed circuit on its industrial water consumption, so it does not pollute the neighbouring process. This makes it possible to

optimize the treatment of each process's circuit. Then, each process is purged according to the needs for treatment at the station (which is internal or external, depending on the site).

Measures are set up to process and reduce pollutants discharged into the water, the principle being to have the purge water available to be able to treat average flows, never maximum flows: this improves the environmental performance and reduces the risk of an incident related to sudden flow increases.

In 2018, the renovation of the pipes in our factories reduced our water consumption, despite an increase in production.

The indicator for monitoring the water consumption of smelters in France compared to the tonnage produced is:

	2019	2020	2021	Target 22
Groundwater consumption m3/Tonne produced	97.7	111.2	79.7	75



In 2020, consumption fell by over 140,000 m3 even as the indicator seemed to deteriorate due to low production.

The target for 2021, set at 70 m3/ton, was not achieved, but nevertheless, it shows **a strong improvement over 2019, with 18% progress.**

For 2022, we are targeting an indicator of 75 m3/tonne, which will be revised further downwards in 2023, taking advantage of the repatriation of the activities of Suippes 1 to Suippes 2 and the termination of activities of Suippes 1, with its

high water consumption.

The Bornel site in the Oise department is investing €150,000 for the creation of a 950 m3 firewater retention basin, associated with the installation of a sludge-and-oil remover at the basin's outlet, and the installation of a hydrocarbon analyser at the river discharge. If hydrocarbon is present, the discharge will automatically be closed and the discharges will be directed to the water retention basin for treatment.

Bolstering our waste sorting

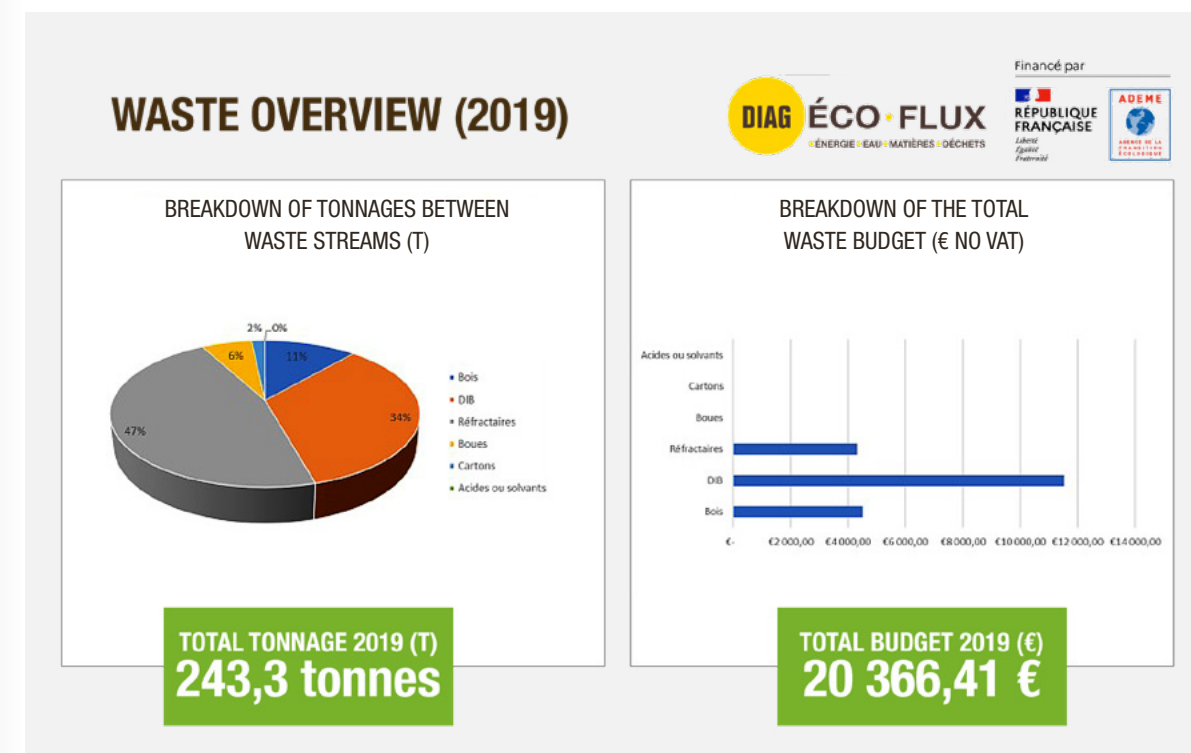
We have been sorting all of our industrial waste for many years. They are disposed of by approved treatment centres, where huge volumes are recycled. The investments we have made in new production processes and the source-reduction measures we have taken have enabled us to reduce the quantities of hazardous substances produced.

Each industrial site monitors and declares the production of its waste, as well as the corresponding approved treatment systems.

Since 2018, we have consolidated this information in a summary table showing the monitoring of the cost of waste treatment per site. The volume of waste recovered on French sites is also monitored.

In 2021, LBA – through the OID consulting firm – carried out a diagnosis of waste from French sites.

Example of the report from our Bornel site



Several areas for improvement have been identified:

- Use of reusable wipes at all sites
- Recycling of used PPE and clothing
- Moving a briquette compactor to another site

Examples of actions implemented concerning waste:

- Installation on the Breteuil site of a filtration system with closed water circuit to reduce tribofinishing water (hazardous waste). This process made it possible to drop from 237 T of treated water in 2020 to 44 T in 2021, an 84% decrease
- On the Bornel site; an oil-storage tank and a paper compactor were installed on site to limit transportation.

