



Non-Financial Performance Statement 2021

**PANDROL** **FRAUSCHER**  **DCX CHROME**

**LENOR-MEC**  
MAGNETIC SYSTEMS

**KLK**  
Committed to service

# Contents



# 01 Introduction

## ■ A. Letter from Guy Talbourdet

*In 2021, Groupe Delachaux stepped up its actions to respond to environmental and societal challenges. We are doing this because we are convinced that it is essential in order to continue our more than a century-old history and we are doing it in close cooperation with our employees, our customers and the financial community. From an environmental perspective, having extended our carbon reporting to the upstream and downstream emissions of our activities (scope 3) in 2020, we have expanded our coverage of the environmental issues linked to our operations by calculating our water consumption and waste production. We have also worked on the environmental impact of our products by issuing new Environmental Product Declarations (EPDs).*

*With regard to health and safety, the results vary between the different companies, but we have seen a reduction in, or have kept the number of accidents to zero, at almost 60% of our production sites and we will intensify efforts at the worst-performing sites to reach our targets in 2022 and to continue our annual 20% reduction in the accident with sick leave rate.*

*Once again, the year was marked by a difficult health context resulting in numerous human and economic repercussions, in addition to supply tensions which have presented both personal and professional challenges for the employees of Groupe Delachaux companies. I would like to thank all the teams in the companies – Pandrol, Frauscher, Conductix-Wampfler, DCX Chrome, Lenoir-MEC and KLK – for the great contribution that everyone has made in order to fulfil our commitments to our customers. The pride we take in working in our Businesses, the energy we put into serving our customers and the continuous development of our expertise are just some of the characteristics that our companies share.*

*In October 2021, through our global WE Share survey, more than 2,700 employees reaffirmed their commitment to working within our Group. Their engagement and feedback is valuable in helping us to continue improving.*

*I will leave you to explore this 2021 edition. This year, for the first time, we are formalising our safety, environmental and ethical commitments. It is a pleasure for me to look back over this period and to see the Delachaux companies' teams in action across the five axes of our Worldwide Engagement.*

**Guy Talbourdet**

Directeur Général, Groupe Delachaux

## ■ B. The COVID-19 crisis

Throughout 2021, our management and human resources (HR) teams continued to protect our employees, maintain cooperation and communication and provide our customers with a quality service.

Beyond the implementation of all the necessary and requisite health measures in each country in which the Group operates, some of our sites went further in the attention paid to our employees and to business continuity. For example, the Conductix-Wampfler site in Germany financially supported the offer to vaccinate around thirty employees, the Pandrol site in India accommodated eight volunteer employees in the factory to maintain essential activities, and the Frauscher site in India organised vaccinations for its employees and members of their families directly on site.

Remote working has also become widely established among those of our employees who are able to do it.

It offers a way not only to protect ourselves, but also to reduce the risk of spreading the virus to our production teams, and to safeguard processes. Furthermore, in our engagement survey, the employees concerned confirmed the option and flexibility to work remotely, giving a score of at least 7.6/10, whereas the external benchmark stands at 6.7.

Some of our sites and teams have also adapted their practices to maintain the connection within our teams. For example, the international HR seminar was conducted remotely and a virtual escape game was organised so that informal moments were still included. A Conductix-Wampfler management team also tested meetings in augmented reality, thus allowing its participants to feel more together “in the same place, at the same time”.

We are proud of our employees and how they have all successfully adapted their working practices in a time of change, fear and questioning.

## C. Global Compact and SDGs

Groupe Delachaux has endorsed the Global Compact since 2017. Mandated by the United Nations (UN), the Global Compact aims to be the catalyst and accompanying force for companies' commitments, actions and innovations in sustainable development, covering human rights, international labour standards, the environment and anti-corruption.

In September 2015 the UN member states adopted a sustainable development programme that runs to 2030, which includes 17 Sustainable Development Goals (SDGs) covering virtually all aspects of society. Groupe Delachaux has therefore decided to link its sustainable development commitments and actions to the SDGs.



## Presentation of Groupe Delachaux

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

### A. Groupe Delachaux at a glance



Sales turnover 2021:

**945**  
million euros

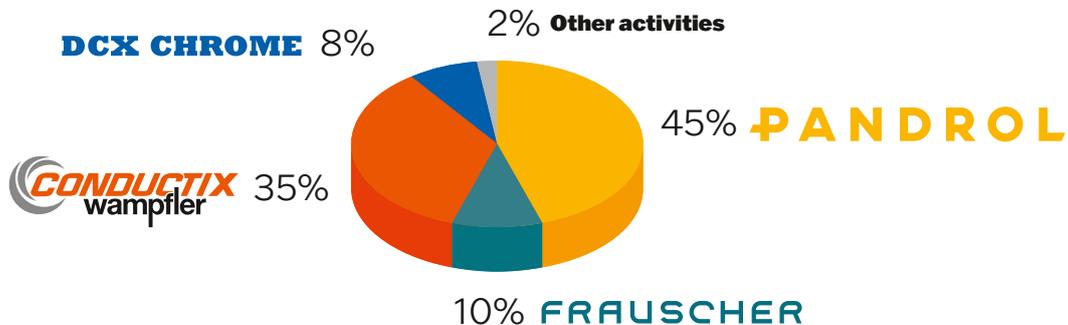


**3908**  
employees

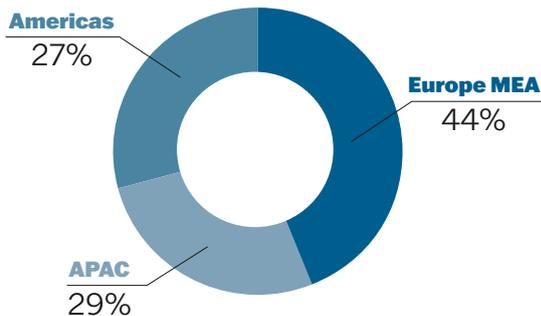


Presence in  
**40**  
countries

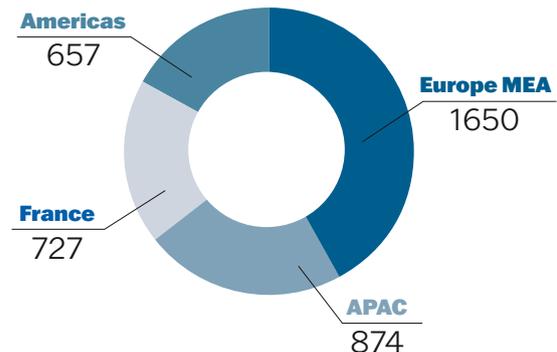
#### SALES BY COMPANY IN 2021



#### SALES BY REGION IN 2021



#### NUMBER OF EMPLOYEES BY REGION IN 2021



## ■ **B. History of the Delachaux Group**

The Group dates back to 1902, the year when its founder, Clarence Delachaux, created a company in Saint-Ouen which supplied overhead power line equipment for trams in Paris. In parallel with the boom in public transport, he developed the aluminothermic welding process.

This process led to the creation of another business: the manufacture of pure metals and ferro-alloys. In 1917 Clarence Delachaux built a production plant in Gennevilliers on a 20-hectare site to support the company's expansion.

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

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

In 1985 the Company was listed on the Paris Stock Exchange. The Group implemented a dynamic external growth policy, which included the acquisition of Cefilac in 1987 in the EDMS field, Stedef in 1999 in the rail infrastructure field, Pandrol in 2003, a major stakeholder in rail fastening systems and in 2007, the German company Wampfler, which is involved in products for the electrical power supply of industrial handling equipment.

Groupe Delachaux withdrew from the Euronext Paris stock exchange in 2011 upon the reorganisation of family control of the Group and as part of a simplified public takeover bid. Stéphane Delachaux, Clarence's youngest grandson, and his brothers, André's children, took control of the Group, alongside the investment company CVC Capital Partners.

Over the next decade the Group's acquisition policy went on to include the acquisitions of Rosenqvist, KLK, Plotz, Intercast, CDM Track and Harshad in the rail infrastructure field, and the companies LJU and Jay Electronique in the EDMS sector.

In October 2017, all the rail infrastructure Group businesses (including Railtech, Vortok, Pandrol and Rosenqvist) were brought under the Pandrol name, which henceforth grouped together all of the Group's rail infrastructure activities.

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

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

## ■ C. Governance

### **BOARD OF DIRECTORS**

Groupe Delachaux Board of Directors has eight members.

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

**The Board of Directors implements its actions through three committees:**

- **the Audit, Risk and Ethics Committee** helps the Board of Directors to ensure the accuracy and veracity of the corporate accounts and the companies' consolidated financial statements and the quality of information provided, monitor the effectiveness of the internal control and risk management systems, and examine the Group's ethical principles to ensure that ethical aspects are taken into consideration both in the work of the Board of Directors and in the management of the Group.
- **the Nomination and Remuneration Committee** assists the Board of Directors with the composition of the management bodies of the companies and its subsidiaries, the determination and assessment of the remuneration of the members of the companies' management team and of its subsidiaries and advice in relation to remuneration issues of any kind.
- **the Strategy Committee** provides the Board of Directors with opinions or recommendations on the definition and implementation of the Group's strategic recommendations, proposes priorities for growth and selects investment opportunities.

## **EXECUTIVE COMMITTEE**

Groupe Delachaux Executive Committee (ExCom) has seven members. It brings together the managers of the Group's key businesses and activities. Its task is to "create the conditions for the success of the Delachaux Group's companies, including the Group's sustainable development model".

### **Composition of the ExCom as at 31 December 2021:**

- **M. Guy TALBOURDET**: Chief Executive Officer of the Delachaux Group
- **M. Bruno DATHIS**: Chief Financial Officer of the Delachaux Group
- **Mme Eléonore TAVERON** : Human Resources Director of the Delachaux Group
- **M. Eran GARTNER**: Chief Executive Officer of Pandrol
- **M. Fabrice SEEWALD**: Deputy Chief Executive Officer of Pandrol
- **M. François BERNES**: Chief Executive Officer of Conductix-Wampfler
- **M. Michael THIEL**: Chief Executive Officer of Frauscher



## ■ D. Presentation of the business model

### WHO ARE WE?

Groupe Delachaux is a global, family-owned industrial group that invests for the long-term in companies working with cutting-edge skills and technology, positioned as leaders in their specific markets.

### WHAT DO WE DO?

Customer-centric, guided by our passion for innovation and expertise, we invest for the long run in global businesses that are market leaders.

### HOW DO WE DO IT?

We support and develop businesses by combining high-degree operational autonomy and exemplary management practices.

### WHY DO WE EXIST AS A GROUP?

To create a long-term human and industrial adventure and share it as a source of pride for all our stakeholders.

#### **a. OUR MANIFESTO**

*“Our fast-changing world is facing major opportunities but also risks related to environmental sustainability, globalization and digital revolution.*

*To address these challenges, we have to ensure a coherent innovative, sustainable and human development model in all our undertakings.*

*We want to lead by example and have a positive impact on the natural, social, and human environment.*

*We are committed through WE - Our Worldwide Engagement program and its 5 pillars: Security, Environment, Ethics, Management Practices and Community to:*

- Acting as a strong and innovative link in the customers' value chain while also controlling the effects of our operations.*
- Fostering the wellbeing and development of people in our teams and in the communities around us.”*

## **b. OUR STRATEGY**

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

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

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

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

Indeed, with 75 sites in 40 countries, our uniquely interconnected model, which is both global and local, combines responsiveness, flexibility and customer proximity. This decentralised and collaborative management method means the Group's teams have accurate knowledge of the value chain and the commercial, technological and regulatory environment in each of the markets in which we operate. Using this model, our intention is "to offer the best of Delachaux all over the world".

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

- innovation focused on customer requirements, with specialised products to tackle industrial issues
- integration of societal developments, with environmental excellence, creating operational and commercial performance, and irreproachable ethics
- performance created with respect for employees and their professional development
- a long product development and certification cycle, for a use and maintenance phase of more than five years,
- continuous improvement, with almost 5% of our sales turnover represented by research and development expenses
- being at the heart of complex technological and industrial ecosystems, so as to contribute to defining the market's latest industry standards.

### c. OUR TEAMS

We respect and value the identity, heritage and know-how of each of our Businesses. There are reasons for these different companies to have come together. All our Businesses possess a vision about people and performance that show similar characteristics.

- **AUTONOMY:** Every single employee develops their skills and proactively contributes to the success of the business and the group.
- **TEAM SPIRIT:** Individual work serves collective success through active cooperation within the organization and from one country to another.
- **INNOVATION:** As passionate engineers, innovation is at the core of our strategy and relationships with our customers.
- **OPERATIONAL EXCELLENCE AND CONTINUOUS IMPROVEMENT:** We act as a strong and innovative link in the customers' value chain while also controlling the effects of our operations.

As at 31 December 2021, the Group had a total of 3,908 employees, compared to 3,777 at the end of 2020. This workforce included 3,879 active employees (employees present or absent for less than six months). The railway business workforce accounted for 56%, of which 41% was for rail infrastructure business and 15% was for signalling business. The EDMS (energy and data management systems) sector represented 39% of the workforce. The remaining 5% corresponds to Metals activities, Magnetism, Resistance & Earthing as well as the Corporate Group function.

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

Blue-collar workers represent 45% of the total workforce. Managers and experts (in particular engineers and sales managers) make up 15% of the total and teams dedicated to Research and Development represent 14% of our overall workforce. The rest is made up of employees, technicians, supervisors and administrative staff.

The total workforce is up 3.5% compared to 2020.

#### Total workforce by position type on 31<sup>st</sup> of December 2021

	2021	2020	2019	2018	2017
Managers and experts	605	695	640	558	552
Blue-collar workers	1 769	1 654	1 721	1 489	1 545
Other*	1 534	1 428	1 428	1 216	992
<b>TOTAL</b>	<b>3 908</b>	<b>3 777</b>	<b>3 789</b>	<b>3 263</b>	<b>3 089</b>

\*Administrative, employees, technicians

• Geographical distribution of active workforce

The Group is present in almost 40 countries. Of these, 10 countries employ more than 100 permanent staff and represent 89% of the global active workforce.

