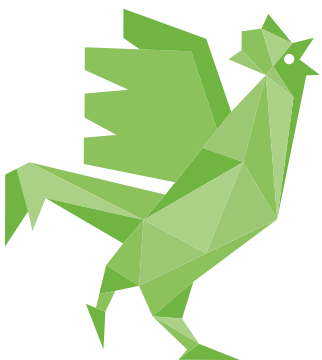


COP 2022

Sustainable
Development Report



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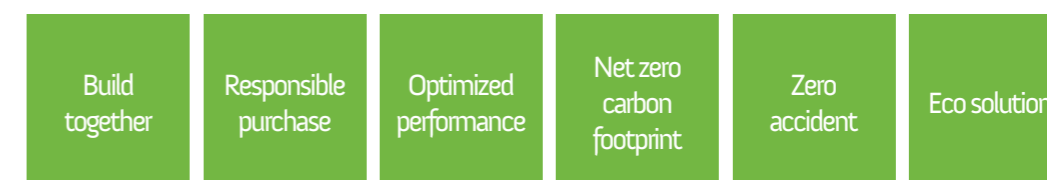
The Chairman's message

2023 marks the end of a major three-year plan to reposition LBA Group. Its aim was to refocus our efforts on the activities that bring the greatest value to our customers. This plan has also enabled us to launch an in-depth CSR approach that is already bearing fruit.

We are now looking ahead to 2030, buoyed by macro-trends favouring the use of copper and nickel alloys as key metals in meeting the challenges of the energy transition and changes in global society. Our role is to contribute to this transition by offering products that are often more resistant and/or more conductive, and which therefore use less copper and nickel.

The raison d'être of LBA, enshrined in its articles of association, is all the stronger as a result: "Consolidate and amplify expertise in the production and recycling of mainly copper and nickel-based metal alloys to provide a responsible response to the technical and environmental challenges faced by user industries."

Responding responsibly is reflected in the Group's "B.R.O.N.Z.E" sustainable development policy, based on 6 key pillars:



The energy crisis of 2022 will have been a catalyst for progress on our low-carbon trajectory. A major step forward has been taken with the Group's commitment to reduce its emissions in absolute terms for all scopes 1, 2 and 3 by 2030, in line with the SBTi targets, which are in line with the Paris Agreement goal of limiting global warming to 1.5°C.

LBA also confirms its support for the 10 principles of the United Nations Global Compact, concerning human rights, fundamental labour rights, environmental protection and the fight against corruption, and meets 10 sustainable development goals. We are committed to continuing to advance these principles within our sphere of influence and to ensuring that they are an integral part of our corporate strategy, business culture and practices.

Michel Dumont,
Chairman LBA SAS



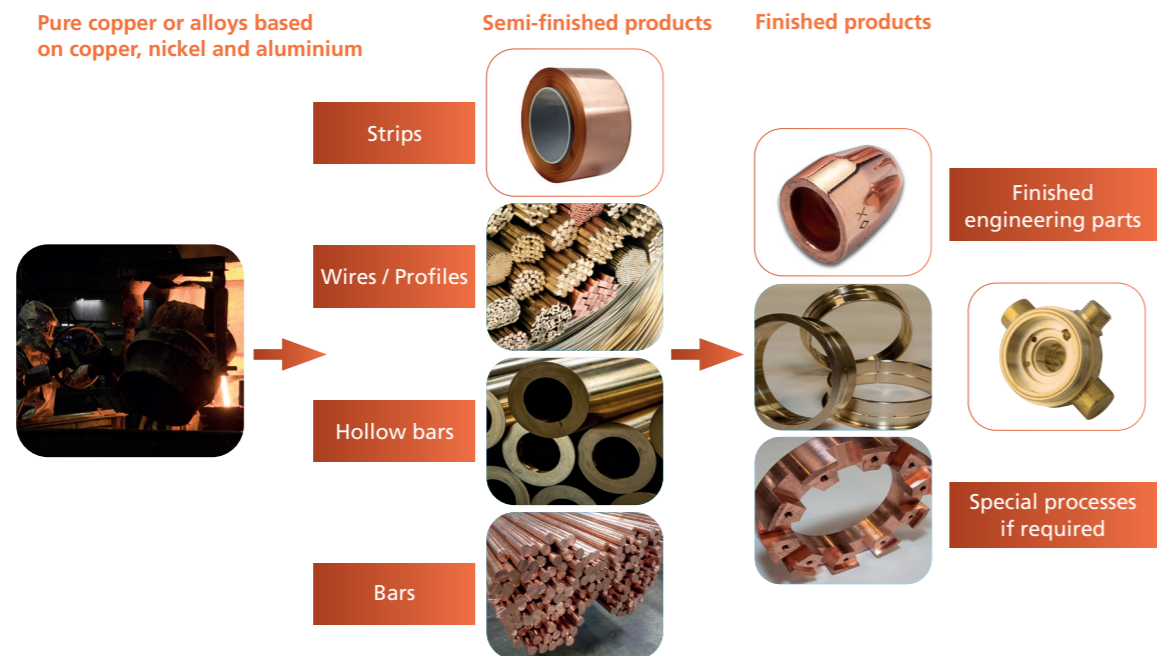
About Lebronze alloys SAS (LBA)

1 / FIELD OF ACTIVITY

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

As an integrated producer, we have a wide range of alloys, shapes and metallurgical properties that are used in high added-value niche applications.

From alloy melting to finished and customised products



2 / KEY FIGURES

 6 PRODUCTION SITES	 +200 ALLOYS PRODUCED
 €288M SALES FIGURES	 750 EMPLOYEES
	 3 SERVICE CENTRES

3 / OUR SITES

Over the last 3 years, we have been able to simplify the organisation and refocus the sites by major business lines. This new industrial structure is part of a strategy to reduce our greenhouse gas emissions, as we have been able to reduce flows between sites and optimise the energy performance of our machinery.

Our 3 service centres in the United Kingdom, Asia and the United States, complemented by a network of partner distributors, enable us to implement a better local distribution strategy to ensure local service and greater responsiveness to our customers' needs.

BU's	FOUNDRIES	PARTS & FINISHES	SERVICE CENTRES
Bars & design	Suippes Bars and profiles > 20 mm Coils / electrodes Upcycling	Breteuil Forging and machining	Aldridge UK Service Centre
		Rydzyňa Machining	Greer USA Service Centre
Rolled products and ARCAP®	Bornel Flat products (< 20 mm) Bars, wires and speciality profiles	Dongguan Finishing lamination Forging and machining	Hong Kong Asia Service Centre
Rods and wires	Lüdenschied Wires, bars, profiles < 20 mm		

4 / A UNIQUE GROWTH STRATEGY

In 10 years, the Group has tripled its sales thanks to a strategy of organic growth driven by innovation, but also by external growth.

by retaining skills in our local areas, but also by developing them through the sharing of experience that has resulted from this grouping of companies.

These various acquisitions have enabled us to consolidate our expertise in metallurgy, not only



LBA's sustainable development policy

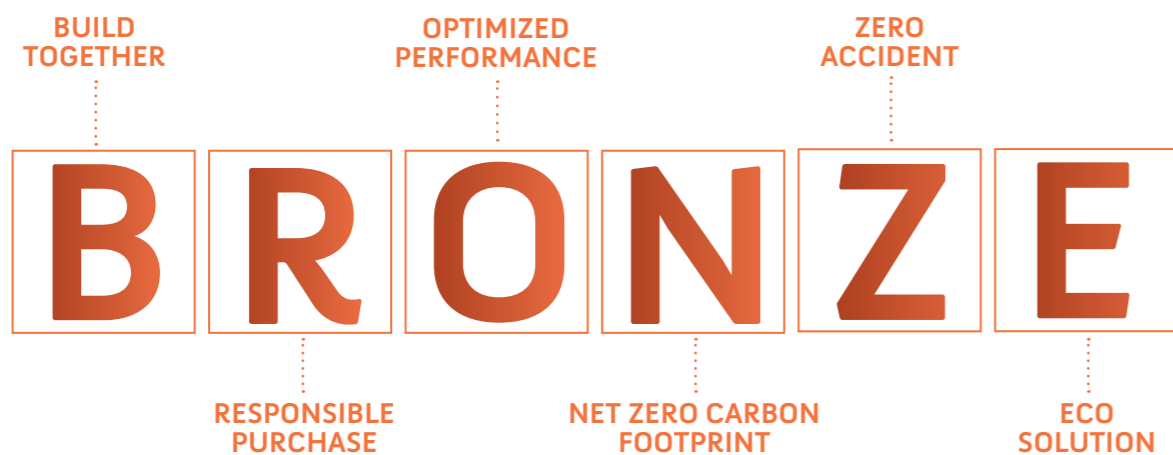
Striking the right balance between economic performance, social impact and environmental impact is essential to the sustainability of a company.

This balance within the Group is structured around 6 "BRONZE" pillars. Each pillar is broken down into actions and indicators that enable LBA to be part of a dynamic of

continuous progress, with the aim of having a positive long-term impact within its ecosystem.

The Impact Committee, comprised of members of the Executive Committee, is responsible for ensuring that our actions are in line with the 10 principles of the Global Compact and the sustainable development goals selected by the Group.

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



Build together: this pillar covers social initiatives that have a positive impact on gender, sex and age equality, as well as projects that improve the well-being of our teams at work.

Responsible purchase: purchases represent more than 50% of Group sales. It is therefore essential that we implement a responsible purchasing policy and tighten up our requirements of our suppliers.

Optimized performance: the Company's economic, industrial and environmental performance is a key factor in meeting the expectations of our relevant stakeholders.

Net zero carbon footprint: taking into account the major challenge of decarbonation, we have decided to make this a specific pillar and to build a path that meets the transformation of the Climate Act and the Paris Agreement.

Zero accidents: our processes require constant vigilance. We are taking action to anticipate and reduce the risk of accidents as far as possible.

Eco solution: by working in collaboration with our customers and bringing innovations to the market, we are contributing to a more sustainable approach by improving the life cycle of products.

2 / THE SUSTAINABLE DEVELOPMENT GOALS CHOSEN BY LBA

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

As a metal industry, we believe we can make a positive contribution to 11 of the 17 existing SDGs within our 6 pillars.



3 / A SPECIFIC ORGANISATION AND GOVERNANCE

To ensure that the Group's sustainable development strategy is properly defined and taken into account by all its departments and sites, LBA has set up a specific governance, embodied by the IMPACT Committee.

The IMPACT Committee comprises:



Chairman
Michel Dumont



CEO
Alexandra Dumont Nubery



Director of Strategy and Development.
Chairman of the Supervisory Board
Didier Pitot



Director of Sustainable Performance
Alice Briot



CEO of the Group's Holding Company,
Carole Dumont



Head of Non-financial Communication
Alice de Jouffroy

The purpose of this committee is to:

- Define and structure the Group's sustainable development policy.
- Understand the changing requirements of relevant stakeholders and build a path to meet them.
- Analyse progress, define objectives and take corrective action if targets are not met.
- Decide on the provision of resources (human or financial) to help achieve objectives.
- Anticipate the requirements imposed by the new CSRD regulations, for which LBA will be eligible from January 2025.

This committee meets once every six months.

The major decisions taken by the IMPACT Committee are then presented to the CSR Committee and set out in the roadmaps for each site.