- At Group level, a new contract with METOSTOCK allows grouping wastes to optimize treatments,
- The use of Trackwaste (digital platform, developed by the Ministry of Ecological Transition) makes it possible to dematerialize the traceability of hazardous waste to simplify management and secure treatment.
- The use of washable gloves has reduced glove purchases by 40%.

Other waste-reduction projects are underway, such as the use of washable washcloths and absorbent mats.



Air quality monitoring

Lebronze alloys SAS monitors and complies with the legal values set for dust and greenhouse gas emissions. Thanks to significant investments, we have also been able to improve our smoke and dust collection and filtration facilities.

As part of the operating authorizations of each site, these emissions are subject to periodic reporting to the DREAL.

Investments were made between 2019 and 2021 to improve our filtration systems at our foundries and forges.

3 smelters submitted a review report to the authorities under the FDI Directive. They are now subject to Best Available Technologies (BAT), with significantly reduced release values (divided by 8). **These 3 smelters meet the new thresholds (releases of less than 1 mg/Nm³ for thresholds of 5 mg/Nm³).**

Taking biodiversity into consideration

The impact companies' activities have on biodiversity encompasses both the impacts related to infrastructure and company sites and those related to the life cycle of products (extraction, production, transport, use, end of life).

In 2023, with the help of an external firm, we will carry out an analysis throughout France to inventory and evaluate our direct and indirect impacts in terms of biodiversity (Fauna and Flora Diagnosis) and determine if actions can be launched.

The first actions have already been initiated, such as conservation grazing, which we have implemented at the Suippes site. Conservation grazing also reduces our carbon impact (no use of a heat engine for the maintenance of spaces, no green waste), results in noise reduction, and develops social ties with employees. The other actions already underway at the sites are carried out as part of regulatory compliance (example: strict controls so as not to discharge toxic products into our rivers).



NET ZERO CARBON FOOTPRINT

Decarbonizing our industry is no longer an option, it is a societal requirement that translates into strong expectations from all our relevant stakeholders (customers, employees,

shareholders...), but also opens up tremendous opportunities for progress and differentiation.

1 / OUR TARGET: CARBON NEUTRALITY BY 2030

The Group is structured to meet the objectives set out in the Paris Agreement and the 2021 Climate Law. We are even hoping to anticipate target deadlines by attaining carbon neutrality by 2030 rather than 2050, as part of an exemplary approach.

To do so, we must: measure, act on the most structuring actions by speeding certain projects up with the help of experts, and involve all our employees to give meaning and ensure that the conditions for success are implemented.

Furthermore, once a year, the consumption at our sites (scope 1) and the type of energy used (scope 2) are analysed in order to be transformed into a CO₂ balance for France and for the Group.

Scope1/2 Group	2019	2020	2021
TCO ₂ /T	1.11	1.21	0.99

Measuring, the better to target

In 2021, LBA carried out an energy audit of its French sites. With the assistance of the OI consulting firm, the audit was carried out in 3 main stages.

- 1• Launching of the measurement campaign with the installation of meters on energy-consuming installations
- 2• Recovery of measuring equipment
- 3• Presentation of the energy-audit report with all areas for improvement identified and a quantified value of the savings made.

Based on these findings, we decided to structure a daily monitoring of electricity and gas consumption at each site. To this end, we are preparing a system to measure Energy Performance Indicators (EPI) at all our sites, with remote meters read on each relevant equipment. This system will be finalized in October 2022.

In 2021, the Group generated a total of 19,885 T of CO₂ (scope 1 and 2), a saving of nearly 7,000 TCO₂ compared to our 2019 energy consumption, with a 10% decrease in the TCO₂/T ratio produced. The year 2020 having seen a sharp decrease in our production (-30%), our carbon emissions per tonne produced rose because part of our consumption is incompressible.

For information purposes, and as a point of comparison, according to ADEME's carbon footprint database, this figure is:

- 8 tCO₂e per tonne of aluminium produced (~41,500 km by car)
- 2.2 tCO₂e per tonne of steel produced (~11,400 km by car)



Taking action to move ahead

The DIAG EcoFlux also pointed out specific actions should be taken to reduce our consumption, as shown in the table below. All the points identified by OID have been included in a global action plan led by the “Energy and Decarbonation” Committee.

ENERGY: Recommendations					
Leads with with an IRP under 1 year					
LEAD	INVESTMENT	SUBSIDY	GAIN/YEAR	ENVIRONMENTAL IMPACT	ROI
Adapting the compressed air pressure	/	/	E - 2k€	-0.5 ton of CO2 eq/year	Immediate
Monitor electrical contracts	Man hours	/	/	/	/
Cut-off	AC	/	40k€ for the cut-off	/	Immediate
Reduction of electrical consumption	Man hours	/	E-35k€	-27 ton of CO2 per year	Immediate
Raise awareness about heating	500€	/	E-5k€	-3.8 ton of CO2 eq/Year	2 months
Recover heat from 55kW compressor	10k€ (air recovery)	7k€ (CEE)	3.6k€	-2.4 ton of CO2 eq/year	8 months
Leads with with an IRP over 1 year					
LEAD	INVESTMENT	SUBSIDY	GAIN/YEAR	ENVIRONMENTAL IMPACT	ROI
Leakages detection campaign	5k€ (air recovery)	/	E -4.2k€/an	-3.4 ton of CO2 eq	1.2 year

At the beginning of 2022, in a high-energy-inflation context and with the momentum of the completion of the Diag EcoFlux, the COMEX launched a Group project, “Energy and Decarbonation”, with 2 objectives: **to improve our energy efficiency and reduce our carbon footprint.**

This project is led by the sites’ technical departments and centralized at Group level to monitor KPIs, share best practices and pool investments between sites whenever possible.