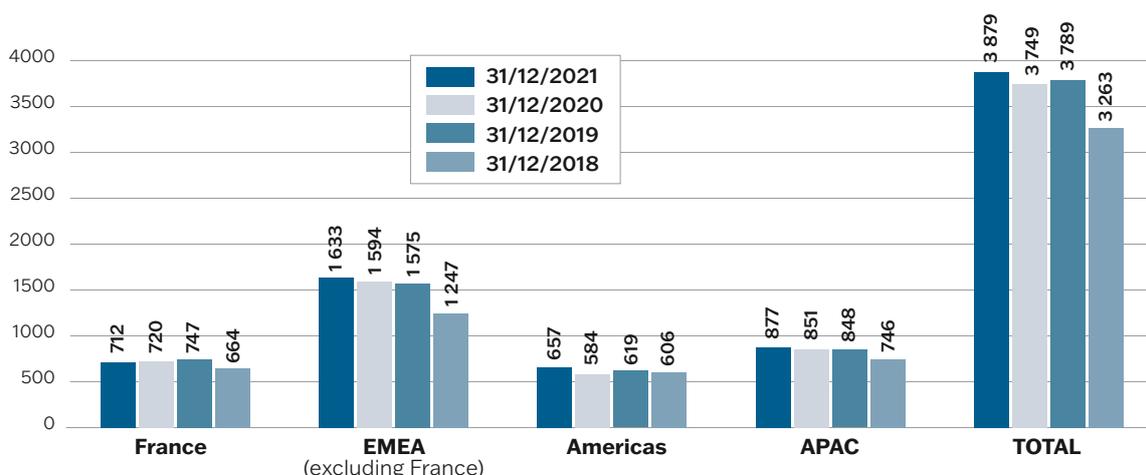
Active workforce by country

Pays	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
France	712	720	747 <sup>(1)</sup>	664	681
Germany	510	509	523	511 <sup>(2)</sup>	399
United States	486 <sup>(3)</sup>	420	457	438	409
Austria	383 <sup>(4)</sup>	315	293 <sup>(5)</sup>	14	10
United Kingdom	306	299	288	263	275
India	290 <sup>(4)</sup>	263	278 <sup>(6)</sup>	147	129
China	254	261	249	261	238
Australia	241	234	235	259	258
Spain	172	186	176	179	174
Brazil	115	113	110	115	107

(1) Significant growth in France in 2019 linked to the integration of Jay Electronique (55 people)  
 (2) Significant growth in Germany in 2018 linked to the integration of LJU (91 people)  
 (3) Significant growth in 2021 in the United States linked to post-Covid business recovery  
 (4) Significant growth in 2021 in Austria and India linked to the development of Frauscher and, especially, Sensonic  
 (5) Significant growth in Austria in 2019 linked to the integration of Frauscher (277 people)  
 (6) Significant growth in India in 2019 linked to the integration of Frauscher (113 people)

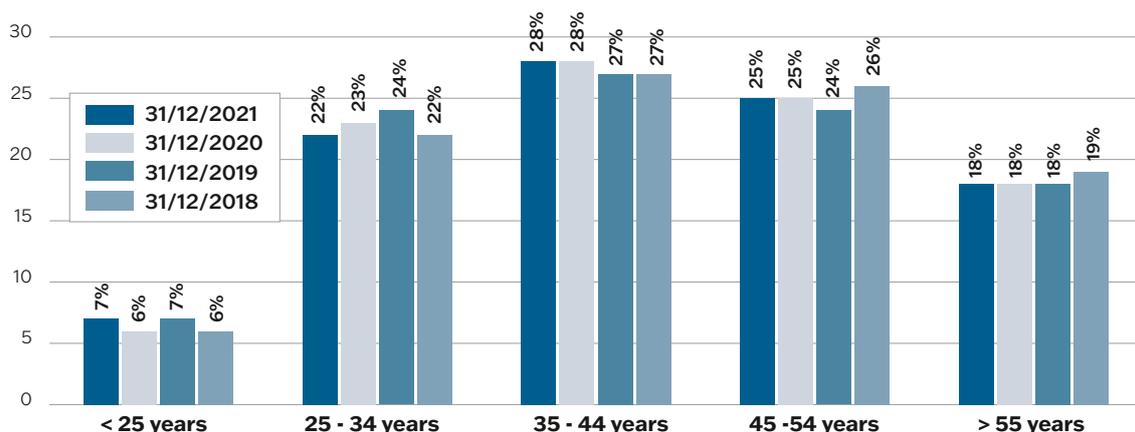
France remains the Group's leading country in terms of workforce, for which the number remained stable compared to 2020. In Austria and India, Frauscher continued to grow and strengthened its teams to support the development of Sensonic. In the United States, the new Pandrol site in Tennessee recruited around thirty Americans to support setting up the site, which moved from New Jersey in 2020. As for the Conductix-Wampfler site, it once again strengthened its teams with around thirty people after returning to pre-Covid activity levels in 2021.

Breakdown of the active workforce by region

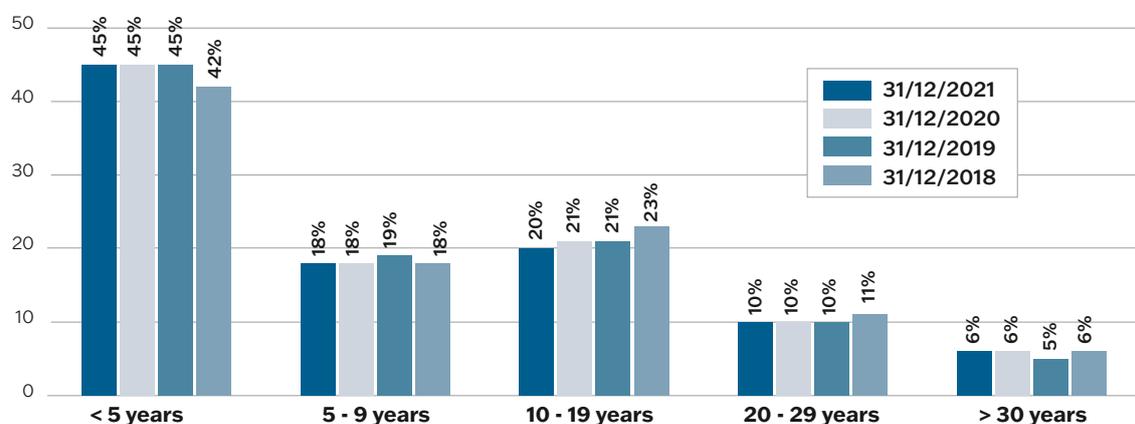


From a regional point of view, staff growth is mainly observed in the Americas region and is concentrated in the United States in the Pandrol and Conductix-Wampfler businesses. In the EMEA region (excluding France), the increase comes mainly from Austria and in the APAC region from India.

### Overall distribution of active workforce by age category



### Overall distribution of active workforce by length of service



The overall distribution of our workforce by age and length of service is testimony as much to the history of the Group's employees as it is to its growth and the contribution of new staff through regular recruitment in recent years. The distribution is stable from year to year.

People with less than 5 years' service account for a significant proportion of the labour force.

The proportion of employees with 10 years' service remained at 36%, thus allowing a balance between the acquisition of external skills and the preservation of past knowledge.

The Group is particularly keen on supporting and managing different generations and to transferring skills from older to younger staff.

The apprenticeship programmes have continued above all in Germany and Austria. For the third time, Frauscher has been awarded Ineo certification by the Chamber of Commerce and Industry of Upper Austria for companies with exemplary commitment to apprenticeships.

## d. OUR COMPANIES

### PANDROL

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

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

#### Pandrol's activities include five product lines:

- **Fastening systems**

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

- **Aluminothermic welding**

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

- **Equipment and control**

This business segment consists of designing, developing and manufacturing equipment capable of improving the efficiency of railway construction and maintenance. Intelligent control systems increase productivity, monitor the condition of the track and improve overall service life.

- **Electrification**

Pandrol supplies a comprehensive range of products for urban transport systems, such as hybrid aluminium-stainless steel third-rail conductor rail systems for underground railways rigid catenary systems and other innovative solutions for special applications.

- **Sustainable Resilient Solutions (SRS)**

Pandrol supplies a complete range of noise and vibration mitigation solutions manufactured from recycled rubber, offering high performance and a low carbon footprint for all rail application segments. Under-sleeper pads are increasingly installed on main line railway networks in order to extend the life of ballast and reduce maintenance frequency and cost.

**In 2021 Pandrol represented 45% of the sales turnover and 41% of the workforce of Groupe Delachaux.**

<https://www.pandrol.com/>

## FRAUSCHER

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

Frauscher has also developed Distributed Acoustic Sensing (DAS) technology which uses optical fibres running along railway tracks as sensors.

This technology includes the design of algorithms for acoustic signals captured through artificial intelligence processes (machine learning). A subsidiary dedicated to this business – Sensonic – was set up at the end of 2019 with most of its engineers based mainly in Austria and England.

**In 2021 Frauscher represented 10% of the sales turnover and 16% of the workforce of Groupe Delachaux.**

<https://www.frauscher.com>



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

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

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

- Control systems for overhead conveyors, used in various industrial applications, particularly in the automotive sector.

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

- Heavy lifting and handling equipment (overhead cranes, automated guided vehicles, container cranes, rubber-tyred gantry cranes, gantry cranes on rails, etc.)
- Industrial handling systems (storage, production lines, intra-logistics handling, conveyors, workstations, etc.)
- Industrial lifting and handling machinery (hoists, jib lifting systems, forklifts, construction and mining machinery, etc.)
- Urban transport (monorails, underground railways and trams with conductor rails or contactless rails)
- Control and production of fibre-optic power and data cables
- The services and maintenance relating to this equipment.

**In 2021 Conductix-Wampfler represented 35% of the sales turnover and 38% of the workforce of Groupe Delachaux.**

<https://www.conductix.com/>

### **DCX CHROME**

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

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

**In 2021 DCX Chrome represented 8% of the sales turnover and 2% of the workforce of the Groupe Delachaux.**

<https://dcx-chrome.com/>

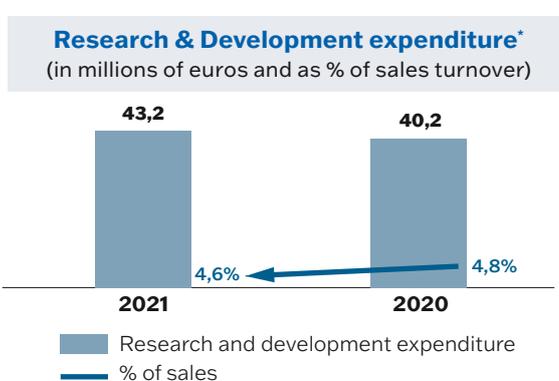
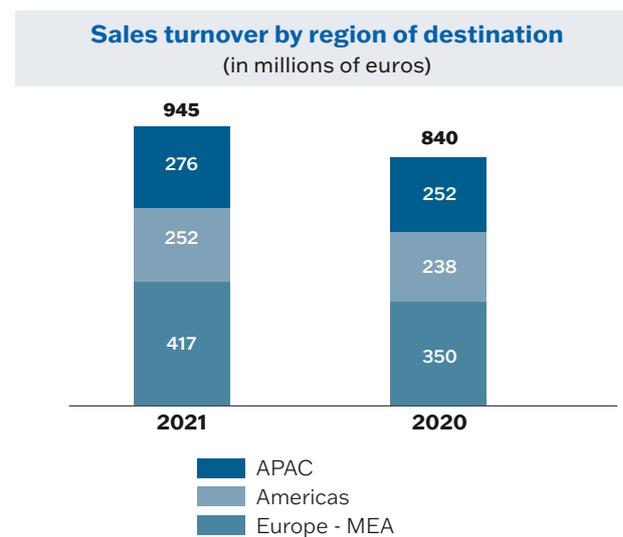
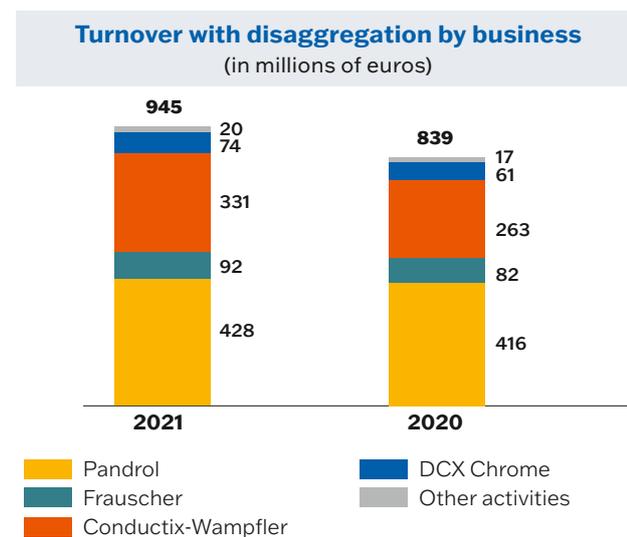
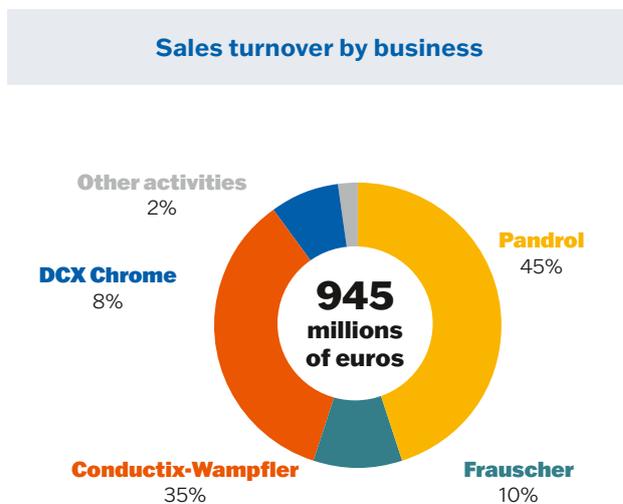
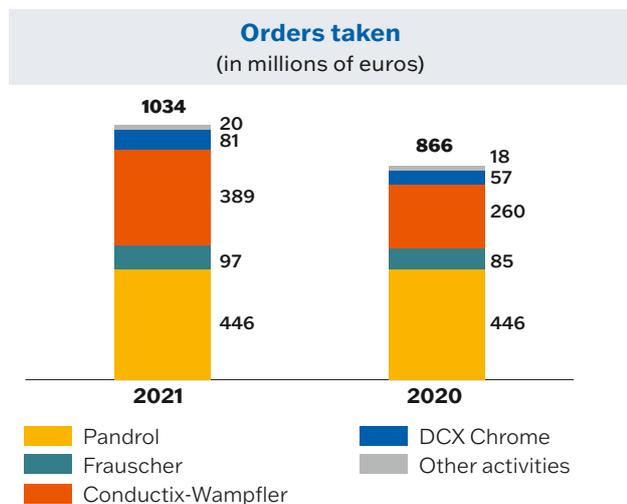
### **• Other activities**

Two other companies are part of the Delachaux Group:

- Lenoir – MEC develops and markets magnetic systems for industrial sorting and lifting operations.  
<https://www.raoul-lenoir.com>
- KLK develops and markets power resistors and earthing devices.  
<https://www.klk.es/en/>

In 2021 these two businesses represented 2% of the sales turnover and 3% of the workforce of the Groupe Delachaux.

**e. 2021 FINANCIAL RESULTS**



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

## Our WE - Worldwide Engagement

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

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

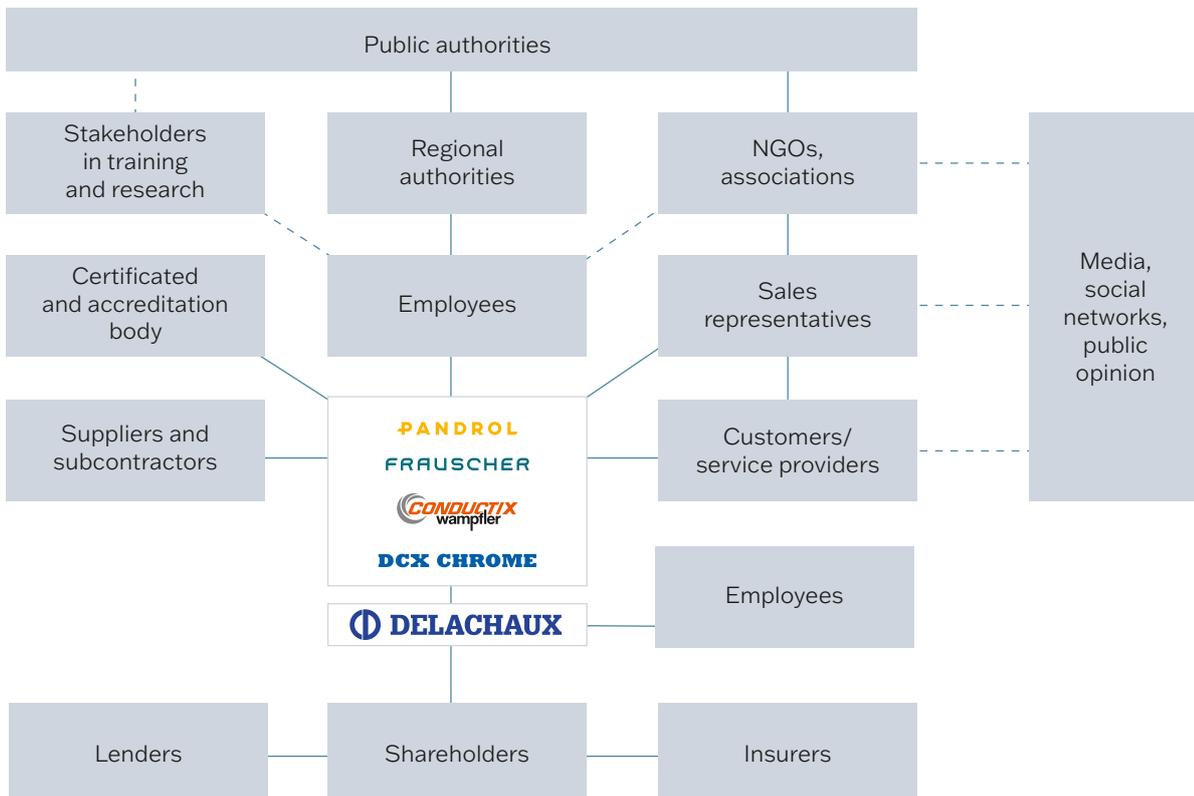
#### a. IDENTIFICATION OF GROUPE DELACHAUX'S CSR PRACTICES

In 2017, the Group carried out internal research into global and local CSR practices, guided by the Global Compact framework, which includes five categories: anti-corruption, environment, management, human rights and international labour standards.