The CSR Committee, which meets twice a month, is an operational committee whose aim is to roll out the BRONZE strategy across all departments and achieve the objectives set by the IMPACT committee.

It includes the Business Unit Directors, the Health, Safety and Environment Managers, the Human Resources Director, the Purchasing teams and the Sustainable Performance teams.

The Sustainable Performance Department, created in 2022, will lead these two committees and implement the CSR strategy on the ground. The management team also includes all the Quality Management System teams, in order to use certification as a lever for improvement and recognition of our efforts in terms of sustainable development.

Moreover, the alignment between performance and sustainability is also reflected in the EXCOM remuneration policy, since CSR KPIs are defined as criteria for awarding variable remuneration.

4 / SHARING AND PROMOTING OUR PROGRESS

As part of our sustainable development approach, we are convinced of the value of having our efforts recognised by various certification bodies, and also of the importance of sharing our feedback with other manufacturers.

To achieve this, LBA has chosen two major levers:

- A rating lever: we have our sustainable development policy validated by EcoVadis once every 2 years to measure the progress made.
- Be a "pathfinder" member of BPI France's Coq Vert community to share experiences and discuss environmental issues with other business leaders.

EcoVadis rating

Since its creation in 2007, EcoVadis has become the largest and most reliable sustainability and Corporate Social Responsibility (CSR) rating organisation, creating a global network of over 90,000 rated companies.

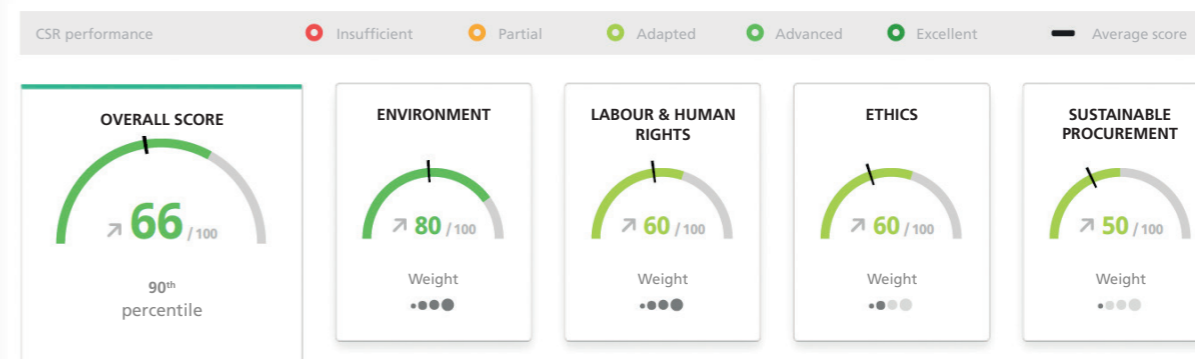
The EcoVadis assessment methodology is based on seven founding principles:

- Assessment by CSR Experts
- Adaptation of the questionnaire to the sector of activity, country and size of the company
- Diversification of sources to guarantee the reliability of ratings
- Use of technology to ensure a secure, confidential and rapid process
- Traceability and transparency of documents supplied
- Evidence-based analysis
- Excellence through continuous improvement

After an initial assessment in 2019 **the Group was awarded a silver medal in 2022 with a score of 66/100**, placing the Company in the top 10% of companies in the metallurgy sector. We are aiming for a gold medal when our performance is assessed in 2023.



66/100
90th
percentile



With an environmental score of 80/100, well above the industry average, the Group has demonstrated the quality of its environmental commitment.



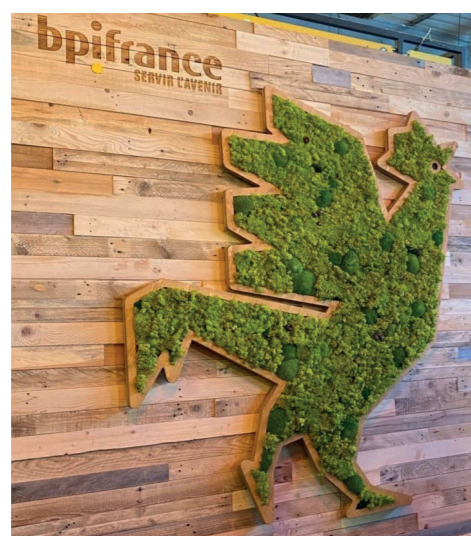
LBA member of the Coq Vert Community

LBA has been admitted to the Coq Vert Community launched by Bpifrance in partnership with ADEME and the French Ministry of Ecological Transition.

The Coq Vert Community represents:

- More than 2,000 entrepreneurs committed to the climate
- VSEs, SMEs and intermediate-sized companies throughout France
- A network that encourages the sharing of expertise and collective emulation.

In recognition of our level of maturity, we have been named a “Pathfinder” in 2022 by BPI management. Pathfinders are “exemplary members of the Coq Vert Community who have already begun their transition. They play an active role in disseminating Community values in their environment”.



CLIMAT,
A TROUVÉ
PATRON
MILITANT

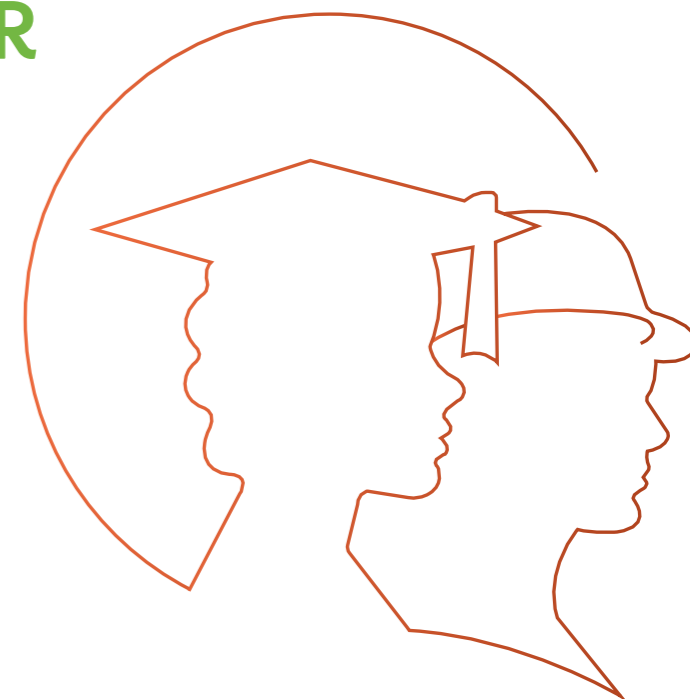
BUILD TOGETHER

At LBA, we produce “**exceptional metallurgy**”

This is the result of the extraordinary expertise of all our employees. The Group's **human resources** policies are designed to continually develop employees' skills while respecting individuals, whatever their origins or beliefs.

In operational terms for the Group, this pillar is broken down into 6 major actions:

- 1) Combating discrimination
- 2) Maintaining/enhancing industrial know-how and employability
- 3) Sharing added value with all employees
- 4) Encouraging internal innovation and a spirit of intrapreneurship
- 5) Taking action in communities
- 6) Working together to protect our intellectual capital and that of our customers and partners



1 / COMBATING DISCRIMINATION

Lebronze alloys is committed to respecting the conventions and regulations in force, and to honouring the Universal Declaration of Human Rights. As an equal opportunities employer, the Company considers cultural and ethnic diversity to be an asset, and in fact rejects any consideration of nationality, gender or religious beliefs.

At present, 11 different nationalities are represented at our French sites, not including our foreign subsidiaries (Germany, UK, China, USA and Poland).

In addition, our job offers do not show any distinctive signs of sex, race or religion. Only experience and skills are taken into account when analysing and selecting candidates for recruitment and career development.

Gender equality

At the beginning of 2023, women accounted for 19% of all Company employees, and 29% of managers and equivalent staff.

In 2022, **the rate of recruitment of female staff on permanent contracts for managerial and similar positions was 43%**, an improvement on 2021.

In France, **a professional equality index** is calculated based on 5 indicators:

- The gender pay gap,
- The gap in the distribution of individual increases,
- The disparity in the distribution of promotions,
- The number of employees receiving a pay rise when they return from maternity leave,
- Parity among the 10 highest earners.



With a score of 77/100 in 2022, the Company's index is higher than the expected standard of 75 points.

The Company has renegotiated a **Work Equality Agreement, signed in September 2021 for a period of 3 years** and monitored by a commission comprised of 2 representatives per signatory trade union organisation and 2 management representatives. This committee meets once a year.

The agreement also includes measures to reconcile work and family life in order to:

- Enable employees to benefit from maternity or adoption leave of the same general increases as those given to other employees.
- Compensate paternity leave above the statutory rate to encourage young fathers to stay at home when a child is born.
- Avoid meetings held outside "normal" working hours.
- Broaden access to teleworking and reducing commuting times – A "home office" charter has been introduced, allowing employees to work from home for 1 or 2 days a week. Around a hundred workstations are affected by this measure.

Another Company agreement allows and facilitates employees to donate days of leave to colleagues who are parents of sick children and to family carers.

2 / MAINTAINING/ENHANCING INDUSTRIAL KNOW-HOW AND EMPLOYABILITY

People at the heart of our industrial expertise

In 2022, **the Company devoted more than 4% (1% being the mandatory minimum) of its payroll to external or internal training.**

Our aim is to ensure that everyone acquires and develops the skills they need to do their jobs in the best possible way, so that we can guarantee the quality of our products and the employability of our employees.

Forward-looking management of the workforce and anticipation are essential to the long-term future of

Integration of people with disabilities

The Company adapts workstations to maintain the employment of disabled employees. At the beginning of 2023, **40 FTE employees (7.8%) were recognised as disabled workers.** Lebronze alloys SAS is exempt from the tax on disabled employees.

In addition, some sites employ disabled people indirectly through work-related assistance centres (supplies, maintenance of green spaces, packaging, etc.).

Trade union representation to reduce inequalities and improve working conditions

Lebronze alloys SAS has a Central Social and Economic Committee made up of 8 permanent members, 8 substitutes and 3 trade union representatives. Three independent trade unions represent the Company's employees: FO, CGT, UNSA.

The 3 local Social and Economic Committees, which meet monthly, are responsible for social monitoring, safety and improving working conditions.

Internal promotions

In 2022 and 2023, almost 15% of employees will have seen their "metallurgy collective bargaining agreement" coefficient rise, including several moves to executive status.

As a general rule, the Group favours internal promotions in the event of a vacancy and only recruits externally when it is unable to find an internal candidate to support it in a particular job.

Policy towards young people and future talent

Over the past decade, we have pursued an active policy of welcoming young people into the Company (at BAC to Master level) in a wide range of professions. In France, **more than 50% of our apprentices have been taken on by the Company,** many of them as operations, quality or maintenance managers.

CIFRE agreements are also regularly signed with young doctoral students. The Company also takes on between 25 and 30 trainees a year from a wide range of schools and professions.



Close partnerships have been forged with schools and universities (Lycée Marie Curie in Nogent-sur-Oise, UTC in Compiègne, ENSAM and Ozanam in Châlons-en-Champagne, etc.) in the regions where our industrial sites are located. These enable us to maintain a steady flow of students into the Company, as well as developing training programmes for subjects specific to our businesses.

LBA's growth path is also studied as part of the Control, Audit and Financial Reporting Master's at Paris Dauphine University.