An “Energy and Decarbonation” Committee bringing together members of the COMEX and the technical departments meets every 2 weeks, maintaining a strong dynamic on the subject. The Executive Committee also indicated its willingness to encourage energy-related investments, with **the objective that over the next 5 years, 30% of investments be dedicated to decarbonation.**

The technical departments have launched actions identified through the audit, among which we can mention **areas for improving our energy efficiency:**

- Improving our material yield
- Reducing our basic weekend electric consumption, particularly through the implementation of checklists
- Auditing compressed-air leaks and reducing compressed-air leaks (example: 101 air leaks detected in Bornel)
- Installing ceiling fans in some workshops
- Replacing engines
- Replacing current lighting by LED lighting

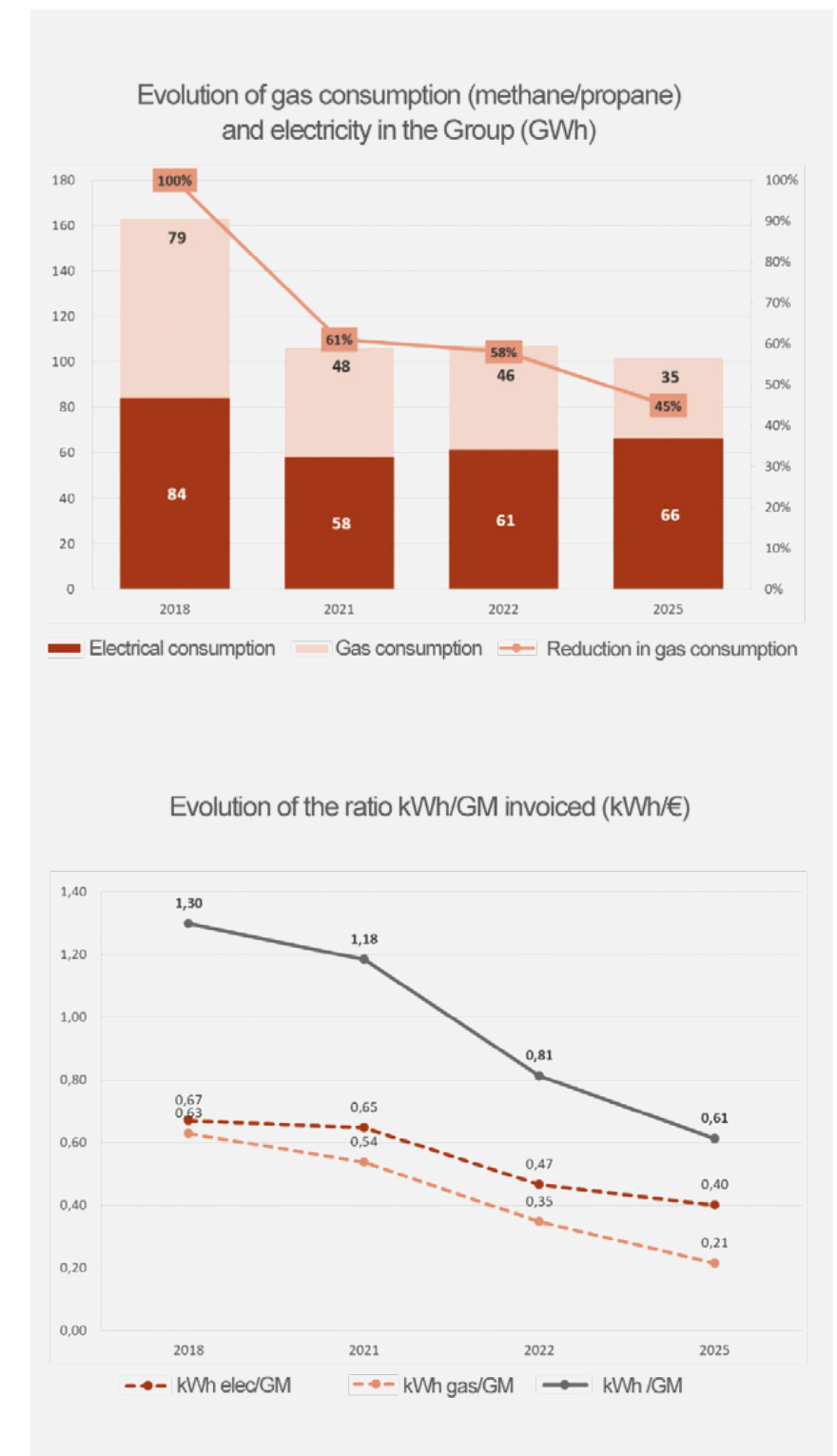
We are also studying the possibility of producing our own electricity at 2 of our main sites, through the installation of photovoltaic solar panels.

Furthermore, we are also identifying decarbonation courses of actions for our Group and our gas-consuming plants have set up action plans to reduce their consumption, either by electrifying certain processes or by improving the energy efficiency of gas processes.

These include the following examples, which are already being studied:

- Electrification of workshop heating
- Electrification of heat-treatment process
- Improvement of gas ovens’ energy efficiency (improvement of insulation, recovery of waste heat)
- Improved energy efficiency of burners
- Electrification of the Group’s automobile fleet (cars and handling equipment)
- Purchase of green electricity

All these actions integrated into our 2022-2027 Business Plan allow us to have **a strong expectation to reduce our energy consumption to the Gross Margin produced by 2025** and, at the same time, to reduce the proportion of consumed gas to contribute to carbon neutrality.



Surrounding oneself with experts to go faster

In the second half of 2022, we will conduct a full scope 1-to-3 carbon audit with the help of an expert company in this area. This will allow us to identify our strongest sources of emissions, establish a long-term strategic roadmap for the Group, and validate the **path to follow to reach carbon neutrality by 2030.**

The consultants will also provide support to certify our actions, be prime contractor on specific areas of progress, and guide us on the financing of all these projects.