The research made it possible to identify the leading sites for certain themes and best practices.

Based on these results and the analysis of the Group's global and local practices, in 2018 Delachaux prepared an initial status assessment of the Group's CSR maturity, and produced a map of its stakeholders.

#### Map of the Groupe Delachaux's stakeholders.



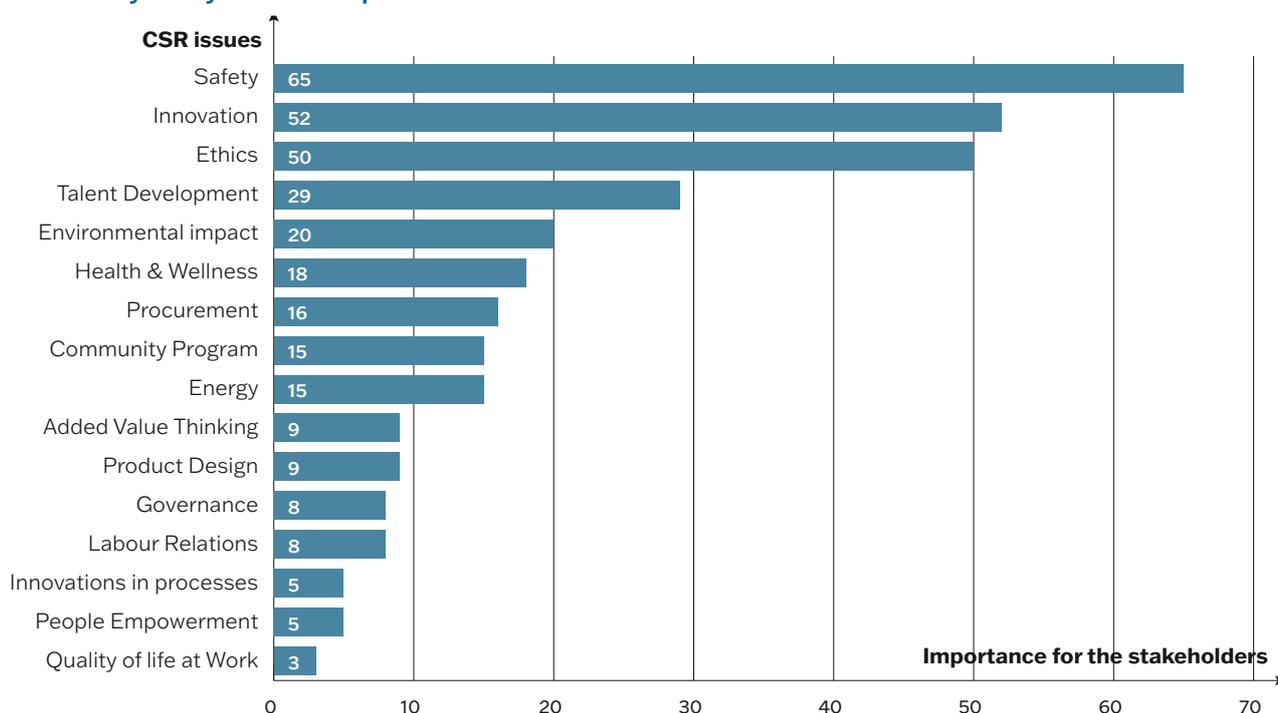
The analysis of our stakeholders' CSR practices and priorities focused mainly on the customers, suppliers, competitors and partners of our companies in order to compare the Delachaux Group's practices with industry standards.

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

### **b. ANALYSING MATERIALITY AND DEFINING GROUPE DELACHAUX PRIORITIES**

Based on this mapping, the Groupe Delachaux 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 Businesses focus areas.

#### **Materiality analysis of Groupe Delachaux**



Safety, innovation and business ethics are the three most critical issues for Groupe Delachaux. These are followed by talent development, health, procurement and social commitment.

## B. The CSR programme

### a. DEFINING THE CSR PROGRAMME

The material issues identified during the materiality analysis were grouped into five areas (safety, environment, ethics, managerial practices and communities) which are themselves linked to two main themes (operational excellence and people development). Innovation was considered an intersecting theme across all the areas.

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.



### b. CSR GOVERNANCE

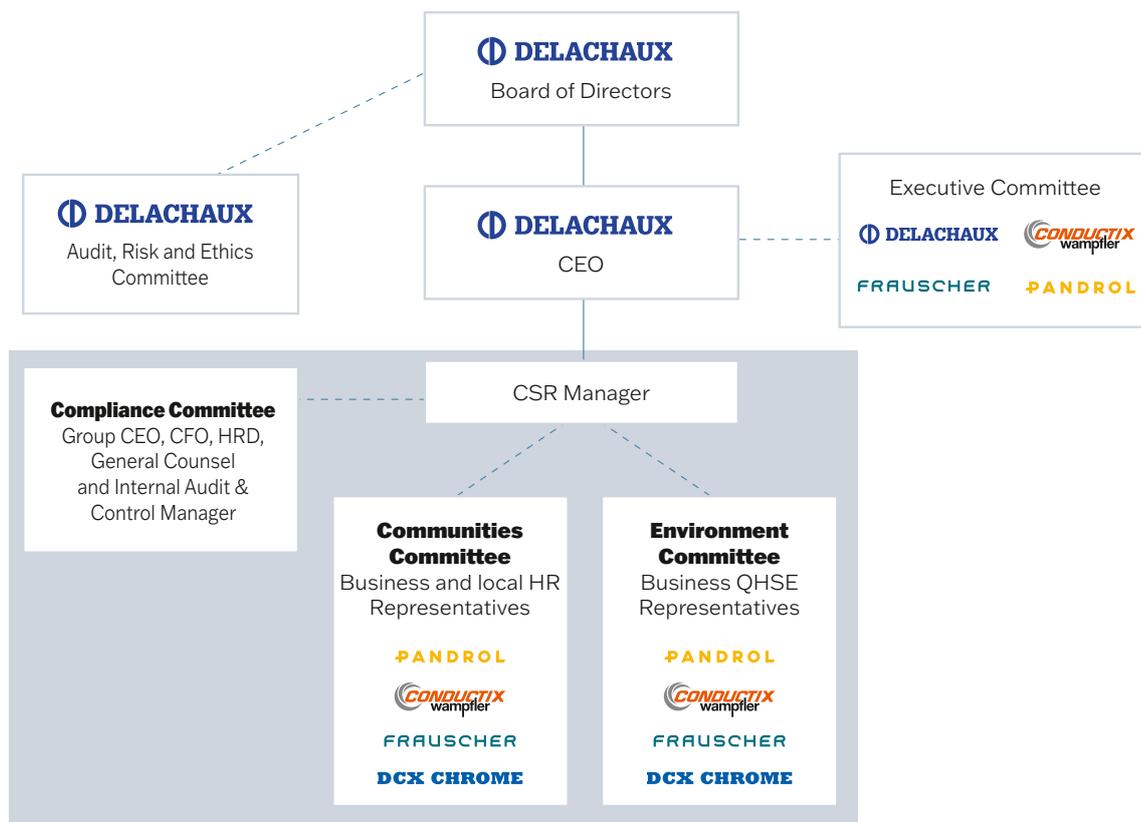
CSR governance comprises a first, strategic level:

- The Ethics Committee, made up of the seven members of the Groupe Delachaux Executive Committee and the CSR Manager, defines the strategy and objectives of the WE programme.

The second, operational level is structured by three committees and two coordination mechanisms to cover the five pillars of “Worldwide Engagement”:

- The Compliance Committee, whose secretary is the CSR manager, manages issues relating to the fight against corruption. A specific anti-corruption procedure has been drawn up in order to strengthen governance of this subject and to complement the anti-corruption programme within Groupe Delachaux.
- The Community and environmental committees, led by the CSR manager, are made up of people representing the diversity of Groupe Delachaux and selected on the basis of their profession, geographical area, activity and interest in the subject. They lead and roll out the WE programme within Groupe Delachaux.
- Management practices are dealt with by Human Resources Management.
- Safety issues are managed by the health and safety departments of each of the Group’s Businesses; they are monitored directly by the Group’s executive management.

Groupe Delachaux CSR Governance



The CSR manager coordinates all five pillars and leads the WE programme.

A CSR procedure describes how Groupe Delachaux is organised in order to manage its social responsibility issues. It details the constituent elements of the general management system: materiality analysis, code of ethics, whistle-blowing system, training, management of third parties, disciplinary sanctions, reporting and verification.

## ■ C. The Chief Executives' Insight

**Eran Gartner**

**PANDROL**

*"In transport, the railway sector is one of the least carbon-intensive and, for a long time, we have been under little strain as regards the environmental impacts of our products. The trigger that led us to launch an ambitious action plan was a customer's request for a contractual commitment on an environmental product declaration associated with a very demanding greenhouse gas emission level for 2021. To achieve this goal we have involved many of the Businesses, which has created awareness and momentum. Reconciling competitiveness and a reduction in greenhouse gas emissions from our operations and products has become a focal point in our business management."*

**Michael Thiel**

**FRAUSCHER**

*"Frauscher is a Business that combines both industrial and tertiary activities such as software development. We invested a lot in all aspects of CSR, including ethical aspects and environmental considerations in our products and operations. Human aspects are of particular importance to us, particularly the well-being of our employees, who have gone through difficult times during the acute phases of the COVID-19 crisis, and with whom we have developed a direct dialogue and promoted diversity and creativity. We also care about our local community, supporting associations, medical institutions or schools in different countries and prioritising collaboration with partners close to our sites."*

**François Bernes**

**CONDUCTIX  
wampfler**

*"Conductix-Wampfler's products have a positive environmental impact by enabling the electrification of systems that previously used fossil fuels and improving the efficiency, and therefore energy consumption, of our customers' solutions. We want to extend this positive impact by working across the entire value chain by optimising design so as to reduce the use of natural resources needed to manufacture our products and by integrating end-of-life management into targeted applications."*

*At an operational level, we strive to ensure that our components are supplied close to the manufacturing plants. With regard to our employees, our priorities are to ensure their safety, while offering them a motivating work environment that encourages interaction and team spirit, and to provide them with real autonomy and scope for personal development."*

**Yoran Guenegou**

**DCX CHROME**

*“Through the supply of chromium metal, DCX Chrome is participating in the energy transition, particularly through its customers involved in the manufacture of fuel cells for the production of decarbonised electricity. In addition, we have been ISO 50001 certified since 2020, accelerating the reduction of our energy consumption and carbon footprint. We are also working to reduce our consumption of natural resources, by including through a cooling-water recycling and process management programme. With regard to our employees, our priority is to improve their safety, but also to develop our teams’ autonomy and empowerment.”*

## ■ D. Our recognition



In 2021 Pandrol SAS (France) was assessed by EcoVadis, a platform for assessing companies’ CSR performance, and received a rating of 68/100 and the “Gold” status.

Frauscher Austria was also evaluated by EcoVadis and was awarded the “Gold” status.

Pandrol and Frauscher are in the top 5% of companies in their sectors assessed by EcoVadis.

DCX Chrome received the “Responsible Chromium Award” from the International Chromium Development Association, along with the EcoVadis “Silver” status.

# 04 Operational Excellence

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

## ■ A. Safety



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

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

Safety is a priority for Groupe Delachaux. Improving working conditions and the good health of our employees contributes to the Group's sustainability and development and also constitutes an important aspect of our commitment to our employees.

The prevention of occupational hazards is based on an ethical and legal imperative as well as economic sense: safety, quality and productivity performance are linked. Safety is therefore of strategic importance in making the various jobs attractive.

Every company in Groupe Delachaux has a safety, health and quality management system and monitors the frequency and severity indicators of accidents followed by sick leave every month.

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

***Target: to reduce the accident followed by sick leave frequency rate by 20% per year.***

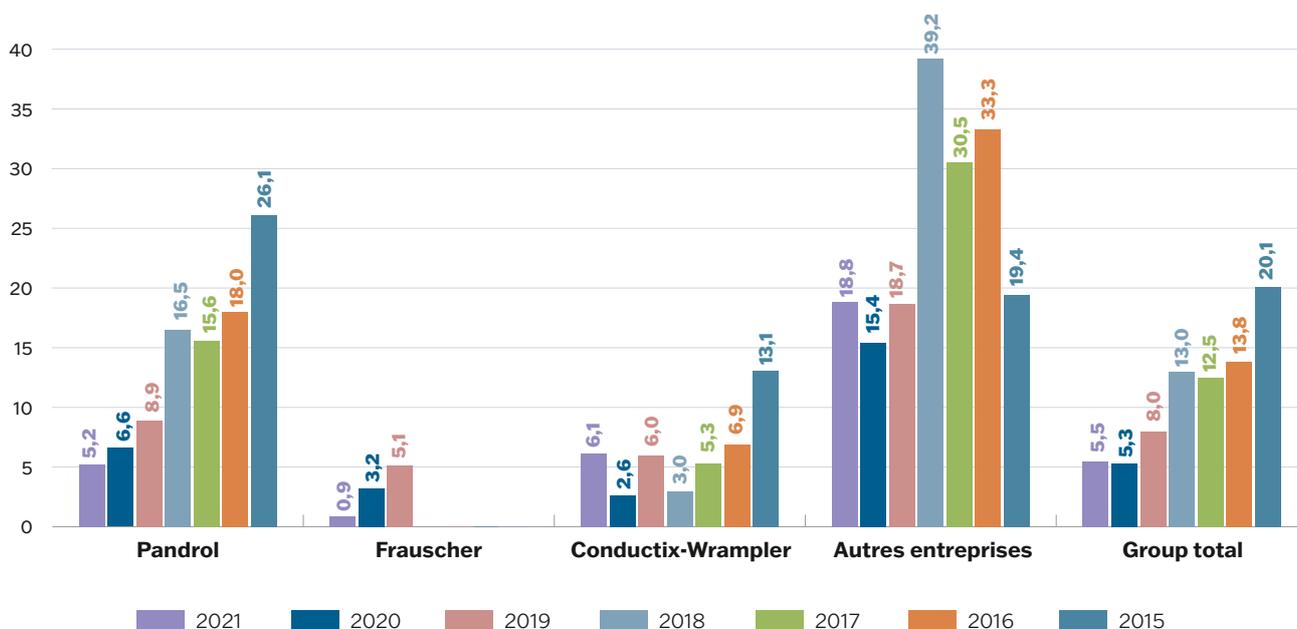
We are also publishing the accidents followed by sick leave for the first time, to give a clearer picture of our safety performance.

To support our continued journey towards “zero accidents” and to further strengthen our safety culture at all levels, the Group companies have developed mandatory safety training for all employees. While Frauscher covers this aspect through its ethical code pathway, the other companies in the Group deployed a specific pathway, “*Safety is everyone’s business!*”, in October 2021. It is made up of three modules (I learn, I train, I act) and aims to discover or rediscover the right way to behave and the role everyone must play in terms of safety. It includes all the fundamentals of the preventative health and safety programme: safety room, Bird pyramid, risk hunting, accident investigation tools and Gemba Walk. To encourage its promotion, the management teams of each single company completed this module over the last two months of the year (57 people).