Lastly, we pay particular attention to identifying Talent within our Group to support them in their professional development, either in their business line or in management or executive positions.

Maintaining employee employability

In addition to traditional training (language, management, project management, negotiation, IT tools), a culture of mentoring is ingrained in the staff.



“Multi-skills” charts exist in each workshop to monitor the development of skills and training provided or to be provided for each employee, from the moment they join the Company and throughout their career.

The role of tutors is key to this process, and is enhanced by the gradual introduction of a “mentoring” bonus and participation in examination panels.

More generally, every year, all employees (except those absent for long periods) benefit not only from an individual interview reviewing the past year and setting targets for the coming year,

but also from a career development interview. **In France, the completion rate for these interviews was 99%** for the 2022 review campaign. This method is being developed for international use.

The main aim of the career development interview is to encourage employees to think about how they might develop over the next 3-5 years, and to identify the actions or training they need to support their development wishes.

3 / SHARING ADDED VALUE WITH ALL EMPLOYEES

A capital increase was decided by management and shareholders in 2018 to open up the capital to all our French employees, leading to the issue of 1% new shares.

To make it easier for employees to buy shares, the Company matched their voluntary contributions on a sliding scale to encourage the most modest subscriptions, with a matching contribution ranging from 1.25 to 3 times the personal contribution.

At the end of 2022, 157 employees were both employees and shareholders, i.e. more than

32% of our workforce in France, and a new access to capital campaign is planned for the end of 2023.

In addition, several other mechanisms for sharing added value are put in place as part of the HR policy to financially reward teams when results are in line with budgets, including variable remuneration, chairman’s bonuses and productivity bonuses.

4 / ENCOURAGING INTERNAL INNOVATION AND A SPIRIT OF INTRAPRENEURSHIP

With more than 50 corporate projects open in 2022 (investment projects, R&D projects, IT projects, etc.), the Group has developed a methodology that fosters a spirit of initiative and the ability for teams to follow projects in an autonomous but structured way to make the Company more efficient.

This methodology is based on a “PLR” (project launch request) which aims to structure the project at a very early stage by drawing up

specifications, a risk analysis and an assessment of the financial stakes. It also considers the impact on each of our six BRONZE pillars.

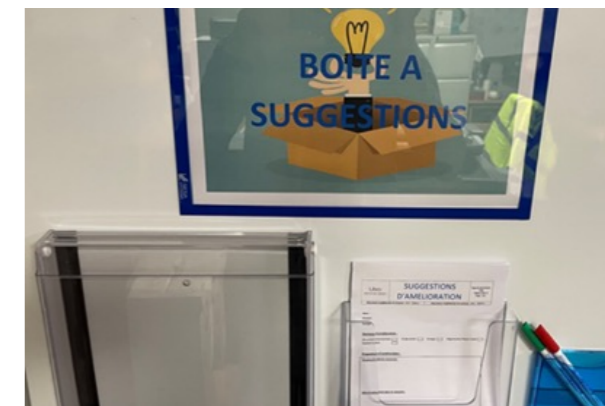
Every year, more than 50% of the workforce in France (excluding direct) take part in at least one project. LBA believes that this ability to lead projects is a decisive asset in its organic growth. Regular monitoring of time spent and costs is carried out through Capitalised production.

% France Employees (excluding direct)	2019	2020	2021	2022
Employees who took part in a project	57%	53%	58%	50%

We also encourage employees to take initiatives and take responsibility for their actions, by setting personal annual targets, organising work seminars and running suggestion boxes.

At our German site in Lüdenscheid, all employees are invited to reflect on a defined issue once a quarter during “Suggestion days”.

The best proposals and the most committed staff are rewarded.



5 / TAKING ACTION IN COMMUNITIES

The vast majority of employees at our industrial sites come from the region in which they work or from nearby areas.

Acting locally

The Group's sites have therefore been rooted in their local areas for decades and have developed relationships with the local ecosystem: administration, catering, hotels, schools and associations.

Lebronze alloys intends to strengthen its internal community management and support local initiatives over the next few years by structuring certain initiatives more systematically.

We are already carrying out actions such as:

- Open days for secondary schools in our regions
- Sponsorship of local associations or sporting events (e.g. Oxfam Trail)
- Sponsorship for associations or local schools
- Involvement in a number of local networks that promote business-to-business exchanges, such as Marne Développement.



Signing of the Arts et Métiers sponsorship agreement - September 2023





Metallurgy: a community in its own right

We are members of several federations, including:

- **UIMM:** The Union des industries et métiers de la métallurgie is the French employers' federation representing France's leading metalworking companies.
- **A3M:** Alliance des Minerais, Minéraux et Métaux.
- **Fédération Forge Fonderie:** the French trade organisation for companies that shape metals by forging, casting, additive manufacturing and associated machining.
- **Verband Deutscher Metallhändler:** the association of German metal traders represents the interests of non-ferrous metal traders and recyclers.
- **GIFAS:** representative body of the French aerospace industry.
- **GICAT:** French Land and Air Defence and Security Industries Group.
- **MIDLANDS AEROSPACE ALLIANCE:** alliance representing the British aerospace industry.

The community of intermediate-sized companies: impact companies

As an intermediate-sized company (a company with between 250 and 4,999 employees), LBA is a member of several associations that seek to highlight the importance of intermediate-sized companies in the economy and their contribution to employment and investment in local areas, such as:

- **METI:** The Mouvement des entreprises de taille intermédiaire is the trade union for intermediate-sized companies.
- **ETI Grand-Est:** a network for the heads of the region's intermediate-sized companies to exchange ideas and structure local dynamics.
- **"BPI EXCELLENCE":** companies monitored by BPI and recognised for their performance and growth potential.

6 / WORKING TOGETHER TO PROTECT OUR INTELLECTUAL CAPITAL AND THAT OF OUR CUSTOMERS AND PARTNERS

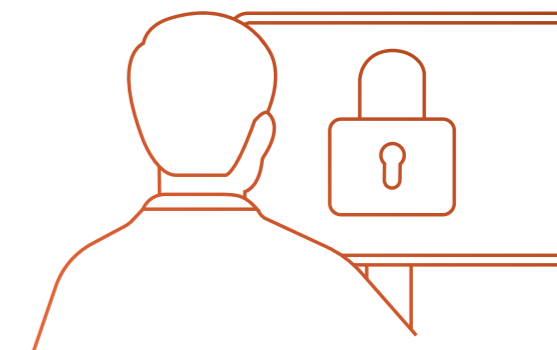
With know-how handed down through several generations and an R&D budget of over €4M a year, the **Group has a wealth of intellectual capital that needs to be developed and, above all, protected.**

To this end, the Group has put in place a strict policy to protect its intellectual capital in a number of ways:

- Raising awareness among all staff by signing a **Code of Ethics and Conduct** and an **IT Charter**, which set out best practice for reducing the risk of confidential data being lost or leaked. Depending on the staff, contractual commitments not to disseminate Group data have also been put in place.
- The systematic signing of **NDA's (Non-Disclosure Agreements)** as part of any consultation or new contractual relationship to guarantee the confidentiality of information, sensitive or strategic data relating to LBA, our customers or our partners.
- **Protecting our innovations** through the widespread use of Soleau envelopes, a policy of patent registration and industrial secrecy.
- Constant monitoring of trademark and patent registrations that could infringe our intellectual property, anywhere in the world.
- The Group pays particular attention to its policy for managing IT access rights (servers, ERP, CRM, etc.). Some data can only be consulted in paper format in secure access rooms.
- Strict supervision of visits to our sites.
- Systematic control of all photography on our sites.
- Specific contractual clauses for any situation requiring exchanges of technical and economic information.

Given the increasing digitisation of information, **our IT security has been significantly strengthened** over the last 5 years, and significant investments are made every year:

- Complete separation of industrial and administrative networks to secure our production tools and know-how.
- Implementation of Citrix to provide more secure and unified access to Group applications.
- Centralising data in a new data centre at the expense of local servers.
- Investments in protection solutions (firewall, VPN, supervision, access control, two-factor authentication) and external audits to assess our level of security.
- Server risk management through the implementation of a hardware, software and organisational Business Recovery Plan.
- One-day cybersecurity training for all Group staff with an email address in 2023.



RESPONSIBLE PURCHASE



In 2022, inputs (excluding transport) accounted for 55% of the Group's greenhouse gas emissions.

Given the financial and environmental challenges particularly when it comes to purchasing the Company's raw materials, it is essential to adopt a purchasing policy that complies with strict ethical and environmental criteria.

To achieve this, LBA has developed a responsible purchasing approach that incorporates environmental and social criteria alongside the more traditional requirements of price, quality and service.

The "Responsible purchase" pillar therefore involves making progress in 5 areas to improve

the 50/100 score obtained in the last EcoVadis assessment in 2022:

- Include CSR as a criterion of choice in your purchasing strategy.
- Raise suppliers' awareness of the need to comply with environmental criteria.
- Raise awareness among employees, particularly buyers and suppliers, of the need to adopt ethical behaviour in all circumstances.
- Favour the purchase of recycled metals.
- Prioritise local purchases to boost local development and reduce the carbon footprint associated with transport.

1 / INTEGRATING CSR INTO OUR PURCHASING STRATEGIES

The entire purchasing department was trained in sustainable purchasing by an external organisation in 2022. **Social and environmental criteria are integrated into several stages of the purchasing process:**

- When defining the purchasing strategy (e.g. implementation of a Group purchasing policy for company cars that prohibits the purchase of combustion-powered cars).
- When selecting the panel of suppliers to consult, we attach importance to criteria such as geographical proximity, ISO certification and CSR commitments.
- When drawing up the specifications, the teams assess the impact of the purchase in terms of risks or opportunities from a sustainable perspective (impact on energy savings, environmental risks, improvements in working conditions, safety, etc.).
- Once the bids have been received, an analysis of the Total Cost of Ownership (TCO) and the complete life cycle of a product is incorporated as a differentiating criterion.

- At the contractual stage, through the inclusion of clauses incorporating sustainability criteria in model contracts and General Purchasing Conditions.
- Finally, after the purchase, we continue to create a relationship of partnership and trust by reporting our CSR needs and requirements in order to create a virtuous dynamic of progress throughout the value chain of our products.

In 2023, LBA joined the "Sustainable SourCCIng" programme with CCI Grand-Est, ADEME, the Grand Est Region and 9 other companies from the Grand Est. The programme runs for one year, with the aim of supporting and driving the implementation of actions to step up the commitment of companies in the region to the energy and ecological transition.

It also gives LBA the opportunity to exchange and share ideas with other local players, as well as giving impetus to the deployment of our responsible purchasing policy.

Sustainable SourCCIng 2023



2 / RAISING SUPPLIER AWARENESS

Suppliers play an important role in the implementation of our sustainable development policy, as they have an impact on several pillars, in particular "Responsible purchase" and "Net zero carbon footprint".

To this end, LBA is asking its suppliers to make CSR commitments, and a new indicator will be rolled out in 2023 to measure this commitment.

Supplier code of conduct

Several years ago, the Group drew up a "Supplier Code of Conduct", demonstrating its determination to involve the entire value chain in taking greater account of sustainable development issues, and to get everyone moving together.