2 / INVOLVING EMPLOYEES IN A CO2-REDUCTION APPROACH

Our employees work each day to implement our BRONZE policy and improve our KPIs through their way of working or the actions they carry out daily.

Involving employees to reduce commute-related emissions

The first lever is the possibility for all our employees to commute by electric cars to our sites and to have a free recharge, since 3 out of 5 French sites are equipped with charging stations in the car parks. Our target is to equip 100% of sites by late 2023.

For over 5 years, LBA has defined a company-car policy that favours electric or hybrid cars by awarding an additional premium for the purchase of a low-consumption car. In 2022, this measure will be reinforced by demanding the purchase of hydride or fully electric vehicles for any new acquisition, the goal being to replace its entire automobile fleet by 2030.

Another lever was the implementation in 2021 of a teleworking policy that allows up to 2 days of home office for certain populations, thus reducing commuting-related emissions. Furthermore, in 2 years, we have structurally reviewed our meeting methodology with the systematic implementation of videoconference meetings to facilitate remote connections and reduce team travel.

Involving employees to reduce waste or paper consumption

For the past three years, a digitalization policy has been set up to raise our employees' awareness to the need to reduce paper consumption with simple but effective actions, such as automatic two-sided printing settings.

In 2021, the HR department took an important step towards reducing paper consumption by digitizing all HR documents, including pay slips: 130 slips out of 529 payrolls are dematerialized, knowing that this digitization is optional.

Regarding waste, the sites have specific procedures to maximize the sorting of different types of waste and/or avoid them entirely: selective sorting, removal of plastic cups...

Communicating and raising awareness about our BRONZE policy and our low-carbon trajectory

Beyond the internal communication carried out in the governance committees dedicated to CSR, we also want to make progress in our communications by carrying out the following actions in 2022 and 2023:

- Communication with employee representatives as part of the update of the Group's statutes to integrate our raison d'être
- Present the BRONZE policy to all our executives in the 4th quarter of 2022, as part of the quarterly seminar, but also highlight this approach in the communications to our staff, which occur once a year
- Incorporate the COP into new employees' welcome kits
- Launch a communication campaign in 2023 on our social networks to highlight the result of our EVOCADIS certification, inform about our decarbonation trajectory, key KPIs, or our recycling workshop.

Finally, a specific seminar to raise awareness of CO2 impact is under study for implementation in the second half of 2022. This interactive conference will allow our employees to understand and measure the orders of magnitude of carbon on their personal sphere, to give them the keys and desire to accelerate the transition within LBA.

ZERO ACCIDENTS

Given the Company's field of activity, we pay close attention to our employees' safety.

1 / REDUCING THE RATE OF ACCIDENTS AT WORK

General Management, through its sustainable-development policy, demands we move towards Zero accidents.

Work-related accidents are the subject of very special attention and are monitored by the site management, working with the Group's HSE coordination.

The Company's **frequency rate** stood at 24.33 in 2021, dropping every year; for example, it has decreased by 34% since 2016.

The **severity rate** was 0.83 in 2021, another drop; for example, it has fallen by 47% since 2016.

To achieve the objectives of reducing work-related accidents, we have implemented:

- A Health and Safety Environment (HSE) Coordination function
- The launch of the "Together towards Zero accidents" approach
- The implementation of the 7 Group fundamentals (Safety inductions – Regulatory

signage – Electronic signage – Info Flash of work-related accidents in 24 hours – Annual update of the unique document – Prevention plan – Communication from Safety Steering Committee)

- Establishment of an HSE Steering Committee per Business Unit and per Site

For each site, a Single Document exists, following a Group template, making it possible to identify occupational risks for all workstations, so as to reduce accidents at work.

Personal protective equipment is provided by the Company and is adapted to the risks of the trade. Compliance with the wearing of these outfits is stipulated in the job description, as well as in the internal regulations and, where appropriate, is accompanied by sanctions for non-compliance.

Regarding noise pollution, each site has noise maps and measurements and puts in place action plans to reduce emissions.

2 / IMPROVING WORKING CONDITIONS AND PROMOTING WELL-BEING

Management of the COVID crisis

The COVID crisis has revealed the Group's resilience in maintaining its activities despite the various lockdowns in France and abroad. The Group decided to keep all its production sites open during the 1st lockdown, to maintain a level of production without any disruption of supply to its customers.

However, to ensure the safety of all our employees, many actions were carried out at the sites through a central action plan:

- Creation of a daily-crisis unit
- Creation of a weekly Management/Purchasing/HSE coordination unit to centralize the needs of the sites in terms of gloves, hydroalcoholic gel, masks ...

- Implementation of teleworking within 24 hours for all people capable of working remotely
- Deployment of IT tools for videoconferences and remote meetings
- Creation of attendance gauge in meeting rooms, catering and offices, and installation of air-renewal detectors in meeting rooms
- Implementation of actions to limit interactions between people, such as starting at staggered times or modifying the layout of offices to facilitate the presence of one person per office



- Finally, we were able to benefit from the help of our site in China to supply us with FFP2/ FFP3 masks and also allow, through our Suippes site, to centralize the needs for other manufacturers in the Marne.

Furthermore, in the context of the COVID crisis, we have decided to offer 3,000 Steriall® door handles used to fight against the risk of infection. Indeed, our antimicrobial alloy meeting the NS90-700 standard shows that bacteria die when deposited on Steriall® surfaces.