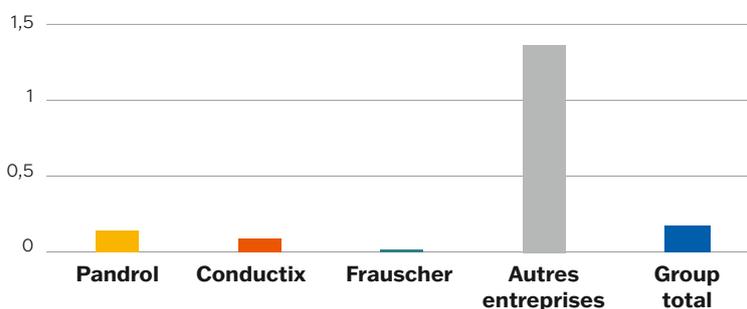
It is part of the induction procedure for all new employees starting from January 2022, on the digital platform shared by these companies.

**b. 2021 SAFETY RESULTS**

Accident frequency rate (number of accident followed by sick leave /million hours worked, all staff, including temps) - FR1’.



**Accident severity rate (ratio of number of working days lost due to an accident/thousand hours worked, all staff, including temps) - SR1'.**



The accident frequency rate is slightly up at Group level, but in 2021, 23 of the 39 production sites had no accidents for the second consecutive year, or a decreasing number of accidents.

10 of our production sites have been certified according to ISO 45001.

Pandrol continues its journey in terms of occupational health and safety results, resulting in accident followed by sick leave frequency rate per million working hours of 5.2 in 2021, which is three times lower than in 2018. This result takes us closer on the road to “zero accidents”.

In 2021 Pandrol introduced a tool to analyse the causes and monitor corrective actions which was systematically deployed following an accident causing an interruption in work. The findings are shared with all business entities so that everyone can benefit from the lessons learned.

Finally, safety remains inextricably linked to the approach to operational excellence, which is at the heart of our industrial ambition to support our strategic Pandrol Route 24 plan.

Conductix-Wampfler began accident prevention measures in 2019 based on the identification and resolution of dangerous situations (Bird’s Pyramid) with a view to instilling a safety mindset at each of its industrial sites. While the results for 2021 are disappointing, the roll-out of these practices at all sites should make for good progress.

Of the 13 Conductix-Wampfler sites, 6 had no accidents for the second year in a row or more and further improvement measures focused on the 2 sites in difficulty. For the Weil site, which accounts for half of all accidents, special measures are being rolled out in 2022: coaching by a safety expert and a psychologist in order to find other ways to approach safety with all staff, training more safety representatives, the introduction of a new risk-analysis system with emphasis on job descriptions and training and replacement or improvement of high-risk machinery.

For the Omaha site, which has had two accidents, the training measures begun in 2021 will continue. A new system for detecting dangerous situations aimed at involving everyone in the detection and resolution of high-risk situations will be deployed.

As for all other sites, the momentum is being kept up in order to sustain the good results that have been achieved.

The safety results for DCX Chrome are unsatisfactory, mainly because a safety culture is still to be developed, despite the actions undertaken in 2021: the creation of safety working groups in certain accident-prone sectors, enhanced tracking of near misses and the resolution of associated problems. The effort will be significantly increased in 2022 to create a breakthrough, with:

- more involvement on the part of management who will carry out around a hundred rapid safety audits at workstations during the year
- greater power to supervisors, who will be released from certain administrative tasks, so as to be able to focus on identifying and dealing with high-risk situations, to regularly cover safety points during daily onboarding meetings and organise safety “get-togethers”
- involvement of all staff through the creation of a safety room dedicated to training and raising awareness
- prioritisation of maintenance contributing to safety.

At Frauscher, whose main site in Austria is ISO 45001 certified, numerous actions guarantee a high level of safety at work. Mandatory safety e-learning has been introduced and instructions are given to each employee at their workstation.

A team of external experts (safety officer, doctor and team advisor) contribute to obtaining certifications and improving practices. There is also an online tool for reporting near misses and recording corrective action documentation.

### **c. EXAMPLES OF SPECIFIC MEASURES THAT HAVE BEEN INTRODUCED**

In France, Jay Electronique, of **Conductix-Wampfler**, provided the logistics team with an exoskeleton for their backs, to use in handling operations. According to analyses and tests that have been carried out, this device can limit the impact on the spine, maintain mobility and limit dangerous postures.



In Weil, Germany, **Conductix-Wampfler** identified the five most hazardous areas in their warehouse and equipped them with transponders: all of the forklifts and the five most hazardous areas were fitted with transponders that communicate with the forklifts to automatically reduce their speed, warn passers-by with a flashing light, or project a warning sign on the floor.

In Australia, **Pandrol's** Intercast & Forge site eliminated a risk leading to conditions that required shoulder operations following the use of hand-held jack hammers, by investing in an automatic jackhammer.



## B. Environment



### a. OUR APPROACH TO THE ENVIRONMENT

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

Since 2018 Groupe Delachaux companies have been measuring their “scope 1 and 2” greenhouse gas emissions annually, as defined by the Greenhouse Gas Protocol (GHG Protocol). The exercise was also carried out for scope 3 in 2019 in order to better understand the environmental impacts upstream and downstream of our own operations.

Our main emissions relate to raw materials purchased, activities relating to the production and processing of these raw materials and also the transportation of our products to customers. The challenges in reducing our greenhouse gas emissions are therefore to reduce the energy consumption in our factories, to improve the eco-friendliness of our products and the supply of raw materials, as well as optimise transportation, lifespan and maintenance frequency of products, so that they have the best possible environmental performance.

The climate emergency must not overshadow other environmental issues. For this reason, in 2022, we carried out annual monitoring of our water consumption and waste production in order to enable us to better quantify our impact and improvement actions.

Most of the Groupe Delachaux’s industrial sites have environmental policies or environmental management systems. Half of our industrial sites (20 out of 39) are ISO 14001 certified. These sites measure their polluting emissions and their consumption of resources (water and energy). They then put actions in place to control and reduce them.

### b. OUR PRODUCTS AND SERVICES

The life cycle of our products (including supply, manufacturing, use and end of life) has a major environmental impact. This was illustrated in particular by the results of our 2019 carbon report, where the manufacture and supply of the materials needed for our products and their distribution generate the majority of our greenhouse gas emissions. These products can also help to reduce global greenhouse gas emissions when they emit less than equivalent products on the market, or when they enable our customers to reduce their own emissions.

In 2021, **Pandrol’s** Sustainable Resilient System (SRS) division covered all of its product lines with Environmental Product Declarations (EPDs) that are available online: rail encapsulation profile (QTrack), floating slab mat (FSM), under-ballast mat (UBM), and under-sleeper pad (USP). SRS products have a reduced environmental impact, as they are made of more than 90% recycled materials from used tyres. From these EPDs, we estimate that in 2021, our products made it possible to recycle around 850,000 tyres, and avoid around 17,000 tonnes of CO<sub>2</sub> equivalent emissions.

Based on these environmental declarations, Pandrol decided to support certified climate projects for 3,884 tonnes of CO<sub>2</sub> equivalent, which corresponds to the emissions related to the production and delivery of the 450,000 USPs estimated to be manufactured in 2022.

The addition of USPs also improves track quality and reduces maintenance requirements, which improves our customers’ operational greenhouse gas emissions.

Since 2007, **Conductix-Wampfler** has partially or totally electrified more than 3,000 RTG gantry cranes out of a fleet of approximately 10,000 units. By estimating the annual saving of CO<sub>2</sub> equivalents (CO<sub>2</sub>e) at 225 tonnes per gantry (depending on the type of electrical energy used), the total annual saving is 500,000 tonnes of CO<sub>2</sub>.

### C. ENERGY AND GREENHOUSE GASES

#### Group greenhouse gas emissions (Scope 1–2) by Business

Emissions in tonnes of CO <sub>2</sub> equivalent	2021	2020	2019
Pandrol	37 235 <sup>(1)</sup>	38 936 <sup>(2)</sup>	40 793 <sup>(2)</sup>
Conductix-Wampfler	3 325	4 157	5 067 <sup>(2)</sup>
Frauscher	771 <sup>(3)</sup>	453 <sup>(2)</sup>	764
DCX Chrome	237	259	308
KLK	80	<sup>(1)</sup>	<sup>(1)</sup>
Magnétisme/Delachaux siège	178 <sup>(4)</sup>	103	108
<b>Groupe Delachaux TOTAL</b>	<b>41 827</b>	<b>43 908</b>	<b>47 040</b>

(1) Until 2020 KLK was included in Pandrol emissions

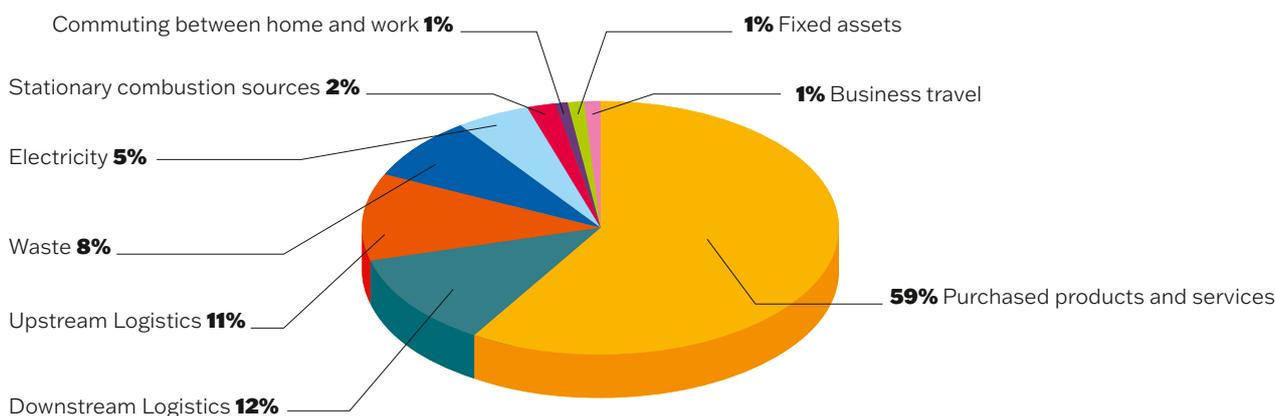
(2) Data corrected in 2021; see Appendix B

(3) Expanded scope in 2021: inclusion of additional sites (+104t) and a more exhaustive calculation method (+74t)

(4) Expanded reporting scope in 2021

The increase in Frauscher’s emissions was mainly attributable to the temporary use of gas following the breakdown and replacement of the wood-fired boiler in Austria in the course of 2021.

#### Distribution of the Group’s gas emissions (scope 3, tonnes of CO<sub>2</sub> equivalent) in 2019



#### The Frauscher E-lab Group

At **Frauscher** Austria, employees voluntarily formed a group called E-lab, whose aim is to reduce greenhouse gas emissions or have a positive impact on other environmental aspects. These employees come from different departments (quality, production, marketing, etc.) to share new ideas, propose improvement actions and introduce measures subject to management approval.

## Improvement of production means

At the **Pandrol** sites, the gas furnaces for heating the fastening clips before bending were mostly replaced by a new heating system. Tests in England show a reduction in greenhouse gas emissions of around 60%. For clip bending, current systems are gradually being replaced by new machines, saving more than 60,000 kWh/per production line.

These improvements are gradually being extended to all sites that produce clips.

At the **Conductix-Wampfler** site in Weil, Germany, the purchase of a new compressor to supply the production line with compressed air made it possible to implement a heat recovery system in order to heat the baths for part washing and reduced electricity consumption by almost 20%, representing an annual gain of over 15,000 kWh.

**DCX Chrome** has started to replace its 13 off-road diesel forklift trucks with electric trucks. This replacement will take place over three years. In 2021, six trucks were replaced. The total saving of off-road diesel is estimated at 11,000 litres per year (about 20 tonnes of CO<sub>2</sub>).

### Objectives:

- > Reduce greenhouse gas emissions in scopes 1+2 by 6% in 2023 compared to 2021 for the whole Group
- > Reduce greenhouse gas emissions in scopes 1+2+3 by 10% in 2023 compared to 2019 for Pandrol and Frauscher

### Electricity consumption by company in kWh

Electricity consumption in kWh by company	2021	2020	2019	2018
Pandrol	89,279,463	84,188,398 <sup>(1)</sup>	92,926,445 <sup>(1)</sup>	84,638,689 <sup>(1)</sup>
Conductix-Wampfler	5,789,697	5,611,098	6,902,132	6,885,397
Frauscher	1,726,350	1,405,253 <sup>(3)</sup>	1,232,783	<sup>(2)</sup>
DCX Chrome	4,573,797	5,149,671	6,268,181	6,334,000
Magnetism/Delachaux siège	33,290	224,105	224,105	383,055
KLK	513,438	<sup>(1)</sup>	<sup>(1)</sup>	<sup>(1)</sup>
<b>TOTAL Groupe Delachaux</b>	<b>101,916,034</b>	<b>96,578,525</b>	<b>107,553,646</b>	<b>98,241,141</b>

(1) Until 2020, KLK was included in Pandrol consumption figures

(2) In 2018 Frauscher was not yet part of the Delachaux Group

(3) Data corrected in 2021; see Appendix B

## Improvement on Electricity consumption

In order to reduce its electricity-related emissions, **Pandrol** is changing the way it buys electricity by purchasing from suppliers that have certificates of renewable origin or by choosing electricity produced using renewable energy. In 2022, 50% of our industrial sites will be supplied with electricity covered by certificates of renewable origin, compared to 11% in 2021. These certificates confirm that a share equivalent to our electricity consumption is fed into the grid from renewable sources. Their purchase helps to finance renewable energy producers.

Since August 2021, 100% of the electricity consumed by **Frauscher** Austria has been produced using renewable energy sources (hydropower and photovoltaics). The photovoltaic panels installed on site can also be used to supply electricity to the national grid.

**Other examples**

At **Conductix-Wampfler** in Italy, all conventional lights have been replaced by LEDs in the offices, workshop and store, saving around 80,000 kWh per production line per year. In Harlan, USA, a similar measure has reduced energy consumption due to lighting by 30%, which is about 350 kWh per year.

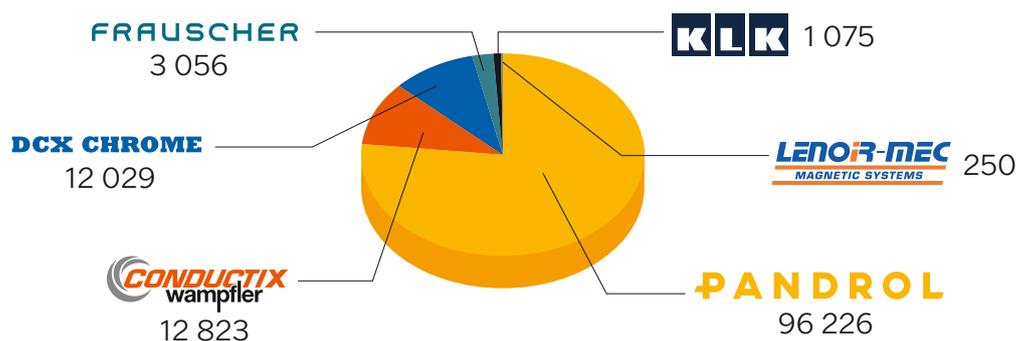
In August 2021, the **Frauscher** site in Sankt Marienkirchen in Austria launched an initiative promoting the carpooling app “Carplooyee”: 190 users out of 323 employees registered for the application. Despite reduced on-site presence at the end of the year due to COVID-19, using the app resulted in 659 shared journeys, saving over 2,000 kg of CO<sub>2</sub> or 15,820 km of road kilometres. A peak of 238 carpools were registered in one month.

At the same time, new vehicles purchased by **Groupe Delachaux** Corporate are electric or hybrid, except in special cases.