The Code of Conduct sets out 5 categories of requirements for our suppliers:

- Respect for human rights and working conditions

- Taking into account the environmental impact of activities
- Taking into account regulatory requirements concerning products
- Ethical business practice
- Supplier commitment

LBA is also a signatory of the "Responsible Purchasing and Supplier Relations Charter (RFAR)" managed by the Médiateur des Entreprises and the Conseil National des Achats.



The 10 commitments of the Charter

Charter RESPONSIBLE SUPPLIER RELATIONSHIPS

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

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

Measuring the CSR commitment of our suppliers

Of the Group's top 100 suppliers, across all purchasing families, 40% are committed to a CSR approach.

We consider that a supplier is committed to CSR when it meets at least one of the following 3 criteria:

- CSR label (e.g. "B Corp", "Lucie", "Engagé RSE", etc.)

- EcoVadis rating
- ISO 14001 certification (environmental standard)

Our aim is to increase this indicator to 50% by 2027, with a minimum target of 60% by 2030.

Raising awareness of the importance of emission factors

Family purchasers raise suppliers' awareness by requesting emission factors for products purchased and including them in their purchasing criteria.

Suppliers who are able to provide evidence of their carbon emissions are awarded extra points in the

purchasing department's annual assessment of suppliers. These results are communicated to the supplier (the score is shown on all the supplier's orders).

3 / RAISING EMPLOYEE AWARENESS

Business ethics

We have drawn up an internal "Code of Ethics and Conduct" which has been distributed to all employees since 2018. This Code, which is appended to the internal regulations and signed by all new employees, serves as a reference to guide employees and to combat corruption.

It comprises 7 main themes:

- LBA is committed to complying with national and international laws and standards and to respecting human rights
- LBA is committed to its employees

- LBA is committed to business ethics and practises zero tolerance of all forms of corruption
- LBA is committed to building relationships of trust with its stakeholders
- LBA is committed to respecting and protecting the environment
- LBA is committed to enhancing the value of the Group's assets
- Implementation of the ethics charter

An internal whistleblowing system has been set up and communicated to employees along with the Code of Ethics and Conduct.

All employees likely to come into contact with corruption undergo corruption risk prevention training within our Company, followed by an evaluation to ensure that each employee has understood the importance of this.

In France, for example, all people likely to be confronted with the risks of corruption are trained within a year of joining the Company, and this will be the case from 2019. From 2024 onwards, specific monitoring must be established for international employees.

Delegation of powers

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

4 / FAVOURING THE PURCHASE OF RECYCLED METALS

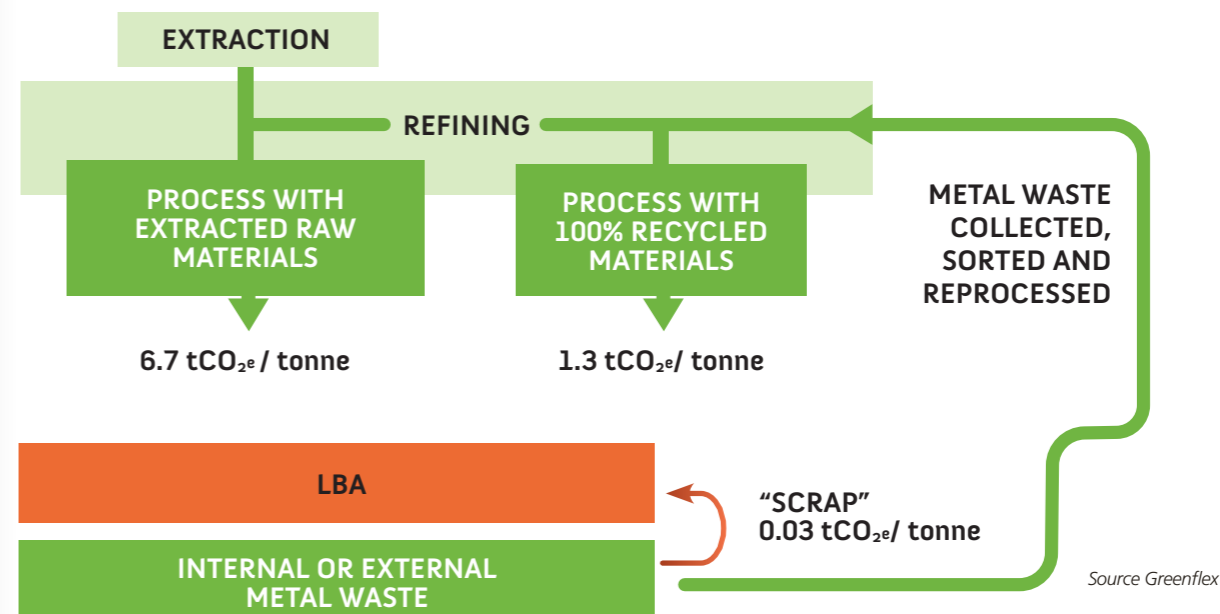
Copper can be recycled ad infinitum with no loss of performance, while retaining all its properties.

Purchasing pre-composed alloys from recycling enables LBA to reduce its carbon footprint by:

- Avoiding the purchase of "primary" metals from mines.
- Avoiding separation of the alloy into primary metals during recycling, offering additional energy savings.

Using an alloy rather than new metal from the mines reduces the GHG emissions associated with the metal input by a factor of 200.

Copper recycling and extraction process



To supply and use copper and nickel alloys produced by recycling, LBA has developed specific recycling know-how based on:

- Foundry recipes regularly revised by the technical departments to ensure perfect quality while introducing recycled metals as "standard" products.
- Buyers specialising in the supply of recycled metals.

- The deployment of an Upcycling workshop (Suippes), which enables secondary foundry materials to be recycled internally and used as a source of raw materials, as well as increasing our capacity to source recycled metals internally or externally. This innovation is detailed in the "Eco solution" pillar.



Taking advantage of all these levers, we are aiming to **purchase 75% recycled metals by 2019, 80% by 2025 and 85% by 2030**, even if some of our customers' applications require the use of

primary metals, which may lead to a change in the rate depending on the product mix.

% Purchases of recycled metals	2019	2020	2021	2022	2023 Target
Primary metals	19%	20%	24%	28%	20%
Recycled metals	81%	80%	76%	72%	80%

In 2022, sales for a high-volume space application required the purchase of primary-grade metals, bringing the rate below the target value. By 2023, the target should be met again.

5 / BUYING LOCAL

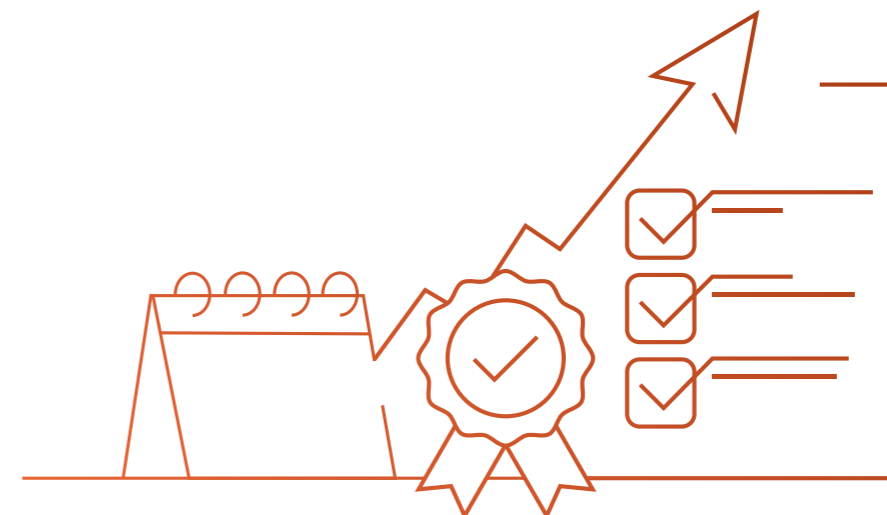
Our responsible purchasing policy also means that we buy as many of our requirements as possible from suppliers located close to our factories in order to:

- Promote responsiveness
- Create jobs in our regions
- Reduce the carbon footprint associated with transporting our supplies
- Be able to maintain relationships based on trust, facilitated by a close working relationship

However, taking into account certain purchasing specifications, it may happen that only foreign suppliers have the capacity to meet our needs, particularly for the supply of raw materials. As a result if we remove the purchase of metals and subcontracting, we achieve a very good score of over 90% of purchases made in France, for the 4th year running for the supply of our French factories.

Purchasing French plants (excluding metals)	2019	2020	2021	2022
France	92%	91%	93%	94%
Germany, Belgium, Spain, Italy	3%	3%	2%	2%
Rest of Europe	4%	5%	4%	3%
Rest of the World	1%	0%	1%	1%

OPTIMIZED PERFORMANCE



The performance of an industrial Group can be examined using multiple criteria. At LBA, we regularly monitor the following key criteria:

- Financial performance: EBITDA, Cashflow, Net Income
- Customer performance: registrations, IRD, quality rate, complaints monitoring
- Industrial performance: productivity, OEE/ROI, space optimisation

- Environmental performance: electricity, gas and water consumption, waste management
- Project performance: on time, on budget, on target

In this sustainability report we detail 3 themes: financial performance, industrial performance and environmental performance.

1 / FINANCIAL PERFORMANCE IN SUPPORT OF SUSTAINABILITY

Over the years, we have developed a culture of transparency regarding the Group's financial performance, in particular by explaining the concept of EBITDA (earnings before interest, taxes, depreciation, and amortization) to all our staff, and by promoting the gross margin produced rather than the volume processed on a daily basis at our sites.

This transparency is reflected in structured communication:

- A daily display in the workshops of the gross margin achieved
- A monthly analysis by site of the variance from budget on several financial KPIs, presented to the site management committee and consolidated for the Executive Committee

- A quarterly financial committee open to all our backers to analyse financial performance, end-of-year reforecast and review progress against the initial Business Plan.
- A half-yearly management seminar that presents the results, sets out the strategic vision, communicates the main components of the budget for year N+1 and the CSR report.
- Regular communication to employees on the Company's situation through various bodies: CSE, Works Council, information memorandum, etc.





The year's budgetary objectives are defined using a methodology specific to LBA, which ensures the reliability of its projections and a deliberately demanding growth dynamic, with the aim of always striving for progress and excellence.

Excluding the Covid crisis, EBITDA has consistently grown by more than 10% a year since the Group was formed in 2011, and the 2022 results were ahead of budget.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Budget 2023
change vs N-1	16%	28%	21%	41%	14%	20%	23%	-2%	-60%	135%	55%	20%

2 / INDUSTRIAL PERFORMANCE

Investment in industrial performance

By investing over €15 million a year for the past 10 years, the Group continues to modernise its industrial facilities, offering greater capacity, greater safety, greater energy savings and higher productivity.

Our industrial productivity is measured by the "Gross margin / Direct labour hours" indicator. In 2022, this ratio will have risen significantly by more than 50% compared with 2021, well above the initial target, as a result of our efforts to refocus on our core business as an exceptional metallurgist.

In addition to the strategic and pricing decisions that improve this ratio, progress is also made thanks to the involvement of team leaders, who analyse the performance of their workshops on a daily basis, the various Lean Management tools implemented in the workshops to help progress, and the departmental meetings that enable any problems to be raised.

Impact in our region

The Stimulus plan, implemented between 2020 and 2022, has enabled us to consolidate our activities at the remaining sites, resulting in a significant reduction in our greenhouse gas emissions by shutting down some

underperforming equipment and reducing transport between sites.