NATURAL

- Steriall® is made of pure metals with no coatings or chemical additives: it is a solution suitable for all audiences with no risk of allergies or side effects
- The Steriall® alloy is Lead and Beryllium free and therefore complies with REACH and RoHS environmental standards



ECO-FRIENDLY

- The Steriall® alloy is 100% recyclable.
- Unlike other antibacterial solutions, our solution does not generate waste (wipes, chemicals, etc.).



RELIABLE

- Our solution uses a massive and robust alloy that resists over time, which sets it apart from coating-type solutions. By using Steriall® elements, you are investing in a sustainable solution!



MADE IN FRANCE

- Our products are designed and manufactured in France and are subject to meticulous quality control.



CONVENIENT AND DISCRETE

- Protect yourself without changing your habits: the Steriall® range fits naturally into your daily life and limits the risk of human intervention.
- The Steriall® solution does not add any additional constraints to the daily maintenance of surfaces

Investing to improve working conditions

Aware that working conditions in the world of metallurgy can be difficult (heat, noise, physical load...), the Group devotes a significant part of its CAPEX to improving working conditions for its men and women, as well as for their daily safety.

Indeed, in France, over 4 million euros have been devoted to this concern over 3 years, with a particularly important effort being made in 2021.

These investments have the following objectives, for example:

- Analysis and measurement of working conditions
- The automation of certain tasks, such as the addition of a robot at the Suippes 2 foundry to automate furnace deslagging

- Workstation layouts to reduce the risk of musculoskeletal disorders
- Investment in new technologies for substations, such as smoke captures and suctions or high-voltage electrical circuits
- The purchase of PPE that ensure our employees' safety and comfort ...

We also adhere to the TMS Pro approach, in partnership with Carsat, in order to improve the ergonomics of workstations, so as to reduce occupational diseases and work accidents such as lower-back pain.

Capex France excluding IP (M)	2019	2020	2021
Capex improving working conditions/safety	1.7	0.8	1.9
Total Capex	13.1	9.1	7.2
%	13%	9%	26%

ECO SOLUTION

A significant part of our turnover comes from applications with a strong positive impact on decarbonation and the reduction of the environmental footprint of many sectors. Some of our products are also critical to the success of the global energy transition.

This trend is related to the **properties of copper and the use of this metal in applications serving decarbonation** (see Goldman Sachs study).

Why copper is the key to electrification

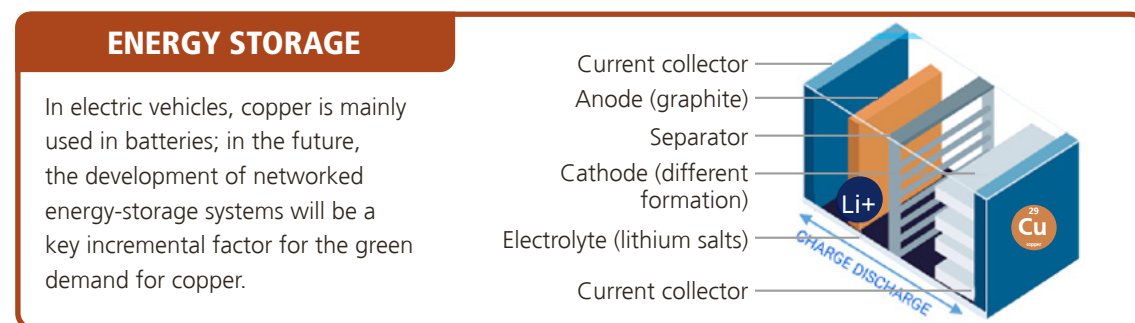
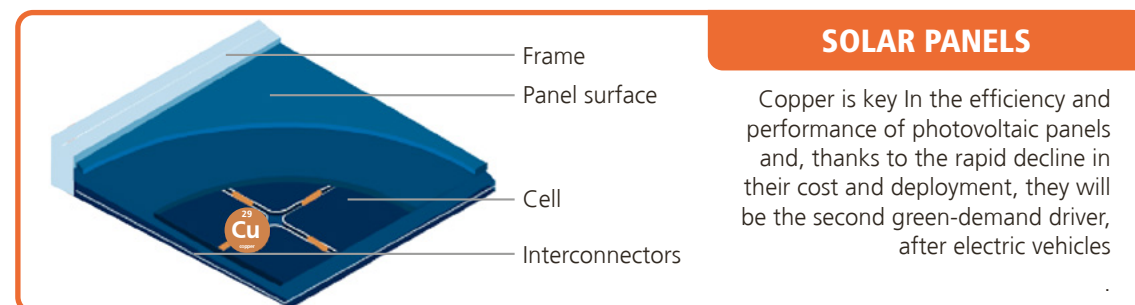
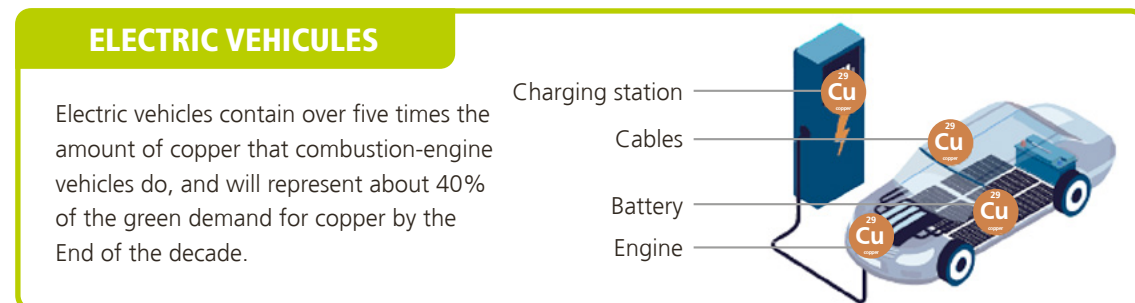
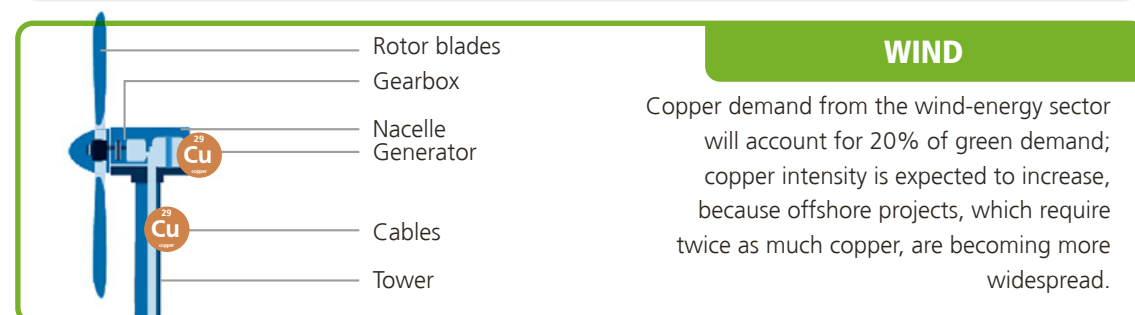
To understand the central role that copper will play in the coming green revolution, it is important to understand how its unique chemical structure gives it a range of useful properties. Copper is a transition metal with a single valence electron, which gives it the following three properties, making copper the most affordable material for the manufacture of cables, batteries, transistors and inverters, all key technologies on the road to carbon neutrality.