Mobility agreements were signed at the end of 2020 at **Conductix-Wampfler** France to encourage cycling, walking or carpooling to come to the sites. In Belley, 43 of the 180 employees committed to choosing low-impact mobility, which generated nearly 74,000 km of journeys that were not single-person journeys in a car. In Saint Ismier, 23 out of 57 employees committed to low-impact mobility, with a total of 30,774 km of alternative journeys.

**d. WATER**

Group water consumption in 2021, in thousand liters



Most of the Group’s water consumption comes from industrial uses, including foundry and quenching activities and the cooling of moulded or painted parts. The 2021 results will be analysed and may lead to further analyses or measures, as well as consumption reduction initiatives, even though the current systems already facilitate minimisation.

Intercast & Forge, a subsidiary of Pandrol in Adelaide, Australia, is the Group’s largest water consumer, using it for cooling and re-hydrating green sand used to mould steel parts. The water is also used to cool the furnaces. Although this is a closed circuit, evaporation results in external consumption.

In Worksop, England, Pandrol uses water in its processes for quenching injection moulded parts and cooling after painting. Water circulates in closed-loop systems, and air cooling is preferred where possible.

For non-industrial use, some actions have already been implemented, such as in the US, where **Conductix-Wampfler** sites have installed devices to save water used in toilets, which is expected to reduce site consumption by 30%.

## e. CIRCULAR ECONOMY AND WASTE

## Group waste generation in 2021, tonnes

Type of waste	Pandrol	Conductix-Wampfler	DCX	KLK	Frauscher	Group Total
Sand	6 932					6 932
Unsorted waste	5 506	318	45	33	10	5 912
Metals and oxides	1 968	851	358	65	6	3 250
Hazardous industrial waste	1 797	31	57	10	1	1 895
Cardboard	319	100		8	12	438
Other		176	176		4	356
Plastics	67	70		6	3	145
Wood			96	8	3	107
Paper		8	20	1	1	30
WEEE and batteries		1			2	4
<b>Groupe Delachaux total</b>	<b>16 588</b>	<b>1 551</b>	<b>752</b>	<b>132</b>	<b>41</b>	<b>19 065</b>

This initial collection of information will enable us to better understand the companies' waste types, and to consider steps in order to reduce production, improve recovery or recycle the latter.

Sand consumption comes from the Intercastr & Forge foundry business, where it is used for moulding steel parts. Approximately 95% of it is reused in the moulding process and at the end of its life it is used for soil enhancement or as landfill.

Unsorted waste consists mainly of refractory materials and sand from foundry activities, which cannot be easily separated for reuse or recycling.

Beyond establishing these indicators, many initiatives are already in place in the Group's companies for reusing or recycling waste.



### A project in partnership with BaneNOR, one of Pandrol's main customers, and the recycler Biobe

BaneNOR, the Norwegian railway company, replaces and recovers several tonnes of nylon insulators on its tracks every year. Rather than sending them for commercial recycling, the company worked with Norwegian moulder Biobe to build new insulators.

The use phase of the insulators on the tracks and the moulding process degrade the material, requiring in most cases the inclusion of virgin material in recycled insulators. Biobe, with whom Pandrol has worked for many years, investigated the best way to clean and treat the insulators removed by BaneNOR, then mould them with different percentages of new nylon 6 and 30% glass fibre, to make new insulators.

Pandrol carried out laboratory tests and a first trial was conducted by BaneNOR, followed by a second on a larger scale (400 insulators) with the same blend, at the end of 2021. The results are expected to be available by summer 2022 and, if favourable, BaneNOR will be able to use recycled insulators in production quantities by late 2022/early 2023.

The saving on virgin material is expected to be between 30 and 35 tonnes per year, which is about 20% of the total consumption.

**DCX Chrome** invested in a new blasting machine in early 2020, which reduced the amount of shot used while optimising its recycling. In addition, 48 tonnes of shot were recovered by an external service provider in 2021.

**Conductix-Wampfler** in Ireland has been using software for several years to track data on the type and quantity of waste, as well as its recovery by local partners. This year, improvements in sorting and management made it possible to certify for the first time that 100% of cardboard, steel and plastic production waste has been recycled.

In **Conductix-Wampfler** Agrate, Italy, cardboard packaging is reused internally or by suppliers, saving around 3,500 kg of cardboard per year. Wooden and plastic pallets are also reused, saving more than 1,000 pallets in a year. The plastic boxes used to pack certain products are reused in a closed circuit between the Italian and French sites, saving 1,500 kg of plastic. All metal production waste is recycled.

## C. Ethics



### a. OUR APPROACH TO ETHICS

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

- The Audit, Risk and Ethics Committee, consisting of five members of the Board of Directors, oversees the progress of the Code of Ethics and anti-corruption programme
- The Ethics Committee, made up of the executive committee members and the CSR manager, defines the strategy and objectives of the “WE” programme and deals with ethical cases received via the whistle-blowing platform
- The Compliance Committee, consisting of the Chief Executive Officer, the Chief Legal Officer, the Human Resources Director, the Chief Financial Officer, the Internal Audit and Control Manager and the CSR Manager, is responsible for defining and implementing the anti-corruption programme.

### b. THE CODE OF ETHICS

Groupe Delachaux Code of Ethics is the cornerstone of the Group's social responsibility system.

It covers 14 topics in the areas of operational excellence and people development. It describes and illustrates in simple and clear language the behaviour expected from Groupe Delachaux employees and stakeholders. The Code of Ethics also describes Group's whistle-blowing system for sharing ethical concerns confidentially or anonymously.

It is translated into 18 languages to promote understanding and ownership and is reviewed and updated annually to reflect changing regulations and practices.

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

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

### The Code of Ethics training programme

Publication and distribution of the Code of Ethics began in April 2019 and a digital training module was rolled out from the end of 2019. Groupe Delachaux is committed to ensuring that all employees undergo this training within their first 30 days of starting. This commitment will be made even easier by the fact that by the end of 2022 all Group employees will have an e-mail address giving them access to the online training.

The Code of Ethics training module includes practical examples and puts employees in hypothetical situations. It is available in seven languages (French, English, German, Spanish, Chinese, Italian and Portuguese). Since it was launched, 3,979 employees have been trained:

- Online training via our digital training platforms was attended by 3,285 people;
- Classroom training for employees without an e-mail address was attended by 694 people.

It is organised around group workshops and uses the online training to encourage interactions and reflections on the various topics and situations presented.

### **c. GROUPE DELACHAUX ANTI-CORRUPTION PROGRAMME**

#### **Anti-bribery training**

Since 2018 Groupe Delachaux has been a member of TRACE International, a globally recognised anti-corruption association and a provider of risk management solutions for third parties.

TRACE has developed online training modules on compliance and anti-corruption topics. In 2021, six TRACE modules and two TRACE guides on anti-corruption were available in the e-learning platform so as to provide a varied and adaptable training path. 650 employees have attended one or more TRACE training courses, including almost all Frauscher employees who had joined Groupe Delachaux after the start of the anti-corruption programme.

Groupe Delachaux aims to provide classroom anti-corruption training to the most exposed employees every three years but it was difficult to carry this out in the pandemic context.

As a substitute, the Group provided an alternative training course in 2021: an interactive online conference lasting two hours for groups of up to 50 people, hosted by Ikarian. It addresses actual cases of corruption, the risks associated with the sector, the importance of having a strong culture of ethics, the main applicable regulations and associated sanctions. This training was completed by the extended management teams; 199 of the 225 targeted employees were trained in 2021, and 16 others completed a TRACE e-learning course in early 2022.

#### **Number of employees having completed anti-bribery training**

Type of training / Number of employees trained	2021	2020	2019	2018
Classroom or Ikarian training (2021)	199	0	405	78
TRACE e-learning course	650	446	385	80

#### **Prevention and detection measures**

The Group companies ensure the compliance of commercial agents, in particular by using the Dow Jones compliance database for a first level of filtering and the TRACE platform for a second level of due diligence.

In 2021, the Group thoroughly reviewed its mapping of corruption risks in collaboration with Grant Thornton: mapping has been completed for each Business in order to better understand the risks relating to each activity.

**Target: Business-specific action plans to be deployed by the end of 2022.**



Groupe Delachaux is committed to people development, both within its business and with its stakeholders.

Joining Groupe Delachaux means sharing this common requirement to offer our employees an environment that is conducive to performance, personal development and everyone's involvement. This is reflected in our People Development Model, which sets out a concrete framework of actions and expected behaviours across a number of pillars: managerial culture, individual performance, development and training, career, succession planning and remuneration systems.

Each Business, due to its identity, heritage and know-how, is responsible for embodying this model through practices, tools and initiatives adapted to its specificities, while preserving the spirit and approach of Groupe Delachaux in terms of people development.

## ■ A. People development and respect, social relationships and remuneration

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

- **human rights:** we always respect human rights and investigate any suspected violations of these rights
- **diversity and equal opportunities:** we promote diversity and equal opportunities. We recruit our employees based on their skills, their professionalism and their performance
- **fighting harassment:** we uphold the right to respect and human dignity. We fight all forms of harassment and violence
- **privacy:** we all have the right to privacy and we must be alert when using our personal data.

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

Furthermore, we act in such a way as to allow our employees to feel that they are in a safe and respectful environment. Our second WE Share engagement survey in 2021 revealed that 79% of employees confirmed their belief that the Business does respond appropriately to complaints about serious forms of misconduct. Once again our employees have also expressed their feeling of being treated with respect in their organisation. The number of employees giving a score of more than 8/10 on this question is also up 4 points.

It should be noted that the whistle-blowing hotline introduced as part of the Code of Ethics was used much less in 2021 than in 2020 (5 cases compared to 14). This hotline was mainly used in 2021 to report

situations related to respect for people (3 out of 5 cases). No cases of possible corruption or ethical problems of any other nature were identified. All the cases reported were handled within the confidentiality rules guaranteed by this whistle-blowing hotline. Each case was handled in context through analysis of the situation and available documents, interviews with stakeholders, and actions were recommended if appropriate and conclusions drawn.

## **a. PEOPLE DEVELOPMENT**

### **Individual objectives, performance, and aspirations**

The Group guarantees that each employee, regardless of their position or the company to which they belong, will receive clear information about the year's objectives and constructive feedback on their performance.

Clear goals and responsibilities drive engagement by helping everyone understand the importance of their work and enabling objective assessments of the impact of their achievements.

These are assets for Groupe Delachaux. Our employees express this in the engagement survey, giving the highest score compared to the other topics in the questionnaire (8.4/10). In 2021, as in 2020, 9 out of 10 employees said that they know what is expected of them in their jobs. This trend can be seen in all categories of profession, age, length of service and even between countries.

The dialogue that is encouraged between each employee and their line manager is achieved, among other ways, by means of a performance review process. The Group provides a standard annual review format to ensure there is an opportunity to discuss performance, the development plan for the coming year and career aspirations. In 2022, the Group plans to provide a version of the review specifically for our blue-collar workers. Within Frauscher, the frequency and approach are different, even though the overall objective is the same. An agile method called "OKR" (objectives and key results) is favoured, allowing employees to be provided with regular feedback on the basis of specific and contextualised objectives.

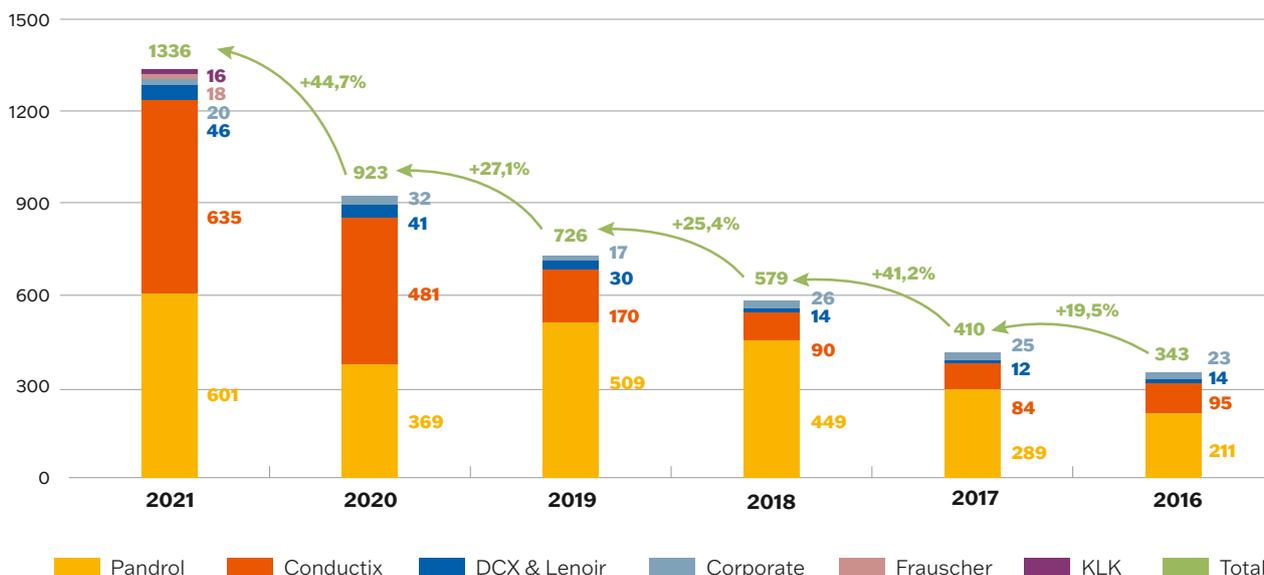
At the same time, the People Review takes place annually within our companies (staff review concerning N-1 staff of a group of managers, carried out collectively in order to enhance the opinions on the people).

Since 2017, the People Review tool and its process have been subject to continuous improvement in order to serve business needs: to make employees and their growth potential visible, to ensure that they have the necessary skills and expertise for the future and to prepare succession plans.

In 2021, the tool continued to develop qualitatively and quantitatively. A practical guide now brings together a set of specific workshops designed to prepare and carry out this review, with regard to the objectives it supports, the time available for the participants, any potential health constraints and future skills and succession issues. HR managers and team managers thus benefit from organisational autonomy and quality of interaction with their group of managers.

In 2021, despite the health context, 1,336 people were involved in the exercise, an increase of 44% compared to 2020. Conductix-Wampfler and Pandrol have continued to expand this exercise within the Asia Pacific (APAC) and Europe, Middle East and Africa (EMEA) regions. 2021 was also marked by the introduction of people reviews within Frauscher, with a review of the entire global management team, that is to say 18 people.

### Development of people reviews by company



### Training and skill development

Groupe Delachaux is committed to providing its employees with a variety of training and development opportunities through its companies, equipping them to succeed and encouraging them to always learn, and remain curious, agile and able to adapt.

2021 was fully in line with this commitment, firstly thanks to increased awareness of these subjects, both during budget setting and annual review periods and people reviews. Therefore, a specific budget for people development and training is now expected to be allocated, identified and monitored within each entity. In addition, we encourage our management teams and employees to consider all possible forms of learning and development: classroom-based or digital training, on-the-job experience, mobility, running cross-functional projects, etc.

Besides the emphasis on safety and regulatory aspects, the training activities carried out in person within companies aimed to enhance personal development and knowledge of products and digital tools. A budget of 1.5 million euros has been allocated for our employees' training.

For example, within **Pandrol**, 134 sales people around the world have been trained remotely to get to grips with the new CRM tool and its features. 24 sales managers have been trained in the deployment of a sales strategy and its key success factors. In France, seven foremen attended 16 days (161 hours) of certified training between 2020 and 2021 on a "team leader cycle". France has also launched an individual support pilot programme for 10 employees via a digital coaching platform, allowing an operational question or a personal development need to be explored with a coach.

Digital training, carried out at Group level, complements the range of training opportunities.

In 2021, businesses and the HQ team continued to develop the use of online training platforms, helping to implement the knowledge and skill-sharing policy and strategy.

Our employees spent 11,237 hours training via these digital platforms, which is an average of 3.5 hours per employee with access to the platforms. Of the hundreds of modules completed – excluding mandatory modules – employees are particularly interested in training courses on their working environment (history

and strategies of our companies), their activity (core products), working methods (agile methods and digital transformation) and the development of soft skills (feedback culture, interpersonal communication and remote working).