This streamlining also gives local authorities the **opportunity to rethink the development of their local areas by rehabilitating freed-up industrial sites.**

The community of the Suippes municipality considers the closure of the historic Suippes 1 industrial site to be an asset for the area, since it means no loss of activity (transferred to the new Suippes plant) and frees up space to revitalise the town centre. Having attractive regions is also beneficial for Lebronze alloys in terms of attracting new employees.

The Sélestat site was sold at the beginning of 2023 to the Tournesols institution, which employs disabled workers and people returning to work. The site is being refurbished to become a parcel/packaging/order preparation centre, which should eventually employ around 100 people (compared with 30 when it was operational in 2020).

To monitor the performance of our impact in the regions, we use the "Turnover/m²" KPI, which we aim to double between 2019 and 2025, taking into account the actions carried out over this period.

	2019	2020	2021	2022	2023
Turnover € / M ²	€1,179	€1,005	€1,261	€2,072	€2,339
% Change (vs 2019)		-15%	7%	76%	98%

3 / IMPROVING THE ENVIRONMENTAL PERFORMANCE OF OUR SITES

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

This commitment to the environment has led us to take specific measures in terms of improvements and certifications. In the EcoVadis assessment we achieved an excellent score of 80/100 in this area (higher than the average score of 50/100 for companies in our sector) in 2022.

Certification of our sites

- All our European sites are ISO 9001 certified.
- 2 sites are ISO 14001 certified (Breteuil, Rydzyna) with the goal of qualifying Suippes in 2024.
- Lüdenscheid has been ISO 50001 (Energy Management) certified for several years. The Suippes site was the first French site to be certified in June 2023, and we are aiming to have all our sites in France certified by 2025.

- 1 site is EN 9100 certified (Suippes).
- We are targeting initial ISO 45001 certification for the Bornel site in 2024, with the aim of extending this certification to the rest of our production sites in France by 2027.

Reducing energy consumption

Reducing energy consumption is a major focus of the Group's sustainability plan. An initial radical change was achieved between 2018 and 2021 as part of the Stimulus plan on our consumption profile, as **we reduced our overall consumption by more than 30%**.

In 2022, consumption continued to fall (-15% for gas, -7% for electricity), and the Group expects this trend to continue in 2023, based on actual consumption in the first half of the year and the forecast for the second half of 2023.

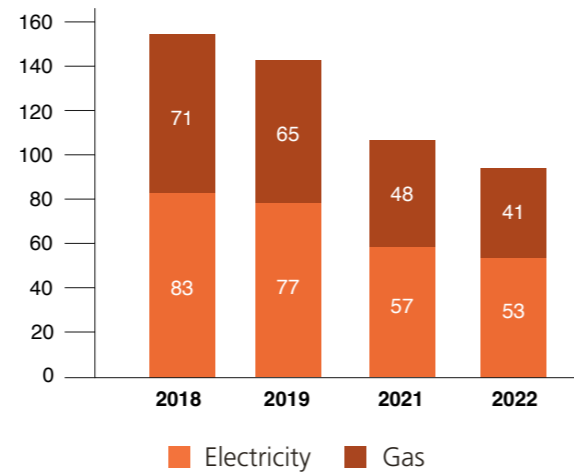


To achieve these results by 2022 and 2023, a number of actions have been implemented through the establishment of various structures:

- The creation of the “Net zero carbon footprint” pillar within our sustainable development policy, specifically dedicated to reducing our carbon emissions.
- The creation of an Energy and Decarbonation Committee, which brings together the Executive Committee and the technical departments on a monthly basis to monitor consumption and the progress of site action plans.
- The involvement of the Quality System central teams in supporting the roll-out of ISO 50001 to implement a robust energy management system at all our sites in France.

These actions are detailed later in this report, in the section focusing on the “Net zero carbon footprint” pillar, to explain our goals to reduce our carbon footprint under Scopes 1 and 2.

Change in Group energy consumption between 2018 and 2022 (GWh)



In addition to this indicator in absolute terms, we can also see the reduction in energy consumption in terms of intensity through **the improvement in the kWh/kg ratio billed between 2021 and 2022 of -10% for electricity and -17% for gas.**

Reducing water consumption

In early 2023, the French government introduced a “Water 2030” plan, which aims to reduce water consumption by 10% by 2030. In response to the increasing risk of drought, an action plan for resilient and concerted water management has been launched. It includes 53 measures to provide a better response to the challenges of limiting use and ensuring the availability and quality of water resources.

Within LBA, actions can be grouped around 3 main themes:

- Better measure our consumption
- Reduce consumption
- Optimise the quality of wastewater and increase its use as a substitute for new abstractions

✓ Assessing consumption

Each site monitors its water consumption (mains water and groundwater extraction), and there are

significant differences in consumption depending on the age of the site and its facilities.

Following the completion of an Eco-Flux diagnostic in 2021 for all sites in France, a recommendation has been made to increase the number of water meters on the sites that consume the most water in order to identify usage more accurately. Initial steps have been taken, notably in Bornel, with the installation of remotely-read meters.

At the beginning of 2023, two anomalies were identified and quickly dealt with thanks to the analysis of these meters, encouraging their deployment on the other sites.

✓ Reducing consumption

Lebronze alloys has high targets for its water reduction trajectory, with a target of over 50% reduction by 2025 and over 60% by 2030.

	2022	2023 Target	2025 Target	2030 Target
Water consumption (m³)	846,000	465,000	385,000	320,000
% Decrease (vs 2022)		-42%	-55%	-62%

Between 2022 and 2023, a major reduction will be possible thanks to the transfer of activity from Suippes 1 to Suippes 2. The Suippes 1 site consumed a lot of water, and this transfer will radically change the consumption profile by moving activities to a modern plant, designed with a closed-circuit cooling system.

Investments are also being made to reduce equipment consumption. A case in point is the change in technology for cooling the heat treatment furnaces at Bornel, which is evolving to incorporate a recycling loop and halve water consumption.

Studies will also be carried out in 2024 to analyse how to recover rainwater and use this resource for self-consumption.

✓ Optimising the quality of wastewater and its use as a substitute for new withdrawals

We also have infrastructure in place to enable wastewater to be recycled. The guiding principle is the decentralisation of industrial water treatment by process: each process is managed in a closed circuit with regard to its consumption of industrial water, so it does not pollute the neighbouring process. This allows the loop treatment for each process to be optimised. Each process is then purged as required for treatment in a plant (internal or external, depending on the site).

Measures are also put in place to treat and reduce pollutants discharged into the water, the principle being to dispose of purge water in such a way as to be able to treat the flow on average and never the maximum flow: this improves environmental performance and reduces the risk of incidents linked to sudden increases in flow.

The Bornel site has invested €150,000 in the creation of a 950m³ fire water retention basin, combined with the installation of an oil/silt separator at the basin outlet, and the installation of a hydrocarbon analyser on the river discharge. In the event of the presence of hydrocarbons following a fire, discharges will be directed to the water retention basin for treatment.

At the Breteuil site, a filtration system with a closed water circuit has been installed to reduce tribo-fining water (hazardous waste). This process has reduced the amount of water treated from 237 tonnes in 2020 to 44 tonnes in 2021, a reduction of 84%.

At our Dongguan site in China, cooling water and grinding water are recycled during production.



Reducing our waste and increasing sorting

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

Since 2018, we have been consolidating this information in a summary table tracking the cost of waste treatment by site. The volume of waste recovered at French sites is also monitored.

Examples of waste-related initiatives in place or under study:

- The use of Trackdéchets (a digital platform developed by the French Ministry of Ecological Transition) enables the traceability of hazardous waste to be paperless, simplifying management and making treatment safer.



- At Group level, a new contract with METOSTOCK enables waste to be grouped together to optimise treatment.
- At the Bornel site, an oil storage tank and a paper compactor have been installed to limit transport.
- In China, the cutting fluid from machining is filtered and recycled.
- The use of washable gloves has reduced glove purchases by 40%.
- The use of washable mops and absorbent mats.
- Setting up TchaoMegot: a solution for cleaning up cigarette butts, which are then recycled as insulation for the building and textile industries.
- At our Dongguan site, a zero waste policy has been introduced in the canteen.
- Trials are underway to recycle a large volume of big bags used as consumables for the foundry load.

LBA is also working on raising employee awareness to reduce waste:

- A digitisation policy is underway to reduce paper consumption (paperless payroll, digital individual interviews, electronic signatures, etc.).
- The sites have specific procedures for selective sorting.
- Plastic cups have been replaced by paper ones, and we hope to reduce their consumption thanks to the LBA bottles distributed to all employees at the beginning of 2023.



Monitoring air quality

Lebronze alloys SAS monitors and complies with legally defined values for dust and greenhouse gas emissions. Thanks to major investments, we have also been able to improve our fumes and dust collection and filtration facilities.

As part of the operating permits for each site, these emissions are subject to periodic reporting to DREAL (Regional directorate for the environment, planning and housing).

Major investments have been made to improve our filtration systems at our foundries and forges.

Three foundries have submitted a review report to the authorities under the IED Directive (reducing pollutant emissions from industrial activities). They are now subject to Best Available Technologies (BAT), with discharge values considerably reduced (divided by 8). **These 3 foundries comply with the new thresholds (discharges of less than 1mg/Nm³ for thresholds of 5mg/Nm³).**

Taking biodiversity into account

The impact of business activities on biodiversity encompasses both the impacts associated with business infrastructures and sites, and the impacts associated with the life cycle of products (extraction, production, transport, use, end of life).

In addition to actions carried out as part of regulatory compliance (e.g. strict controls to avoid discharging toxic products into our rivers), we have structured 2 main actions for 2022/2023:

- Implementation of eco-grazing at the Suippes site, which also helps to reduce our carbon footprint (no use of combustion engines to maintain the site, no green waste), reduce noise and develop social links with employees.
- Deploying beehives to support pollinating insects, carrying out biomonitoring of air quality by analysing the bees' fur, which also makes it possible to offer responsible corporate gifts.



Beehives and eco-grazing on the Suippes site

From 2024 onwards, with the help of an external consultancy, we will carry out a study to inventory and assess our direct and indirect impacts in terms of biodiversity and determine whether actions can be taken.



NET ZERO CARBON FOOTPRINT



Decarbonising our industry is a societal imperative that is reflected in the high expectations of all our stakeholders (customers, employees, shareholders, etc.), but it also opens up tremendous opportunities for progress and differentiation.

The Group is structuring itself to meet the targets set by the Paris Agreement and the EU's "Fit for 55" law, which aims to reduce greenhouse gas emissions in the EU by 55% by 2030 compared with 1990 levels.