- Ductility.** Copper is a ductile metal, that is, it can be rolled into strips and stretched into wires without breaking. In the solid state, copper is a set of positive ions surrounded by a sea of mobile valence electrons. When a force is applied to the metal, moving electrons can slip between the stationary cations and prevent them from coming into contact, causing the metal to burst. Other single-valence electron elements – such as silver and gold – have similar properties, but are not available in industrial quantities.
- Electrical conductivity.** Delocalized copper electrons are free to move through the three-dimensional ion array and, most importantly, they can cross grain boundaries, allowing charges to flow easily through the metal. Furthermore, the transfer of electromagnetic energy is strongest when there is little resistance. The most efficient conductors of electricity are metals that have several valence electrons. This is the case for the most conductive metals, such as silver, gold and copper.
- Thermal conductivity.** Thermal energy is captured by electrons that transmit additional kinetic energy along the material. Therefore, the best conductors have free electrons that can carry this energy along their entire length. Energy is transferred through the rest of the metal by the moving electrons. Aside from silver, copper is best.
- Low responsiveness.** Copper is not very reactive. Metal corrosion is minimal due to the natural protective layer that forms during oxidation, as with stainless steel. However, stainless steel is significantly less ductile and its thermal conductivity is 30 times lower than that of copper.



1 / INNOVATING TO HELP THE ENERGY TRANSITION

How **Cu** will power the next generation of clean technologies



Source: World Bank, ICA, Copper Alliance, Goldman Sachs Global Investment Research

Our products are used in several important applications aimed at:

- Producing, using or distributing carbon-free energy
- Minimizing the use of fossil fuels
- Consuming and producing responsibly
- Contributing to economic growth
- Contributing to the improvement of human health.

The following table presents the main applications.

Development objectives	Main applications
Producing, using or distributing carbon-free energy	• Nickel alloys for hydrogen electrolyzers • Connector alloys for electric vehicles: C9X, UC500, brass • Electric floor-recharging plates made of CuNi alloys • Nickel and precision alloys for battery security and management • CuCrZr and CuNiSi alloys for civil nuclear applications • CuNi strips and parts for offshore wind turbines
Minimizing the use of fossil fuels	• CuNiSn alloys for low-friction bearings, reducing the use of synthetic lubricants • Alrode welding electrodes for lightweight aluminium sheets and HYS and VHYS steels • Nickel for waste-heat recovery applications
Consuming and producing responsibly	• Specialty alloys to increase the life of final products: Arcap, CuAl, Nickels and alloys, CuNi, CuNiSn, etc... • CuCrZr and CuNiSi alloys to reduce metal consumption: less material committed to iso-functionality • Alloys that facilitate end-of-life recycling: without lead, beryllium or other harmful metals
Contributing to economic growth through the development of quality infrastructure	• Nickel alloys for soil decontamination • CuNiSi and CuAl alloys for fixed railway equipment • Braking systems for railway rolling stock
Contributing to the improvement of human health.	• Non-magnetic alloys for applications in medical imaging equipment • High-elasticity alloys for eyewear • SerialI handles to combat the spread of hand-borne viruses

2 / PROPOSING SUBSTITUTES FOR ALLOYS DEEMED "AT RISK"

In order to reduce the environmental impact and risks of our products, or to optimize their effectiveness to help improve the environment and health, we intend to continue to develop and bring to market the following solutions that reduce the use of harmful metals or those linked to war-zones metals in the composition of our products:

- **Range of lead-free alloys** for all types of applications with the EnviB range
- **Development of the Hardiall® range to replace beryllium copper alloys**

We have a target to reduce our Gross Margin on so-called "risky" alloys to less than 10% by 2027, with a total shutdown of our foundries on Cupro-Beryllium activities.