Training courses are also classified as essential and mandatory for all or some of our employees. These modules aim to protect the interests of the Group and of our employees.

Two modules were rolled out at Group level in 2021.

As explained in the Safety section of this report, a training module, “Safety is everyone’s business!”, was launched in October 2021. It is now part of the induction process for all new employees, as from January 2022.

In order to strengthen our cyber-security practices and vigilance, a “Social Engineering Red Flags 2021” module has been completed by all Business employees (excluding Frauscher, which has its own training) with an Office 365 account, that is to say 2,222 people. It is mandatory for all employees in these companies, so that they become aware of digital threats and how to protect themselves against them.

In 2022, the Group has set itself a double objective: firstly, to extend access to this platform to the 850 employees who do not currently have an e-mail address; secondly, to guarantee all newcomers access to an induction course that provides them with useful and essential information about their work environment.

### **Internal promotion and mobility**

The Group has made efforts to increase the internal mobility of all employees. Mobility can indeed help respond to the aspirations of employees while also helping to share technologies, culture and know-how.

To promote this initiative, the Group advertises employment vacancies internally before they are published externally. The discussions held during the people reviews and mentioned above are also a way of stimulating internal mobility. In 2021, 20% of the management team positions in our companies were filled through internal promotion.

### **Employee engagement**

Aware of the challenges linked to the capacity to continuously listen in-depth to teams, in 2020 the Group adopted the employee engagement rate as a non-financial key performance indicator. How it evolves will be measured and monitored every 12 to 18 months.

The first survey, which closed in March 2020, and the subsequent exchanges within the different teams, resulted in some notable action relating to the work environment, even though the pandemic period slowed down initiatives and focused teams on other short-term priorities. For example, an investment was made in informal and canteen spaces for our Pandrol sites in the UK and France.

The Group conducted its second global engagement survey in October 2021.

Its main objective was to find out what our employees think and feel, to understand their daily lives and what is important to them. The survey covered all Group employees (including employees on temporary contracts and work-study contracts) in all countries and at all levels.

To that end, 3,812 employees were asked to anonymously answer 48 encrypted questions translated into 18 languages.

The companies once again used a network of local “relays” in order to guarantee a level of communication, promotion and logistics that would allow everyone to participate in the survey in the right conditions.

To support awareness and acceptance of the process, four short e-learning modules have also been created and published on our training platforms, so that everyone – including, importantly, our managers – can feel equipped before, during and after the results are presented.

At the production sites, self-service computers or tablets were provided in dedicated rooms during working hours. Employees without an e-mail address also had the option of scanning a QR code to access the survey directly from their mobile phone.

For this second survey, the Group retained a modern, digital tool that provides instantaneous results and access to a private dashboard for all managers with enough employees under their direct or indirect remit to ensure responses were anonymous. The minimum threshold of respondents was lowered to 5 instead of 8, in order to broaden the number of managers with access to the results within their direct remit.

While the first engagement survey was conducted at the very beginning of the pandemic, the second survey opened after 17 months of disturbance and restrictions. Our employees once again took the opportunity to share their thoughts and feelings about their working environment: 3,348 employees – or 88% of the total labour force – took part in the survey. Among the blue-collar population, which was a real challenge to bring together and involve, the participation rate was 82%, which was three points higher than in the previous survey. Except for DCX Chrome, participation rates remained unchanged compared to 2020 and ranged from 85% (Conductix-Wampfler) to 98% (Frauscher).

Engagement rate: among the 48 standard questions, 4 central questions provided an engagement score; that is, a measure of the level of employees' positive energy and involvement in their work and organisation. The overall engagement score was 7.7 points, i.e. 0.2 points above the benchmark for industrial companies. Although this rate recorded only a very slight increase since 2020 (up 0.1 points), it identified two positive trends. Firstly, despite the peculiarities of the last two years, scores at Groupe Delachaux level have remained broadly unchanged and have even increased slightly compared to the external benchmark and since the last survey. Secondly, the weight of "promoter" employees, that is to say those giving a score equal to or higher than 9, increased by 5 points. Some of the employees who had a rather divided opinion in the previous survey stated that they felt more positively about their work environment in the 2021 survey.

The four questions constituting the engagement rate relate to pride, satisfaction, recommendation and loyalty to the company. Among them, pride in belonging remains a competitive factor for Groupe Delachaux in all our companies, with an overall positive difference of 0.5 points compared to the external benchmark.

### Employees' responses to questions from the engagement survey and benchmark result

			2021	2020	Benchmark manufacturing 2021
Engagement	<b>Proud</b>	I am proud to tell people I work for this company	8,0	8,0	7,5
	<b>Advocay</b>	How likely is it you would recommend Delachaux Groupe as a place to work?	7,8	7,8	7,5
	<b>Satisfaction</b>	Overall, how satisfied are you working here?	7,8	7,7	7,5
	<b>Retention</b>	How likely is it that you would stay with Delachaux if you were offered the same job at another organization?	7,4	7,2	7,0

The engagement questionnaire also included around forty questions covering various aspects of the company experience that are considered to be drivers of employee engagement, such as the working environment, professional relationships, managerial quality and business strategy. Employees gave a score to each question and answered on average two open-ended and personalised questions depending on the company. In addition, they had the opportunity to write a qualitative comment for each of the 48 questions asked. More than 31,000 comments were shared, which is 4,700 more comments compared to 2020.

Groupe Delachaux reaffirms its objective to release this survey to all Group employees every 18 months, while maintaining a minimum participation level of 85%. 2022 will be devoted to deploying initiatives on the ground in light of the results of the last survey, as well as preparing for the next survey at the beginning of 2023.

## **b. RESPECT FOR PEOPLE**

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

Groupe Delachaux combats all forms of discrimination. As our Code of Ethics states: "We promote diversity and equal opportunities and recruit our employees based on their skills, their professionalism and their performance." In 2021, 85% of employees agreed that people from all backgrounds are treated fairly in their organisation. This perception is also well above the external company benchmark score (up 0.5 points).

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

The Group is committed to furthering diversity at all levels of its business. Its workforce includes a broad diversity of ages, lengths of service and backgrounds, all over the world.

The **Group's** policy on diversity and inclusion helps enrich interactions and skills, sharing differing perspectives and providing a source of innovation. Examples of local initiatives include partnerships in France with institutions to offer work experience opportunities to people who are retraining or "returning" to the labour market (Mission locale, Valoriste Bugey Sud, Pôle Emploi, AFPA Ecole de la Deuxième Chance).

## Gender equality at work

Groupe Delachaux is committed to promoting gender equality when it comes to career development, access to training, salaries and positions in the Business.

Women are present in all business units and at almost all levels of the business. The proportion of women in the Group's workforce on 31 December 2021 was 20.5%, an increase of 1% compared to the previous year (19.5%). We want to continue our efforts in this area.

To promote the role of women in our organisations, our companies highlighted employee testimonials and profiles on the LinkedIn network during 2021. **Frauscher** took the opportunity on International Women in Engineering Day ("INWED") to profile five of its employees, including their position, challenges and successes. For International Women's Day, a profile of women from each of our companies was highlighted every week.

In France, our companies with more than 50 employees published the Gender Equality Index on 1 March 2022. Overall, our companies are above the regulatory expectations in terms of gender equality. We will continue to ensure that these levels are kept as a minimum and that we implement the necessary measures to improve them in the coming years. A measure has already been taken to reduce the gender pay gap by allocating an additional salary upgrade budget.

Between 2020 and 2021, the proportion of women in the total workforce grew (20.5% compared to 19.5% in 2020). Although the three largest companies in the Group (Pandrol, Conductix-Wampfler and Frauscher) have maintained or improved the representation of women in their total workforce compared to 2020, a slight drop in representation can be seen in the other companies.

In the top management teams, parity has almost been achieved within the corporate team at head office, while the companies have maintained or slightly reduced the number of women in their management teams.

In 2022, Groupe Delachaux will continue its efforts to attract and retain women at all levels of responsibility. Specifically, companies' initiatives and programmes are planned to encourage and support professional equality (Women at Pandrol).

### Proportion of women in the Group's and companies' workforce

Share of women per entity as at 31/12/2021	Number of women	Total workforce	%
<b>Groupe Delachaux</b>	<b>800</b>	<b>3 908</b>	<b>20,5</b>
Conductix Wampfler	350	1 503	23,3
Pandrol	221	1 585	13,9
Frauscher	188	606	31
DCX Chrome	9	61	14,8
Other companies	18	118	15,2
Delachaux siège	14	35	40

### Proportion of women in the Group's and companies' top management teams

Share of women in management teams by entity as at 31/12/2021	Number of women	Total workforce of the top management teams	% in 2021	% in 2020
<b>Groupe Delachaux</b>	<b>41</b>	<b>245</b>	<b>16,7</b>	<b>16,9</b>
Conductix Wampfler	15	108	13,9	13,4
Pandrol	5	21	23,8	23,8
Frauscher	7	77	9,1	9,3
DCX Chrome	3	9	33,3	33,3
Other companies	3	14	21,4	28,6
Delachaux HQ	8	17	47,1	44,4

### Employment and inclusion of workers with disabilities

All of the Group's Businesses are mobilized to integrate more and more workers with disabilities. Only our Businesses in France appear in this report because the definition of "worker with disability" is different from one country to another.

#### Number and proportion of disabled workers for sites located in France in 2021:

List of companies in France	Number of workers with disabilities	Total workforce	Share of workers with disabilities
Pandrol Raismes	9	199	5%
Pandrol Douai	7	92	8%
Conductix-Wampfler	7	179	4%
Raoul Lenoir	0	33	0%
DCX Chrome	2	61	3%
Pandrol Colombes	1	35	3%
Delachaux SA	0	29	0%
Jay Electronique	0	57	0%

The number of disabled workers is stable compared to 2020.

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

### **Organisation of working time**

The reduction and organisation of working time is applied in Group companies in accordance with the laws and any applicable collective agreements in each country in question.

The Group makes very little use of part-time work; existing cases correspond to a chosen part-time work schedule. In 2021, homeworking became part of our working habits for employees in posts for which presence at the workplace is not mandatory.

The Group is clearly supportive of offering its employees autonomy and flexibility while maintaining collaboration and communication within teams. In many locations, including offices, agreements or working time charters have been established following the recommendations of governments and health authorities in the countries in which we operate. In industrial sites, extending attendance time windows allowed for shifts to avoid the concentration of people and limit the risk of infection.

The Group is also alert to maintaining the work-life balance of its employees, even more so since the acceleration of homeworking practices within our various sites. This question is also posed to all employees in the Group in our engagement survey, which reveals that 83% of them believe they have the necessary flexibility in their work to manage their personal commitments.

For example, **Frauscher** introduced "Focus Friday", which aims to free up agendas and focus the day on progressing in work topics or dedicating it to training. In 2021, the same Business also organised a mental health day, the aim of which was to raise awareness and develop practices in terms of work-life balance.

## Collective agreements

The French companies in Groupe Delachaux are mainly subject to the national collective agreement for the metallurgy sector, but also the national collective agreement for railway public works.

Today the French companies have discussions, whenever possible and desirable, in order to direct their decisions towards greater harmonisation in terms of approach and content.

Various collective labour agreements were signed by the companies in France in 2021:

At **DCX Chrome**, a salary negotiation agreement and an agreement on the allocation of a special purchasing power bonus have been signed.

At **Pandrol**, an NAO agreement (concerning mandatory annual negotiations) has been signed.

An amendment to the profit-sharing agreement (2019–2021) has been signed regarding the determination of the criteria. The workplace equality agreement started to be implemented in 2021.

An agreement was signed on granting leave when an employee has a seriously ill child, as well as an agreement on weekend shift teams (working only on Saturdays and Sundays) for the Raismes and Douai sites.

At **Conductix-Wampfler**, an NAO agreement was signed. A participation agreement was signed in 2021 with Jay Electronique; an addendum to the profit-sharing agreement was signed concerning the determination of the criteria. A mobility plan agreement has been signed to support the use of greener modes of transport, other than the car, to come to work. This agreement is currently being considered at other sites.

An agreement on remote working specific to each entity was also signed in 2021 and at the beginning of 2022 by five of the eight French entities.

In Germany, the major entity located in Weil-Am-Rhein is not part of the employer's union and is therefore not required to systematically apply the agreements reached with the main union IG Metall. However, it often uses them as a reference when preparing local agreements. In the United Kingdom, the Group's main structure has an agreement ("Procedural and substantive agreement") drawn up in 1999 with the Unite the Union trade union (known at the time as the Transport and General Workers Union). Part of this agreement covers broad areas such as problem solving, change management, and disciplinary and dismissal procedures. Another part deals with specific topics such as pay, shift work, leave, absences and other working rules. In 2018, representatives approved the new attendance management policy, which was introduced in 2020.

## Staff representatives

In all the countries and entities concerned, the Group's employees are represented at different levels (Group/Company/place of business) by representatives of the representative trade unions, staff representatives, the joint works council, and the health, safety and working conditions committees or local equivalent. The Group ensures compliance with the schedule of mandatory monthly, quarterly and annual meetings. Beyond the formal relationships and discussions provided for by law, an approach is being developed based on communication, involvement in thought processes and projects and greater transparency. Compliance by the parties is noticeable.

Dialogue has been more constructive and industrial relations are benefiting.

## **d. REMUNERATION**

### **Remuneration policy**

The Group has developed and introduced a Compensation & Benefits Policy, which sets out the main practices in this area for all its entities. The policy sets out basic control rules – for example, level N+2 approval for any decision relating to remuneration. It also aims to strengthen the link between performance and remuneration at all levels and to handle the wage bill.

### **Market data**

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 data on market changes is also used for reference purposes for the annual negotiation with staff representatives about the financial budget for salary increases. Despite the COVID-19 context, the salary increases planned for 2021 were maintained across the Group, with or without retrospective effect depending on the country or population.

The amount of gross remuneration paid by the Group (excluding social security contributions) for closed financial years since 31 December 2016 is as follows, up 11.6% from 2020 to 2021. Most of the increase comes from business growth with an increase in staff numbers and salaries, especially in the variable part (the incentive and variable remuneration of top managers).

### **Amount of remuneration paid by the Group**

<b>(In millions of euros)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Gross remuneration</b>	<b>184,9</b>	<b>165,6</b>	<b>159,4</b>	<b>136,9</b>	<b>133,2</b>

## **■ B. Management Practices**

### **a. OUR APPROACH TO MANAGEMENT PRACTICES**

Between 2017 and 2019, a managerial training course, “Managing to succeed together” was rolled out to more than 250 managers. In order to adapt to new ways of working and geographical or health constraints, this management course was developed as a digital version in 2021. Offered to all team managers and senior experts in our companies, this training is a combination of digital activities and in-person or remote sessions, using the Teams tool, with a trainer. In 2021, the first pilots were successfully completed with 17 managers and our goal is to carry on with this in 2022.

For the second time in the engagement survey, these questions recall the five “WE manage” managerial aspects which have been defined within the Group as being the managerial practices that are expected to be carried out at all levels. They therefore serve as a measure of how our employees perceive the ability of our managers to create conditions which enable them to live well, to succeed and to see themselves grow within the company.

Questions	Pandrol	Conductix Wampfler	Frauscher	Total 2021	Total 2020	Benchmark manufacturing 2021
My manager cares about me as a person	8	8.1	8.2	<b>8.1</b>	8.1	8.1
At work, I know what is expected of me	7	7.2	8.2	<b>7.3</b>	7.1	7.3
My manager communicates openly and honestly with me	7.8	8	8.7	<b>8</b>	7.9	8
My manager provides me with the support I need to be successful in my job	7.7	8.1	8.8	<b>8</b>	8	8
My manager care about my opinions	7.6	7.9	8.6	<b>7.9</b>	7.7	7.9

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

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

The empowerment of people, now facilitated by the Lean management tools, is an objective of the Group companies. This is reflected in the sentiment expressed by employees at all levels that they want to have enough freedom to decide how to go about their work. The Agile methodology, which is an iterative and collaborative approach capable of taking into account the customer's initial needs and those linked to changes, has been specially developed at Frauscher. It was first used on the Frauscher SENSONIC project and then extended to the whole business. This method's good results and good practices have been shared within Groupe Delachaux in order to assess the possibility of it being adopted more widely by the other companies.