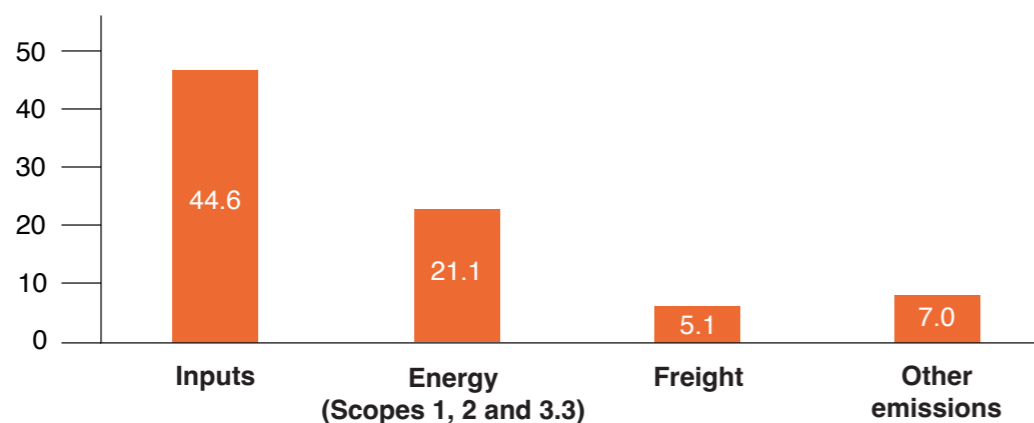
To meet this challenge, the Group has defined its low-carbon trajectory for 2030, which should make it possible to reduce the Group's greenhouse gas emissions in line with SBTi objectives aligned with a maximum 1.5°C increase in global warming.

1 / DEFINING OUR LOW-CARBON PATH

The Net zero carbon footprint pillar has been significantly expanded for the 2022-2023 period.

Lebronze alloys carried out its first full carbon footprint assessment in 2022 for 2021, at Group level (all the figures below are calculated using the GHG Protocol method).

Full carbon footprint assessment 2021 (KTCO₂eq)



This inventory led to the following observations:

- Scope 3 (excluding energy-related Scope 3.3) accounts for 73% of the carbon footprint.
- Inputs account for 79% of Scope 3.
- 86% of inputs are raw materials.

On the strength of these results, the Group has decided to follow the ACT Step by Step approach developed by ADEME at the beginning of 2023. This approach enables companies to develop their low-carbon strategy in 5 stages:



Through this approach, the Group has been able to define **decarbonation trajectories for 2030, in line with the targets of the Paris Agreement**, and then confirm, by modelling a macro-action plan involving the sites and central departments (Purchasing, HR, Transport, Sustainable Performance), that the targets are achievable.

These targets, which include the Group's growth targets, are as follows:

- **50% absolute reduction in Scopes 1 & 2 between 2018 and 2030**
- **25% absolute reduction in Scope 3 between 2021 and 2030**

The Group is in the process of being validated by the Science Based Target initiative (SBTi) and our trajectory is in line with the most demanding reduction targets, with a reduction in absolute terms that is compatible with limiting global warming to 1.5°C.



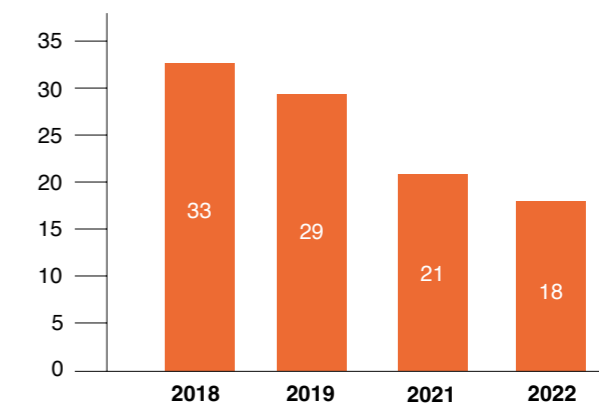
In order to monitor progress towards the Group's low-carbon trajectory, the carbon footprint will be assessed each year, and a detailed action plan will be drawn up for each site, department and year, based on the Group's macro-action plan for 2030.

2 / SCOPES 1 AND 2: CUTTING OUR EMISSIONS BY 50% BETWEEN 2018 AND 2030

The Group's energy consumption has been reduced by 40% between 2018 and 2022 thanks to 2 high-impact initiatives:

- Refocusing activities between 2020 and 2022: some energy-hungry sites have been closed, and their activities which have been transferred to other Group sites are now much more energy-efficient.
- Since the beginning of 2022, the Executive Committee has set up an Energy and decarbonation Committee. This Committee monitors changes in energy indicators and presents the projects carried out by the technical departments and their results.

Change in energy carbon footprint (Scopes 1, 2 and 3.3) between 2018 and 2022 (KTCO₂eq)



Examples of projects that are helping to reduce consumption include:

- Recovering waste heat from our hot processing facilities in Germany, to replace gas in the heating of buildings
- Setting up metering plans at all sites
- Instructions for turning down the heating in winter
- Optimising the weekend heel
- Optimising production rates on hot processes, to minimise downtime
- Installing destratifiers to reduce the need for heating

For the period 2023-2030, the Group will have to maintain the pace of reduction in its energy-related emissions, while increasing its production, in line with the targets of the business plan.

To achieve this, new projects have been identified and are being rolled out or studied in a number of areas:

→ **Electrifying gas uses:**

- At the Bornel site, heat pumps are being deployed to replace most of the gas heating systems. This action will have a major impact, as heating the buildings used to account for almost half of the site's gas consumption.

- At Lüdenscheid, a study is underway to replace a gas boiler with a heat pump or biomass boiler.
- Electrification of heat treatment furnaces.

→ **Improving the energy performance of equipment:**

- Revamping ovens (insulation, replacement of burners, etc.).
- Improving the performance of combustion with the addition of oxygen.
- Replacing parts with the best available technologies (engines, etc.).
- End of the gradual switch to LED lighting.

→ **Continuous improvement in energy performance, using an effective energy management system, with ISO 50001 certification already obtained at 2 sites representing more than half the Group's sales.**

→ **Green electricity consumption:**

- Installation of photovoltaic panels on the ground or on shelters (study underway in 2023 for one site).

To support this ambitious programme, LBA's Executive Committee has decided to dedicate a significant proportion of the CAPEX budget to decarbonation investments over the next 5 years.

3 / SCOPE 3: CUTTING OUR EMISSIONS BY 25% BETWEEN 2021 AND 2030

Scope 3 accounts for 73% of Lebronze alloys' carbon footprint in 2021.

Inputs

With regard to raw material inputs, 68% of Scope 3 by 2021, the Purchasing Department has already launched the following initiatives:

- Increasing the proportion of recycled metals in the purchasing mix.
- Involving suppliers in our decarbonation process, and introducing a criterion for choosing a supplier based on its approach (calculation of an emission factor, commitment to a low-carbon path).

- Increasing the activity of the Upcycling workshop.
- Increasing scrap recovery of the Group's alloys from customers.

For the other inputs, i.e. 11% of Scope 3 in 2021, the purchasing teams, as for metals, involve suppliers in our decarbonation approach, and introduce a criterion for choosing a supplier based on its approach (calculation of an emission factor, commitment to a low-carbon trajectory).

Freight

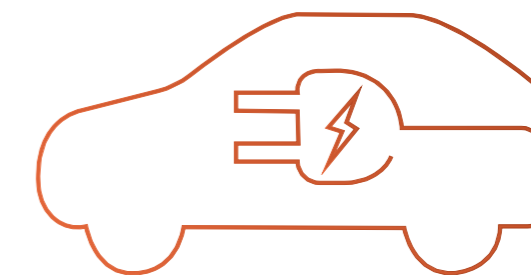
For freight, 9% of Scope 3 by 2021, a number of initiatives are underway:

- Optimising distances and tonnages: pooling transport
- The choice of certified service providers (e.g. Objectif CO2) who contribute to the decarbonation of road transport through the use of alternative energies (biofuel, biogas, etc.)
- Limiting air transport

Travel

By 2021, travel will account for 3% of LBA's Scope 3 carbon footprint. There are several ways of reducing the carbon footprint associated with travel:

- All of our employees can use their electric cars to come to our sites and recharge their batteries free of charge, as all our sites in France and the UK are equipped with charging points in their car parks. An increase in the number of charging points is planned to keep pace with the growth of the fleet.

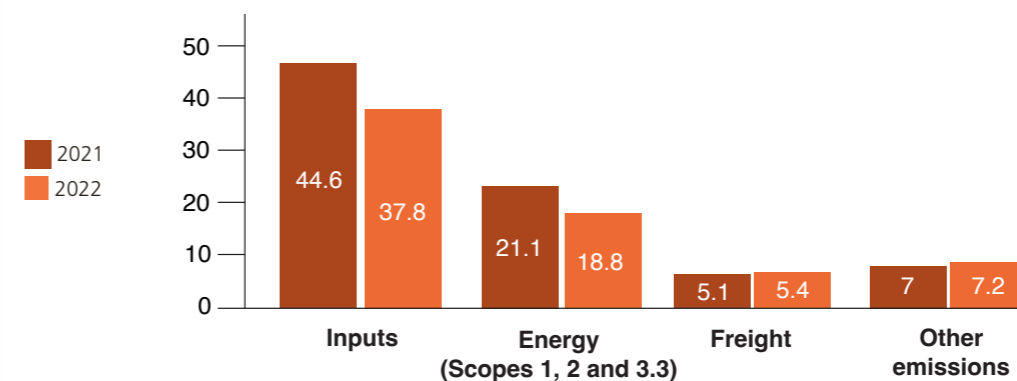


- In 2022, the "company vehicle" policy was revised to require the purchase of rechargeable hybrid or 100% electric vehicles with a view to replacing the entire fleet by 2028. From 2025, only 100% electric vehicles will be authorised for purchase.
- Implementation in 2021 of a teleworking policy to reduce travel-related emissions. In addition, the way in which meetings are conducted has been radically overhauled, with the systematic introduction of video-conferencing meetings to facilitate remote connections and reduce the need for teams to travel.
- When travelling on business, employees are encouraged to systematically use the train rather than the plane whenever possible.

4 / CARBON FOOTPRINT IN 2022: A POSITIVE TRAJECTORY

In 2022, Lebronze alloys' carbon footprint will continue to be evenly distributed between the various categories, but will be more than 10% lower than in 2021.

Change in carbon footprint 2021 vs 2022 (KTCO2eq)



This fall is noticeable in the 2 largest items: inputs and energy.

There are several reasons for this trend in inputs:

- Upcycling activity has risen sharply, resulting in a higher proportion of metal supplies with almost zero carbon impact.

The mix of metal purchases, linked to the Group's product mix, was more favourable.

- The reliability of emission factors has improved thanks to the recovery of product-specific assumptions from our suppliers.



- Purchasing began to include the carbon impact of metals as a purchasing criterion at the end of 2022, but the effect will be more visible in 2023.

With regard to energy, the actions carried out on the sites in 2022 have been detailed above under pillars O and N.

Freight is up, which can be explained in several ways:

- The Group's business will grow in 2022 compared with 2021.

- The reliability of freight data has been improved between 2021 and 2022.
- The use of air transport has increased slightly, and with an impact per kilometre 37 times greater than road transport, the effect is significant.

5 / INVOLVING EMPLOYEES IN A CO2 REDUCTION INITIATIVE

Our employees work hard every day to implement our BRONZE policy and improve our KPIs through the way they work and the actions they take on a daily basis.

In addition to internal communication via the CSR governance committees, LBA has also carried out a number of initiatives over the last 12 months to raise employee awareness of climate issues and the importance of implementing our low-carbon trajectory:

- "MyCO2" training for all Group managers. The MyCO2 tool has enabled everyone to estimate their annual carbon footprint, the breakdown of each major item (travel, food, housing, etc.), identify alternatives for reducing their carbon footprint, and make commitments to reduce their carbon footprint over the year in line with the Paris Agreement.
- Presentation of the BRONZE policy at the annual seminar in January 2023 and creation of the **Climate mural** for the hundred or

so participants. The event gave employees a better understanding of climate issues and strengthened their desire to accelerate the transition within LBA.