	2019	2020	2021	Target 2022
% GM related to CuBe + Brass Lead	5%	7%	15%	12%



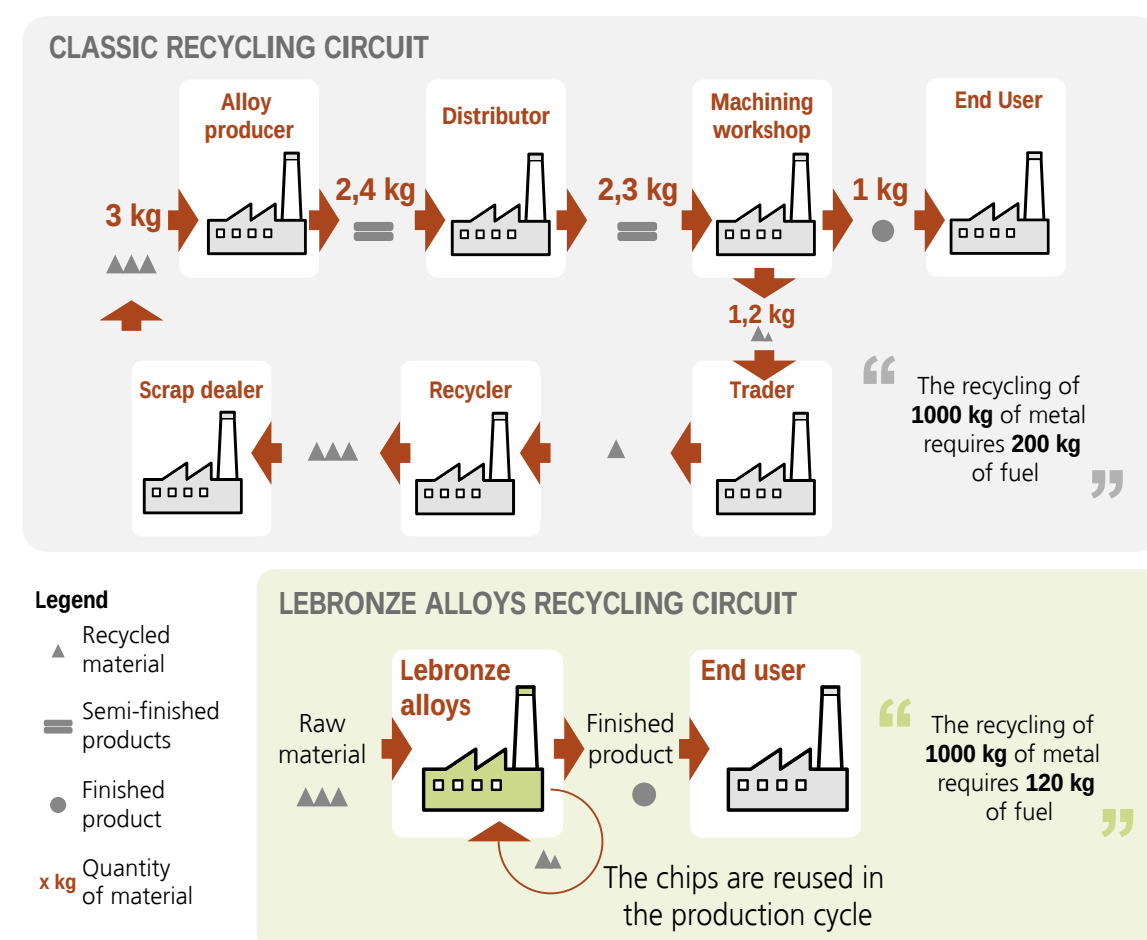
3) PROMOTING THE CIRCULAR ECONOMY

By developing solutions that reduce the volumes of materials transferred to external collection and refining channels or limit the transport of non-useful weights, LBA fully participates in improving the life cycle of its products.

The downstream strategy

The development of machined parts on the basis of our semi-finished products is a relevant solution in terms of sustainable development since it permits:

- Making a product “close to the final dimension”, and thus having an optimized weight. This solution therefore makes it possible to limit the weight transported to the end customer
- Generating, within a factory that is able to recycle them easily, the material scraps that are created during manufacturing, rather than going through a circuit with an external miller who would resell his chips in the “standard” recycling chain



Transforming our manufacturing scraps into raw materials: the Upcycling workshop

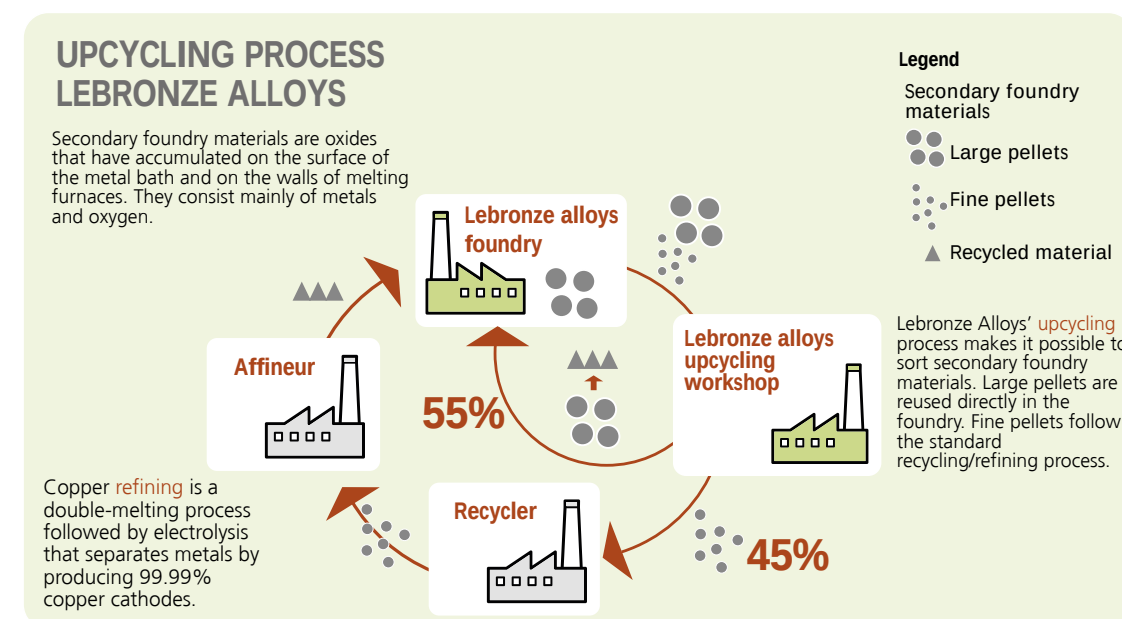
LBA continues to develop processes that make it possible to recycle internally the majority of goods produced but not sold to our customers (chips, scraps, slags etc.). One of the assets to achieve this is the Upcycling workshop, which makes it possible to transform materials that are normally not usable in the Group into raw materials that can go back into the furnaces.