# 06 Supply Chain



Groupe Delachaux companies rely on suppliers who provide us with the goods and services required to manufacture our products and to meet our own needs. Our environmental and social responsibility does not end at the boundaries of our companies: we also strive to engage our supply chain in responsible practices. Depending on the different contexts, we integrate these issues into our practices, by purchasing more virtuous products or services, raising awareness among our suppliers of CSR issues and prioritising local ecosystems.

## A. Actions concerning purchased products and services

Steel purchases account for 28% of **Pandrol's** GHG emissions. To minimise emissions from these purchases, 37% of the purchased tonnage comes from scrap metal that is recycled by our Intercast & Forge foundry in Australia and 19% comes from a supplier using an electric furnace and largely renewable energy. This has enabled us to reduce GHG emissions from purchased virgin steel by about 5% between 2019 and 2021 and significantly reduce the carbon impact given in the environmental product declaration for some of our fastening systems.

We continue to work with this supplier, who will only supply us with low-carbon steel in 2022, and we are planning to open a new foundry in India at the end of 2022, which will allow us to buy more scrap metal and less virgin material and reduce greenhouse gas emissions from our purchases.

## B. Actions with respect to suppliers

In 2021, **Pandrol** published a supplier charter reiterating its commitments and setting out its expectations in terms of ethics and CSR for each single supplier. Pandrol particularly undertakes to select them according to objective criteria, including environmental and social issues, with transparency, to respect confidentiality and intellectual property and to prevent economic dependence. Suppliers must pledge to comply with regulations and the main international labour standards (especially on health and safety issues) and Delachaux Code of Ethics rules and to strive to achieve the best environmental management standards.

This charter was sent to 284 European site production suppliers for signature: 47% have made the pledge. We will carry on this way by adapting it to different types of suppliers so as to have the greatest impact in 2022.

Pandrol has also integrated CSR criteria into its purchasing maturity matrix, an internal tool for assessing the performance of each production site with regard to supplier management. The tool also makes it possible, with questions in the associated maturity audit, to identify the best operating rules, tools and methodologies.

A set of four questions specific to CSR has been added to the matrix. The CSR performance of our suppliers is becoming an important topic for the maturity of our purchasing function; during the first half of 2021, the average maturity rate for CSR issues went up from 7 to 15%.



**Conductix-Wampfler** has a local sourcing policy for its main sites: in 2021, 98% of production equipment was purchased locally for our factory in Italy; this figure was 95% for the factory in China, and 65% for the German or French factories. These percentages generally correspond to the value of purchases made in the country. In France, 28% of purchases are made less than an hour's drive from the Belley site. However, this year has been characterised by difficulties linked to tensions over supplies and prices: the search for alternative solutions has often resulted in solutions further afield.

**Frauscher** Sensor Technology also favours local suppliers in its purchasing policy: assuming comparable delivery quality, a supplier close to the manufacturing site will be given preference over a supplier that is further away. Today, 71% of strategic suppliers are located less than 100 km from our production site in Austria, which minimises the carbon footprint related to transportation.

To complement this strategy, delivery logistics are optimised: the Sankt Marienkirchen site uses reusable packaging with its suppliers in order to avoid waste. The number of orders and deliveries, as well as the loading of trucks, are designed in order to reduce the impact of transportation.

As an example, a supplier based 650 km away from the site that only delivered one part was replaced by another already active supplier located just 40 km away. This has reduced transportation by more than 9,000 km per year, while lowering the transportation and product costs.

Supplier audits include an environmental performance assessment.

In addition to reusable packaging and waste management, Frauscher's suppliers have carried out the following actions: recovering waste heat from machines, heating company buildings with heat pumps, cooling these buildings with groundwater and using electric cars as company vehicles.

# 07 Communities



## ■ A. Our approach to communities

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

Social commitment comprises mainly philanthropy, patronage, sponsorship and volunteering led by Groupe Delachaux, its entities and its employees. From this point of view Groupe Delachaux can take pride in a civic culture which has resulted in many activities in the territories where our employees operate. They are the corollary of the enthusiasm and commitment our employees put into their jobs.

We define communities broadly, including:

- Social, solidarity, sporting, cultural and environmental organisations and NGOs
- Local authorities at municipality, département and regional levels
- Local representatives in education and for job placement
- Neighbourhood (vis-à-vis the sites) and community-based organisations
- Professional associations or local/regional business pools.

In 2021, we chose to focus the type of activities the sites want to organise with communities around 3 themes and 12 associated sustainable development goals: solidarity, education and the environment. This allows us to promote all our actions around common themes while continuing to leave the sites considerable freedom to respond to local needs.

## B. Examples of activities undertaken in 2021

### a. SOLIDARITY

#### China

In July 2021, the Henan province experienced torrential rainfall. **Pandrol** employees in China raised donations worth RMB 12,823 to help the disaster area through a public aid organisation, The One Foundation.



#### Brazil

In Brazil, **Pandrol** supported La casa de passagem, a place in Porto Alegre where minors, children without any parents or who are at risk can stay until they are adopted. The house can accommodate up to 20 children at the same time. It is linked to the municipality's social services.



Our aim is to improve the quality of life for these children, through Pandrol employees' involvement in this centre, so that they can spend time with the children, play with them, read a book, teach them how to cook, use IT tools, etc. Our action has been made more difficult due to the pandemic this year, but we have nevertheless been able to carry out the following activities:

- Delivery of school equipment to the 20 children in the home
- Setting up an IT room with the help of our IT service provider
- Purchase of 20 bed linen sets (sheets, pillowcases and blankets) for children's beds thanks to donations from our employees
- Organisation of a little party for Children's Day in Brazil with a gift for each child.



#### UK

In England, **Pandrol** donated £500 to Bluebell Wood Children's Hospice, a local charity chosen by employees, and collected 10 food parcels from employees for Bassetlaw Food Bank, with an additional donation of £500 from trade unions.

#### France

**Frauscher** employees in Haguenau, France, rallied round for the "A Christmas box for those most in need" cause: they prepared a gift (e.g. an edible treat, leisure item, beauty product, etc.) and packed it carefully in a gift box. 24 boxes were distributed to people in need.



## Austria



80 packages were given to the staff at the Schärding clinic.

The COVID-19 pandemic has put many medical staff members to the test. The employees at **Frauscher** in Austria wished to express their gratitude for their dedication by making biscuits for them. Thanks to the baking skills of the Austrian Frauscher teams and the Business's additional donation,



## USA

A fundraising event took place in Harlan, USA, where **Conductix-Wampfler** employees made donations in exchange for walking tacos to support the Cancer Society Relay for Life in Shelby County, an association that raises funds to support research, patient assistance and access to screening.

They also donated to the Open Door Mission, an organisation that helps the homeless community and provides single mothers and their children with accommodation, meals, and employment advice.

For the holiday season, Conductix-Wampfler employees in Omaha, USA donated gifts to the Salvation Army Angel Tree, which helps give Christmas presents to disadvantaged children.

Employees in Harlan donated gift cards to the Adopt-A-Family programme of West Central Community Action, an initiative that fights poverty by helping communities become self-sufficient.

In total, Conductix-Wampfler carried out 12 fundraising events in the US in 2021, raising over \$55,000.



## India

In India, **Conductix-Wampfler** has engaged with the Rotary Club NGO, which provides humanitarian services in almost all areas, to support the poor in the slums around Pune: in collaboration with the local government, free COVID-19 vaccinations have been provided. As of 1 October, 14,728 vaccinations had been given.

In Mysuru, India, **Frauscher** financed the installation of a drinking water dispenser and a garden for a nearby hospital.

## China

In Wuhan, China, the **Conductix-Wampfler** management team travelled to the Children's Rehabilitation Centre in Xile as Children's Day approached. It met a group of autistic children, shared games with them, enjoyed delicious cakes and then gave them some presents. The children's reactions were very rewarding.

## b. EDUCATION

### Austria

In Austria, **Frauscher**, which has deep local roots, has donated locally manufactured air purification devices to some schools in the region in partnership with its employees, to help young students regain a sense of normality in their school environment.

### USA

Every year in Omaha, USA, **Conductix-Wampfler** contributes to improving the educational programmes of Westside Community Schools by donating welding consumables. Employees from the company joined the judging panels for welding competitions at the Welding, Fabrication & Manufacturing Lab.

# 08 Appendices

## ■ A. Methodological note

All the information shared in this report concerns Groupe Delachaux and includes all its 6 companies (Pandrol, Conductix-Wampfler, Frauscher DCX Chrome, Lenoir-MEC and KLK). If some data concern a smaller scope, this is specified in Appendix B, which summarises the figures in the report.

The environmental data in the report (sections 4.B.c, 4.B.d and 4.B.e) are made on the basis of the following parameters:

Businesses	Number of sites	Data parameters
<b>Pandrol</b>	Production : 21 Tertiary : 16	Production : 19 main sites Tertiary : none
<b>Frauscher</b>	Production : 2 Tertiary : 14	Production : tous Tertiary : 9 principaux
<b>Conductix-Wampfler</b>	Production : 12 Tertiary : 17	Production : 10 main sites Tertiary : none
<b>KLK</b>	1	1
<b>Lenoir-MEC</b>	Production : 2	1 site (*)
<b>Delachaux siège</b>	1	1 (*) (**)

(\*) no data for waste

(\*\*) no data for water

Greenhouse gas emissions data are reported according to the GHG Protocol standard.

## B. The figures in this report

Chapitre	Page	Nom	Année	Unité	Périmètre	Commentaires
2. A		Sales turnover	2021	€	Groupe Delachaux	According to IFRS
2. A		Sales by Business	2021	%	Groupe Delachaux	By brand, as % of total sales turnover
2. A		Sales by destination region	2021	%	Groupe Delachaux	By geographical area, as % of total sales turnover. MEA = Middle East and Africa
2. A		Total workforce by region	2021	Employés actifs & inactifs	Groupe Delachaux	Active=payroll employee. Does not include temporary staff. Inactive=employee not currently on payroll but possibly returning (sabbatical leave, parental leave)
2.D.c		Workforce by Businesses	2021	%	Groupe Delachaux	Active & inactive employees
2.D.c		Employees by category	2017 to 2021	Active & inactive employees	Groupe Delachaux	Managers: in charge of at least one permanent employee Expert: specialist member of a management team or an international network Workers: responsible for direct or indirect production Other: administrative support, employees, technicians
2.D.c		Active employees by country	2017 to 2021	Active employees	Groupe Delachaux	Ten main countries
2.D.c		Active employees by region	2018 to 2021	Active employees	Groupe Delachaux	APAC = Asia-Pacific EMEA = Europe, Middle East and Africa
2.D.c		Active employees by age	2018 to 2021	Active employees	Groupe Delachaux	
2.D.c		Active employees by Seniority	2018 to 2021	Active employees	Groupe Delachaux	Including non-permanent jobs (fixed-term contracts or apprentices). Seniority retained in case of hiring.
2.D.e		Orders taken by Company	2020 2021	€	Groupe Delachaux	By Company, in millions of euros
2.D.e		Sales turnover by Company	2021	%	Groupe Delachaux	By Company
2.D.e		Sales turnover by Company	2020 2021	€	Groupe Delachaux	By Company, in millions of euros
2.D.e		Sales turnover by region of destination	2020 2021	€	Groupe Delachaux	In millions of euros
2.D.e		Investment in research and development	2020 2021	€ / %	Groupe Delachaux	R&D expenditure in value and % of sales turnover
4.A .b		Evolution of safety performance by brand	2017 to 2021	LTIFR	Groupe Delachaux	Lost time accident frequency rate per million hours worked
4.A .b		Evolution of safety performance by brand	2021	LTISR	Groupe Delachaux	Severity rate: number of days lost due to accident per thousand hours worked
4.B.b		ISO Environmental Certifications	2021	Sites	Groupe Delachaux	

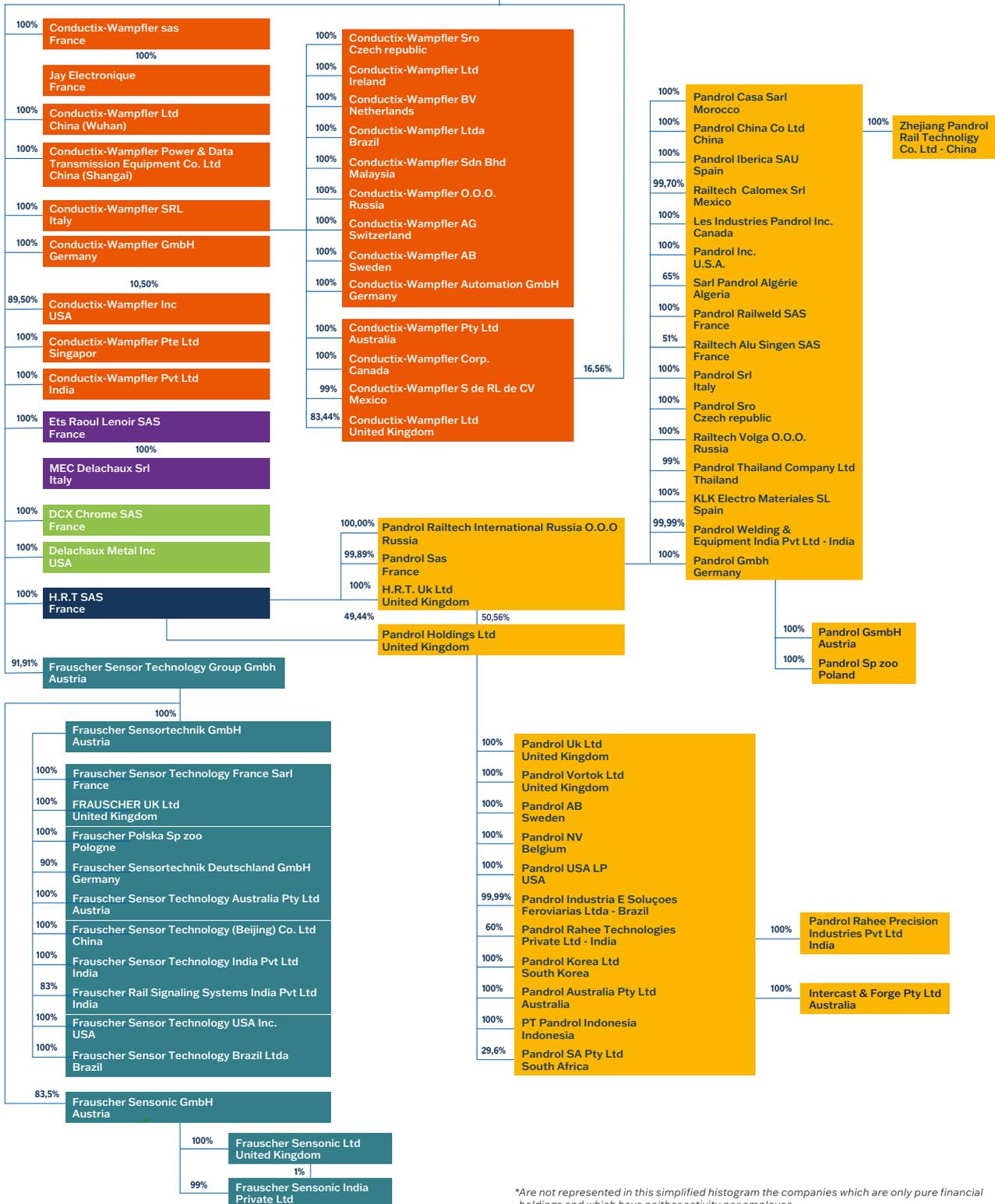
Chapitre	Page	Nom	Année	Unité	Périmètre	Commentaires
4.B.c		Greenhouse gas emissions (scope 1+2) per activity	2019 to 2021	Tonnes of CO <sub>2</sub> equivalent	Groupe Delachaux	According to GHG Protocol 2019 and 2020 data corrected following an error in the gas, electricity and power consumption data of an air conditioning unit.
4.B.c		Greenhouse gas emissions (scope 1+2+3)	2019	%	Groupe Delachaux	According to GHG Protocol
4.B.c		Electricity consumption by Business	2018 to 2021	kWh	Groupe Delachaux	Production sites and office sites generating electricity bills
4.B.d		Water consumption by company	2021	Litres	Groupe Delachaux	
4.B.e		Waste generation by company	2021	Tonnes, by type and by Business	Groupe Delachaux	
4.C.b		Number of employees trained in the Code of Ethics	2021	Employees	Groupe Delachaux	E-learning: TRACE International certificates Classroom: attendance sheets
4.C.c		Number of employees trained in anti-corruption	2018 to 2021	Employees	Groupe Delachaux	E-learning: TRACE International certificates Classroom and Ikarian: attendance sheets and Teams reports
5.A.a		Number of people reviews carried out	2016 to 2021	Employees	Groupe Delachaux	
5.A.b		Proportion of women in the total workforce	2021	%	Groupe Delachaux	
5.A.b		Proportion of women in top management teams	2020 to 2021	%	Groupe Delachaux	
5.A.b		Employment of people with disabilities	2021	%	France	Disabled employees in direct and indirect employment
5.A.d		Total remuneration	2017 to 2021	€	Groupe Delachaux	Gross remuneration excluding social security contributions

## C. Simplified organisational chart of Groupe Delachaux

**Simplified organisational chart of the group\* on December 31<sup>st</sup> 2021**

**DELACHAUX SA**

Rail Infrastructures (PANDROL)  
Railway signalling (FRAUSCHER)  
Energy and Data Management Systems (CONDUCTIX-WAMPFLER)  
Metals (DCX CHROME)  
Magnetics (LENOIR)



\*Are not represented in this simplified histogram the companies which are only pure financial holdings and which have neither activity nor employee.