- Launch of communication campaigns on our social networks to highlight our sustainable development actions, particularly in terms of decarbonation: EcoVadis certification, highlighting of the Upcycling workshop, actions carried out with the Coq Vert Community, etc

In 2023/2024, we want to strengthen communication in the following areas:

- Include the annual Sustainable Development Report in the induction pack for each new employee.
- Share our SBTi commitment once it has been validated.
- Redesign the CSR page on our website.



Creation of the Climate mural

ZERO ACCIDENT



Given the nature of our business, we pay constant attention to preventing occupational risks and protecting the health and safety of our employees.

Accident performance varies from one production site to another. The lost-time accident frequency rate is still too high, despite the significant progress made by each plant over the last 10 years.

To increase the momentum for progress and accelerate our ability to move towards zero accidents, a reduction trajectory has been defined with an annual reduction target and a minimum target of 40% reduction in FR1 between 2022 and 2030.

This target is accompanied by an ambitious action plan which is structured around 3 major areas:

- Monitor, analyse and report on frequency and severity rates.
- Take action and invest to improve accident prevention.
- Implement a safety culture through ISO 45001 certification (Occupational Health and Safety Management Systems).

We are convinced that the physical and psychological well-being of our employees also depends on healthy teams. A number of actions are being taken in this direction.

1 / TWO KEY INDICATORS: FREQUENCY RATE AND SEVERITY RATE

Work-related accidents are given very close attention and are monitored by site management in conjunction with the Group's HSE coordinator.

Frequency rate / Severity rate

The **frequency rate** (FR1) is defined as the number of lost-time accidents multiplied by one million, divided by the total number of hours

worked. In France, the figure is 18.73 in 2022 and has fallen by 49% since 2016. For the Group as a whole, it is 22.3 in 2022.

The Breteuil site in France and the Dongguan site in China had a good year in 2022, with no lost-time accidents.

The **severity rate** (SR) is defined as the number of days lost due to an accident at work multiplied



by a thousand, divided by the total number of hours worked. In France, it is 0.56 in 2022 and has fallen by 64% since 2016.

For comparison, the national averages for accidents at work in 2021 in the metallurgy branch (CTN A), given by the CNAM, are 15.5 for the frequency rate and 1.1 for the severity rate. Our French sites therefore have more lost-time accidents than the average, but these have fewer consequences in terms of time off work, since the LBA severity rate is twice as low.

In 2022, the number of lost-time accidents at Lüdenscheid was more than twice the industry average (11 accidents compared with 5 for companies of our size). A major action plan was implemented over the last quarter to counter this deterioration in performance. The results for the first half of 2023 are very encouraging, with a sharp reduction in the number of lost-time accidents (just 1 by the end of June 2023).

2 / TAKING ACTION AND INVESTING TO REDUCE ACCIDENTS AND THEIR SEVERITY

Organisational actions

To achieve our targets of reducing the number of accidents in the workplace, we have introduced a number of organisational measures:

- Integration of the Health, Safety and Environment (HSE) coordination function within the Sustainable Performance Department to implement the targets described in the “Zero accident” pillar.
- Setting up an HSE Steering Committee for each Business Unit and site
- Increased involvement of an external safety expert in Germany, on site 2 days/week
- Appointment of safety officers for each sector, to assist the site safety manager and sector management in monitoring and identifying safety risks, in particular by means of safety rounds with checklists

Each site has a Single Document, based on a Group model, to identify occupational risks for all workstations with a view to reducing workplace accidents and implementing the annual programme to prevent occupational risks and improve working conditions (PAPRIACT).

Awareness-raising and communication initiatives

Awareness-raising and communication initiatives are also in place, depending on the site:

- The implementation of the 7 Group fundamentals (Safety welcome – Regulatory display – Electronic display – Newsflash on accidents in the workplace within 24 hours – Annual update of the Single Document – Prevention plan – Communication Safety Steering Committee)
- “Safety Challenge”: monthly celebration of accident-free months during a social event
- Safety instructions reiterated to operators at the start of their shift by sector managers
- Weekly meeting between the safety manager and the sector managers



Safety training initiatives

When they arrive at a site, all employees (regardless of their type of contract) are given an HSE welcome, during which they are presented with the rules applicable to the site and/or the Group, such as our QHSE policy.

Training courses are organised on a regular basis to maintain and update employees' skills, particularly in fire-fighting. A bus for the training of first response teams (FRTs) circulates and tours all the French sites in order to provide this training (practical use of fire extinguishers, armoured fire valves, etc.).





Fire-fighting training

Personal protective equipment: day-to-day protection

Personal protective equipment is provided by the Company and is adapted to the risks of the job. Compliance with this dress code is stipulated in the job description and internal regulations. Penalties are applied in the event of non-compliance.

✓ **Personal hearing protection (PHI): moulded earplugs**

With regard to noise pollution, each site has maps and measurements of noise and sets up action plans to reduce emissions.

Custom-moulded earplugs are provided to employees working in noisy areas. The built-in filters are suitable for the noise level of the workstation, making it easier to be understood during conversation.

✓ **Respiratory protection: powered breathing apparatus**

Despite the collective aspirations in place, fumes and dust are present in certain workshops such as foundries. Assisted-ventilation respirators are used to make respiratory protection easier to wear and more effective. These respirators provide a high level of protection and comfort for use on a complete production shift.

✓ **Eye protection: safety goggles**

To limit the risk of shrapnel in the eye, protective goggles are used in high-risk workshops. For certain operations in foundries or during welding operations, visors are used to protect against glare and infrared.

✓ **Other PPE**

LBA also provides all the "classic" PPE for its employees: shoes, helmets, various gloves adapted to the operations, work clothes, etc.

✓ **PPE selection**

The introduction and selection of new PPE is developed in consultation between departments Purchasing, the operational HSE department and the users. Tests are carried out to ensure that PPE is appropriate and ease of use. Following these tests, models are selected. Every year, PPE suppliers are assessed jointly by Purchasing and operational HSE departments that report information and possible problems encountered in the workshops in relation to these services.

Investment in safety

Aware that working conditions in the metal industry can be difficult (heat, noise, physical strain, etc.), the Group is devoting part of its CAPEX to improving working conditions and employee safety on a daily basis.

In 2022, investments have been made with the following objectives:

- Automation of certain arduous manual tasks (robot to automate furnace cleaning at Suippes, automatic container cleaning at Bornel, automated visual inspections, etc.)

- Adapting workstations to reduce the risk of musculoskeletal disorders
- Investment in new technologies for items such as smoke collection and extraction systems or high-voltage electrical circuits
- Securing machines and their environment to reduce risks (electrical, falls, etc.).

3 / MOVING TOWARDS ISO 45001 CERTIFICATION FOR ALL OUR SITES

In 2023 the Impact Committee approved the implementation of an **ISO 45001 certification** process for all our sites.

This international standard aims to implement an Occupational Health and Safety (OHS) management system, and is not mandatory. By aiming for certification, the Group is making an additional commitment in relation to the legislation.

The target certification plan is as follows:

- 1st pilot site at Bornel: deployment in October 2024
- Depending on the results of the audit: planning over 2 years to have 100% of our sites in France and our site in Germany certified.

This certification process will consolidate and formalise the work and safety management carried out by the HSE and field teams over many years.



4 / PROTECTING THE HEALTH OF OUR EMPLOYEES

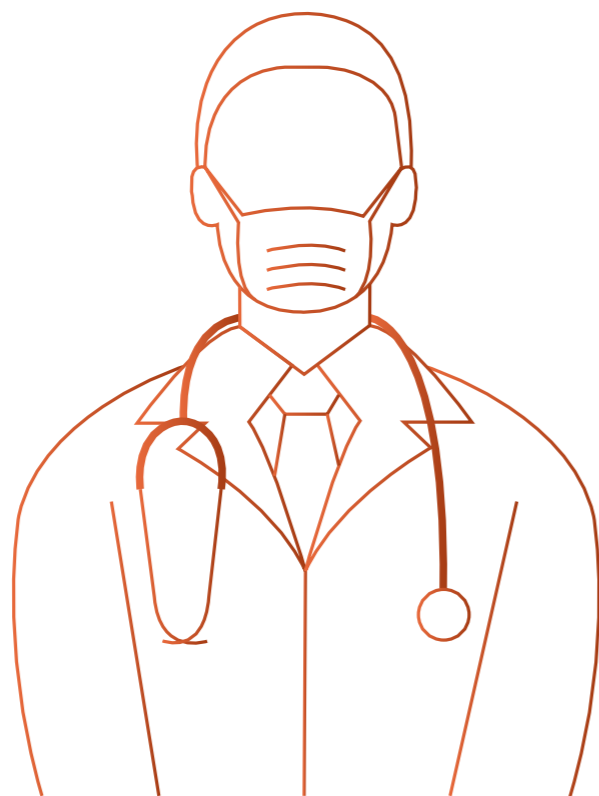
While the health of our employees is a priority, absenteeism is also a risk to the Company's ability to achieve its targets. In addition to the actions already mentioned, a number of measures have been deployed or renewed to improve employee protection:

- Seasonal flu vaccination campaign every year
- Regular chest X-ray campaign for specific sectors and opening up to other employees on a voluntary basis
- Information workshops on public health topics (nutrition, alcohol, etc.)
- Organising smoking cessation using the Allen Carr method
- The TMS Pros approach to implementing ergonomic measures to improve working conditions
- Communication campaign on the COVID-19 pandemic

- Follow-up of HSE (Health, Safety and Environment) accreditations and training to maintain or increase skills, but also to offer versatility at workstations
- On-site audit in the form of discussions with employees to remind them of safety instructions and to take account of any difficulties that may be encountered

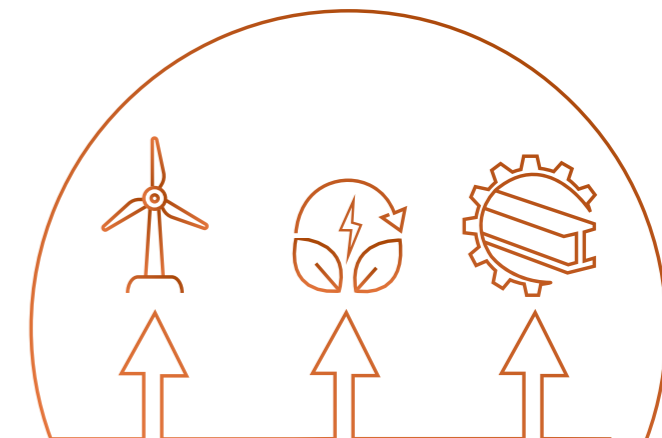
Occupational medicine plays an important monitoring role: a large number of clinical and complementary examinations are carried out every year. These make it possible, in particular, to trace occupational exposure and to carry out studies of workstations to adapt them to staff suffering from medical restrictions.

In addition, all our French, German and English employees are covered by a good level of supplementary health and personal protection insurance.



ECO SOLUTION

A significant proportion of our sales are generated by applications with a strong positive impact on decarbonising and reducing the environmental footprint of many sectors. Some of our products are also critical to the success of the global energy transition.