One of the main activities of Upcycling is to recover smelting “secondary materials” (we are talking of slags, that is to say solid by-products resulting from melting), and to treat these products, through various different cold transformation processes, to extract materials that can then be used again as raw material. This slag-processing activity is part of a circular-economy approach and has many advantages:

- A cold-treatment process requiring far less energy than a standard external-recycling process, with: transportation to recycler, sorting and 1st series of cold processing, sale and transportation to a refiner, separation of metals by a hot process, sale of “upcycled” materials...
- A financially relevant solution with a favourable economic result for the entire chain within the Group: the site that sells its manufacturing scraps, the margin made by the workshop, the site that buys cheaper than on the market

- An activity that creates value within the Group: resources, skills, know-how...

Example: internal recycling of our own foundry “waste” into re-usable raw materials.



With the implementation of this workshop, we decided to set up a KPI to follow the tonnage of “secondary foundry materials” processed and transformed by the Upcycling workshop. The target of 400 tons processed in 2021 has been exceeded, and we hope to be able to achieve about 600 T of recycling in 2022.

Tonnes processed	2021 (target)	2021 (actual)	2022 (target)
Group's secondary foundry material	400	480	600

Material recovery at our customers' premises

To integrate part life cycle and recyclability objectives into our sustainable-development policy, we are developing, with our customers, circuits intended to promote the recovery of their secondary raw materials, which can be reused as raw materials in our foundries, while greatly reducing the carbon footprint compared to a

standard recycling flow.

Launched in 2021, we hope to cross a first milestone in 2022, i.e. 10 partner customers with whom we will set up a recovery flow of their production scraps, and we hope to increase this to 30 partner customers by 2030.

Number of Group customers	2022 (target)
Customers with circular economy	10





SYNTHESIS and SDG IMPACT

PILLARS	ACTIONS	KEY KPIs (secondary KPIs may exist)	2019	2020	2021	2022 Target	Global Compact	SDG
BUILD TOGETHER	Maintain and enhance industrial know-how	% Payroll dedicated to training ⁽¹⁾	2.20%	2.00%	2.90%	2.2%	1,4,6	8.00%
	Fighting against discrimination	Annual measurement of M/F equality index ⁽¹⁾	86/100	74/100	0	85	6	8
		Rate of female managers recruited during the year ⁽¹⁾	40% over 3 years			40%	6	8
	Sharing profits with all employees	% of French employee shareholders ⁽¹⁾	31%	31%	34%	< 30%	3	8
	Fostering internal innovation and intrapreneurship	% of employees (excluding direct) who contributed to a Project Launch Request ⁽¹⁾	57%	53%	58%	> 60%	6	9
RESPONSIBLE PURCHASE	Promoting the purchase of recycled metals	% purchases recycled metals	81%	79%	74%	> 80%	8	12
	Buying locally	% local purchases excluding metal (prod countries + neighbouring country) ⁽¹⁾	95.20%	94.70%	95.10%	> 90%	8	12
	Raising awareness among our suppliers	Number of Supplier CSR audits per year ⁽²⁾				> 10	1,2,10,5	8
OPTIMIZED PERFORMANCE	Improving the Group's financial performance	% annual EBITDA growth ⁽²⁾	-2%	-60%	135%	> 10%		8
	Improving the industrial performance of the sites	% Growth Gross Margin/ Direct Hour ⁽²⁾	1%	-13%	22%	Annual increase > 5%		8
		Turnover/m2 of sites ⁽²⁾	N/A	-15%	25%	Annual increase + 5%	8	9
	Improving our sites' environmental performance	Electricity consumption in KwH/ Gross Margin produced ⁽²⁾	0.62	0.68	0.60	0.47	8	7,12
NET ZERO CARBON FOOTPRINT	Reducing our carbon impact by 30% by 2030	Gas Consumption/Gross Margin Produced ⁽²⁾	0.51	0.57	0.50	0.35	7,8,9	7,9,12,13
	Involving employees in the process	% hybrid or electric company cars ⁽¹⁾				20%	7,8,9	3,8,13
ZERO ACCIDENTS	Improving the working conditions of our employees	% investments dedicated to improving working conditions and HSE actions ⁽¹⁾	13%	9%	26%	> 20%	1,4,8	4%
	Reducing the rate of accidents at work	Frequency rate of accidents at work with stoppage (TFT) ⁽¹⁾	27.83	27.63	24.33	20		
		Severity rate of accidents at work with stoppage (TGT) ⁽¹⁾	1	0.94	0.83	0.5	1.4	3.8
ECO SOLUTIONS	Fostering circular economy	Tonnes of oxides treated ⁽²⁾			480	600		
		Number of customers with circular economy ⁽²⁾				50	8	12,13
	Proposing substitutes for alloys deemed "at risk"	Evolution of the Gross Margin of products with lead/beryllium ⁽²⁾	5%	7%	15%	12%	7+9	3%