## D. Correlation table, Art. 225 and GRI G4

GRENELLE 2 - ARTICLE 225 and decrees of 19/08/2016 and 09/08/2017			
GP	GENERAL REPORTING PRINCIPLES	Section	GRI reference
PG1 (A.R225-105. I-)	The non-financial performance statement mentioned in Part I of Article L. 225-102-1 and the consolidated non-financial performance statement mentioned in Part II of the same article present the business model of the Business or, where applicable, of all the companies for which the Business prepares consolidated accounts.	2	
PG2 (A.R225-105. I-)	For each category of information mentioned they also present: 1. A description of the main risks associated with the activity of the Business or of all the companies including, when this proves relevant and proportionate, the risks created by its business relationships, products or services 2. A description of the policies applied by the Business or all the companies including, where applicable, the due diligence procedures implemented in order to prevent, identify and mitigate the occurrence of the risks mentioned in 1) 3. The results of these policies, including key performance indicators. (Decree of 09/08/2017)	3. A.b	102-45 102-49 103-1 103-2
PG3 (A.R225-105. I-)	When the Business does not apply any policy relating to one or more of these risks, the statement includes a clear and reasoned explanation justifying this (Decree of 09/08/2017).		
PG4 (A.R225-105.1 I-)	Published information is presented "in such a way as to allow a comparison of the data" (Law of 12/07/2010). The Board of Directors or Management Board's report "presents the data observed during the financial year ended and, where applicable, during the previous financial year, so as to allow a comparison between these sets of data" (Decree of 24/04/2012).		
PG5 (A.R225-105.1 II-)	When a Business voluntarily complies with a national or international reference system to fulfil its obligations under this article, it mentions this by indicating the recommendations in this reference system which have been applied and the procedures for consulting this system (Decree of 24/04/2012).	8. D 8.E	
PG6 (A.R225-105.1 III-)	Without prejudice to the disclosure obligations applicable to the report provided for in Article L. 225-100, these statements shall be made available to the public and shall be made easily accessible on the Business website within eight months of the end of the financial year and for a period of five years (Decree of 09/08/2017).		
PG7 (A.R225-105.2 I-)	The independent third-party body mentioned in part V of article L. 225-102-1 is appointed, as applicable, by the CEO or the Chairman of the Management Board, for a term not exceeding six financial years, from among the bodies accredited for this purpose by the French Accreditation Committee (COFRAC) or by any other accreditation body that is a signatory to the multilateral recognition agreement established by the European coordination of accreditation bodies. The independent third-party body is subject to the incompatibilities provided for in Article L. 822-11-3.	8. F	

GRENELLE 2 - ARTICLE 225 and decrees of 19/08/2016 and 09/08/2017			
GP	GENERAL REPORTING PRINCIPLES	Section	GRI reference
PG8 (A.L225-102-1. IV)	Defined companies that are under the control of a Business which includes them in its consolidated accounts in accordance with Article L. 233-16 are not required to publish any statement on non-financial performance if the Business that controls them is based in France and publishes a consolidated statement on non-financial performance or if the Business that controls them is established in another Member State of the European Union and publishes such a declaration in accordance with the applicable legislation. (Order of 19/07/2017).		
PG9 (A.L225-102-1. V)	For companies whose balance sheet total or sales turnover and number of employees exceeds the thresholds set by Council of State decree, where applicable on a consolidated basis, the information featuring in the statements is audited by an independent third-party body, in accordance with the procedures established by Council of State decree. This audit gives rise to an opinion which is sent to shareholders at the same time as the report mentioned in paragraph two of Article L. 225-100. (Order of 19/07/2017).	8. F	

CORPORATE INFORMATION			
<b>1.a)</b>	<b>EMPLOYMENT</b>	<b>Section</b>	<b>GRI G4 reference</b>
1.a) 1.1	Total workforce	2.A	102-7
1.a) 1.2	Distribution of employees by gender	5.A.b	
1.a) 1.3	Distribution of employees by age	2.D.c	102-8
1.a) 1.4	Distribution of employees by geographical area	2.D.c	401-1
1.a) 2.1	Recruitment		401-1
1.a) 2.2	Dismissals		102-8
1.a) 3.1	Remuneration		401-1
<b>1.b)</b>	<b>ORGANISATION OF WORK</b>	<b>Section</b>	<b>GRI G4 reference</b>
1.b) 1	Organisation of working time	5.A.c	
1.b) 2	Absenteeism		
<b>1.c)</b>	<b>HEALTH AND SAFETY</b>	<b>Section</b>	<b>GRI G4 reference</b>
1.c) 1	Occupational health and safety conditions	4.A	403-1 403-2 403-3 403-4
1.c) 2.1	Frequency and severity of occupational accidents	4.A.b	403-2
1.c) 2.2	Occupational illnesses		
<b>1.d)</b>	<b>INDUSTRIAL RELATIONS</b>	<b>Section</b>	<b>GRI G4 reference</b>
1.d) 1	Organisation of dialogue between management and employees, procedures for provision of information to, negotiation with and consultation of staff and negotiating with the latter	5.A.c	402-1 403-1
1.d) 2	Review of collective agreements, especially in terms of occupational health and safety	5.A.c	407-1
<b>1.e)</b>	<b>TRAINING</b>	<b>Section</b>	<b>GRI G4 reference</b>
1.e) 1	Training policies implemented.	5.A.a	404-2
1.e) 2	Total number of training hours	5.A.a	404-1
<b>1.f)</b>	<b>EQUAL TREATMENT</b>	<b>Section</b>	<b>GRI G4 reference</b>
1.f) 1	Measures taken to promote gender equality	1 2.D.d 3.B 4.B.a	102.14
1.f) 2.1	Measures taken to promote employment	4.B.a	
1.f) 2.2	Measures taken to promote the integration of persons with disabilities		
1.f) 3	Anti-discrimination policy		
ENVIRONMENTAL INFORMATION			
<b>2.a)</b>	<b>GENERAL ENVIRONMENTAL POLICY</b>	<b>Chapitre</b>	<b>Référence GRI G4</b>
2.a) 1.1	Organisation of the Business so as to take environmental issues into account	1 2.D.d 3.B 4.B.a	102.14
2.a) 1.2	Environmental assessment or certification procedures	4.B.a	
2.a) 2	Resources devoted to the prevention of environmental risks and pollution		
2.a) 3	Amount of provisions and guarantees for environmental risks		
<b>2.b)</b>	<b>POLLUTION</b>	<b>Chapitre</b>	<b>Référence GRI G4</b>
2.b) 1.1	Measures for prevention, reduction, repairs: AIR		
2.b) 1.2	Measures for prevention, reduction, repairs: WATER	4.B.d	306-1 306-3 306-5
2.b) 1.3	Measures for prevention, reduction, repairs: SOIL	N/A	
2.b) 2	Appraisal of all forms of pollution specific to an activity, in particular noise and light pollution	N/A	

<b>2.c)</b>	<b>CIRCULAR ECONOMY</b>	<b>Section</b>	<b>GRI G4 reference</b>
2.c)i)	Waste prevention and management	4.B.e	306-2
2.c.i) 1	Measures for prevention, recycling, reuse and other forms of waste recovery and disposal	4.B.e	306-2
2.c.i) 2	Measures to prevent food waste	N/A	
2.c.ii)	Sustainable use of resources	4.B.e	301-2
2.c.ii) 1.1	Water consumption	4.B.d	303-1
2.c.ii) 1.2	Water supply depending on local constraints	N/A	
2.c.ii) 2.1	Consumption of raw materials	4.B.e	301-1 301-2
2.c.ii) 2.2	Measures taken to improve efficiency in their use	4.B.b 4.B.e	301-1 301-2
2.c.ii) 3.1	Energy consumption	4.B.c	302-2
2.c.ii) 3.2	Measures taken to improve energy efficiency	4.B.c	302-4 302-5
2.c.ii) 3.3	Measures taken to improve the use of renewable energies	4.B.c	
2.c.ii) 4	Use of land	N/A	
<b>II.d)</b>	<b>CLIMATE CHANGE</b>	<b>Section</b>	<b>GRI G4 reference</b>
2.d) 1	Significant sources of greenhouse gas emissions generated as a result of the Business's activity, especially through the use of the goods and services that it produces	4.B.c N/A 4.B.c	305-1 305-2 305-3 305-4 305-5
2.d) 2	Adaptation to the consequences of climate change		
2.d) 3	Reduction targets set voluntarily in the medium and long term to reduce greenhouse gas emissions and the resources implemented to this end		
<b>2.e)</b>	<b>PROTECTION OF BIODIVERSITY</b>	<b>Section</b>	<b>GRI G4 reference</b>
2.e) 1	Measures taken to protect or restore biodiversity	N/A	
<b>SOCIETAL INFORMATION</b>			
<b>3.a)</b>	<b>CORPORATE COMMITMENTS TO SUSTAINABLE DEVELOPMENT</b>	<b>Section</b>	<b>GRI G4 reference</b>
3.a) 1	The impact of the Business's activities in terms of employment and local development	N/A	
3.a) 2	The impact of the Business's activities on local populations	N/A	
3.a) 3	Relationships with Business stakeholders and procedures for dialogue with them	N/A	
3.a) 4	Partnership or sponsorship actions	7	203-1
<b>3.b)</b>	<b>SUBCONTRACTING AND SUPPLIERS</b>	<b>Section</b>	<b>GRI G4 reference</b>
3.b) 1	Appraisal of social and environmental issues in the procurement policy	6	308-1 308-2 412-1 412-3 414-1 414-2
3.b) 2	Appraisal of suppliers' corporate social and environmental responsibilities in relationships with them	6	308-1 308-2 412-1 412-3 414-1 414-2
<b>3.c)</b>	<b>FAIRNESS OF PRACTICES</b>	<b>Section</b>	<b>GRI G4 reference</b>
III.c)	Measures taken in favour of consumer health and safety	N/A	

INFORMATION RELATING TO THE FIGHT AGAINST CORRUPTION			
4.a)	Actions taken to prevent corruption	4.C	102-16 102-17 205-1 205-2 205-3
INFORMATION RELATING TO MEASURES IN SUPPORT OF HUMAN RIGHTS			
5.a)	<b>PROMOTION OF AND COMPLIANCE WITH THE STIPULATIONS OF THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION (ILO)</b>	<b>5.A</b>	
5.a) 1	Respect for freedom of association and the right to collective bargaining	5.A.c	407-1
5.a) 2	Elimination of discrimination in respect of employment and occupation	4.C.b 5.A.b	406-1
5.a) 3	Elimination of forced or compulsory labour	4.C.b	409-1
5.a) 4	Effective abolition of child labour	4.C.b	408-1
5.b)	<b>OTHER MEASURES TAKEN IN SUPPORT OF HUMAN RIGHTS</b>	<b>4.C.a 4.C.b 6</b>	<b>410-1 411-1 412-1 412-2 414-2</b>
	Local communities	7	413-1

## E. Global Compact Correlation Table

Thème	Page	Nom
Human Rights	4.C.a 4.C.b 5.A.b 6	The Code of Ethics Respect for people Community
Labour	4.C.a 4.C.b 5.A.c	The Code of Ethics Organisation of work and industrial relations
Environment	4.C.a 4.C.b 4.B	The Code of Ethics Environment
Anti-corruption	4.C	The Code of Ethics Ethics

## F. Auditor's opinion



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

### DELACHAUX SA Auditor's report

Financial year ended 31 December 2021

To the shareholders,

Following our engagement by DELACHAUX (hereinafter the "entity") and in our capacity as an independent third party accredited by COFRAC Inspection under number 3-1081 (scope of accreditation available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby report to you on the consolidated statement of non-financial performance for the year ended 31 December 2021 (hereinafter the "Statement"), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

#### Entity's responsibility

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

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

#### Independence and quality control

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

#### Responsibility of the independent third party

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

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

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

It is not our responsibility to express an opinion on:

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

### Nature and scope of our work

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

Our audit was conducted between 12 November 2021 and 21 March 2022 over an average of eight person/days.

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

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

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

- granular tests on samples, which involved checking that definitions and procedures are correctly applied and reconciling the data with supporting documents. This was done on a selection of contributing entities that cover between 27% and 100% of the consolidated data from the key performance indicators and selected outcomes for these tests ;
- we consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and outcomes) that we considered most important;
- we assessed the overall consistency of the Statement based on our knowledge and understanding of all the companies included within the scope of consolidation.

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

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

## Conclusion

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

Lyon, 22/03/2022

FINEXFI  
Isabelle Lhoste  
Partner

### FINEXFI

Registered office: 96 Boulevard Marius vivier merle – 69003 Lyon, France Tel.: +33 (0)4 78 89 00 11.

Limited liability company with share capital of €40,000. Lyon Trade and Companies Register no. 537 551 434

#### 1 Entities audited:

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

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

2-indicators audited: Our teams-Distribution of the active and inactive workforce (CDI, CDD, temp) by category, Distribution of staff by region as of 31 December 2021, The security results of 2021, The Delachaux group's anti-corruption programme (Number of employees who have followed anti-corruption training), Ethics-The training programme of the code of ethics (Number of people trained online via our digital platforms), Annual performance interviews (Number of people reviews), Internal mobility-respect for people (Women's share in management teams) Entity, Number of disabled workers, Share of management teams filled by internal promotion), Managerial practices (Number of managers trained in managerial training on-line), Training and skills development (Number of hours to be trained through these digital platforms, Number of people trained in cybersecurity), Communities-solidarity (Quantity of donations collected for Henan Province), Supply Chain (Share of production equipment purchases made in China, Share of strategic suppliers to-100 km Frauscher Austria), Energy and greenhouse gases (on means of production), Energy and greenhouse gases (Number of electric wagons), Energy and greenhouse gases (carbon footprintt scope 1-2), Energy and greenhouse gases (electricity consumption per company), Water (quantity of water consumed), Circular economy and waste (Validation of the waste process produced)