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

The same applies to our second speciality metal: nickel. Consumption of the latter is set to rise sharply over the next few years as a result of its use in applications such as energy storage and heat exchange.

Why copper is key to electrification

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

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



1 / INNOVATING TO HELP WITH THE ENERGY TRANSITION

How ²⁹Cu will power the next generation of clean technologies

WIND

Copper demand from the wind-energy sector will account for 20% of green demand; copper intensity is expected to increase, because offshore projects, which require twice as much copper, are becoming more widespread.

ELECTRIC VEHICLES

Electric vehicles contain over five times the amount of copper that combustion-engine vehicles do, and will represent about 40% of the green demand for copper by the end of the decade.

SOLAR PANELS

Copper is key in the efficiency and performance of photovoltaic panels and, thanks to the rapid decline in their cost and deployment, they will be the second green-demand driver, after electric vehicles.

ENERGY STORAGE

In electric vehicles, copper is mainly used in batteries; in the future, the development of networked energy-storage systems will be a key incremental factor for the green demand for copper.

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

Our products are used in a number of important applications aimed at:

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

The table below shows the main applications.

Development objectives	Main LBA applications
<p>Producing, using or distributing carbon-free energy</p>	<ul style="list-style-type: none"> • Nickel alloys for hydrogen electrolyzers • Connector alloys for electric vehicles: C9X, UC500®, brass • Electric floor-recharging plates made of CuNi alloys • Nickel and precision alloys for battery security and management • CuCrZr and CuNiSi alloys for civil nuclear applications • CuNi strips and parts for offshore wind turbines
<p>Minimizing the use of fossil fuels</p>	<ul style="list-style-type: none"> • CuNiSn alloys for low-friction bushings reducing the use of synthetic lubricants • Alrode® welding electrodes for lightweight aluminium sheets and HYS and VHYS steels • Nickel for waste-heat recovery applications
<p>Consuming and producing responsibly</p>	<ul style="list-style-type: none"> • Speciality alloys to increase the life of final products: Arcap®, CuAl, Nickels and alloys, CuNi, CuNiSn, etc. • CuCrZr and CuNiSi alloys to reduce metal consumption: less material committed to iso-functionality • Alloys that facilitate end-of-life recycling: brass without lead, beryllium or other harmful metals
<p>Contributing to economic growth through the development of quality infrastructure</p>	<ul style="list-style-type: none"> • Nickel alloys for soil decontamination • CuNiSi and CuAl alloys for fixed railway equipment • Braking systems for railway rolling stock
<p>Contributing to the improvement of human health</p>	<ul style="list-style-type: none"> • Non-magnetic alloys for applications in medical imaging equipment • High-elasticity alloys for eyewear • Steriall® handles to combat the spread of hand-borne viruses

2 / PROPOSING SUBSTITUTES FOR “HIGH-RISK” ALLOYS

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

- **Development of the Hardiall® range and all spinodal alloys to replace copper-beryllium alloys.**



- **Range of lead-free alloys** to replace leaded brass or other copper alloys currently containing lead.



By 2027, we aim to reduce and maintain our gross margin on “high risk” alloys to less than 10%.

	2021	2022	2023 Target
% Gross margin from CuBe + Leaded Brass activities	12%	11%	10%

3 / FAVOURING THE CIRCULAR ECONOMY

By developing solutions that reduce the volumes of materials transferred to external collection and refining channels or limiting the transport

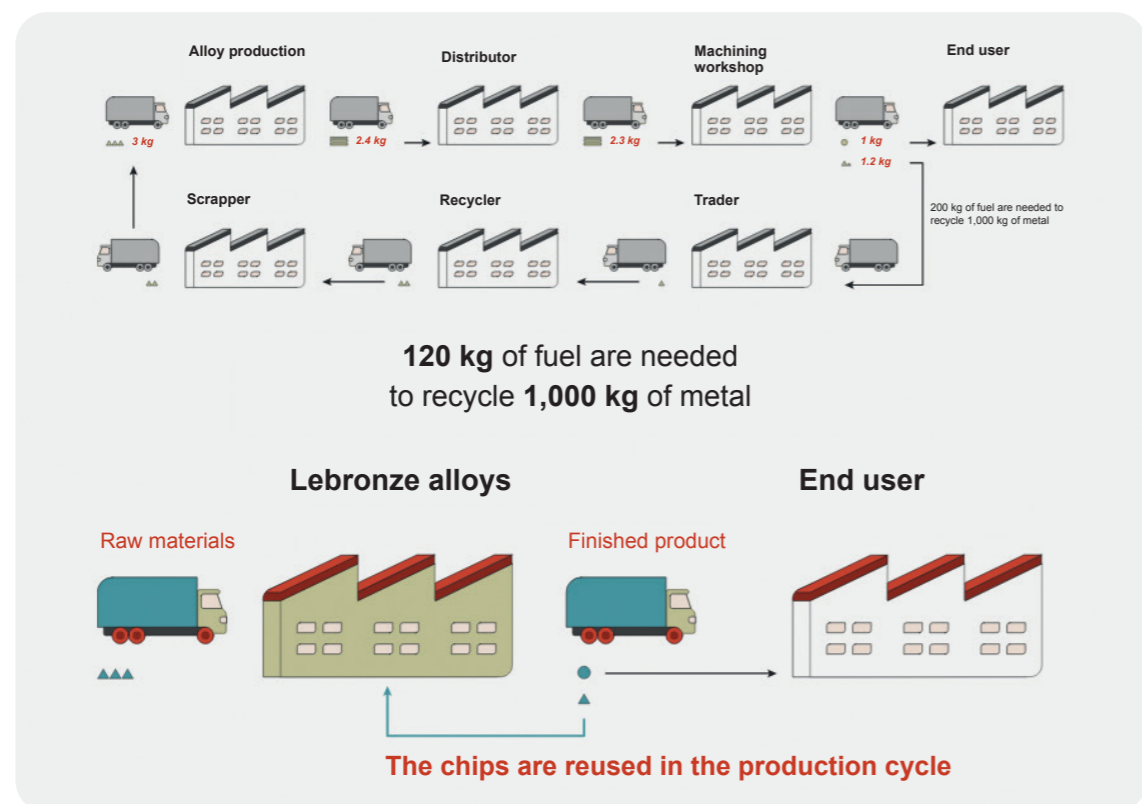
of non-useful weights, LBA plays a full part in improving the life cycle of its products.

Downstream strategy

The development of machined parts based on our semi-finished products or profiles offers relevant solutions in terms of sustainable development, enabling us:

- To make a product that is “close to the final size” and therefore have an optimised weight. This solution therefore limits the weight transported to the end customer.

- To generate, within a plant that is able to recycle them easily, the off-cuts that are created during the manufacturing process, rather than going through a circuit with an external manufacturer who would resell its chips in the “standard” recycling chain.



Processing our manufacturing off-cuts into raw materials: the Upcycling workshop

In 2021, a specific “UPCYCLING” workshop was built in Suippes and financed by the France Stimulus plan. The inauguration took place in the presence of Henri Prévost, Prefect of the Marne in 2022.

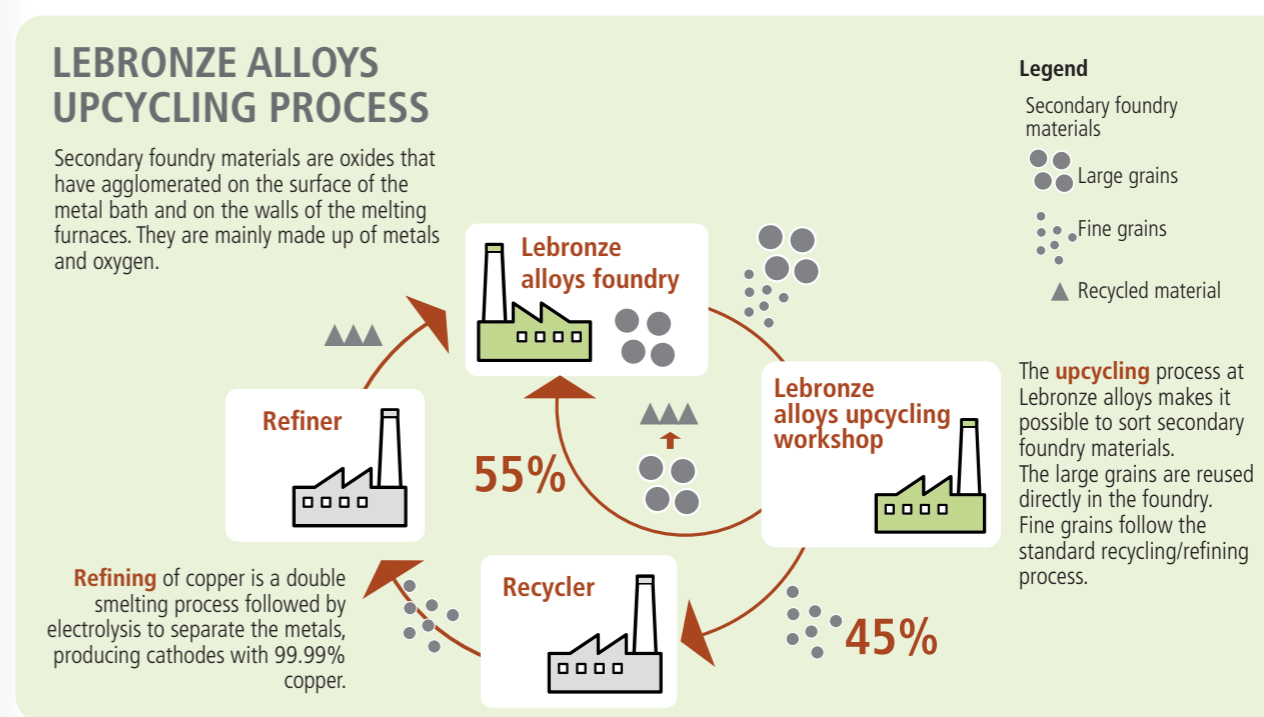
This investment will enable us:

- To recycle our secondary foundry materials (slag) internally as a source of raw material.
- To increase our capacity to source recycled metals from inside or outside the Company by carrying out a cold processing operation that enables these metals to be used directly in our foundries.

The slag processing activity is part of a waste recovery dynamic and has a number of advantages:

- A cold treatment process that is much less energy-intensive than a standard external recycling process, which involves a large number of stages (transport to the recycler, sorting and 1st cold processing stage, sale and transport to a refiner, separation of metals using a hot process, sale of the “upcycled” material).
- A financially relevant solution with an economic balance sheet that benefits the entire chain within the Group: the site that sells its production off-cuts, the margin made by the workshop, the site that buys at a lower price than on the market.
- A business that creates value within the Group: resources, skills, know-how, etc.

Example: in-house recycling of our own foundry “waste” to make a raw material that can be reused



Having set up this workshop, we decided to introduce a KPI to monitor the tonnage of "secondary foundry materials" processed and transformed by the Upcycling workshop. By 2022, 100% of the slag from the Group's foundries

will have been processed through the Upcycling workshop. This represents 1,200 tonnes of scrap metal, 50% of which could be upcycled for reuse.

Tonnes processed	2021	2022
Group foundry secondary material	480	1200

The Upcycling workshop was presented at the "Low Carbon Innovation Challenge 2023" held during the International Aeronautics and Space Exhibition (SIAE) in June 2023. Safran organised this competition to reward its suppliers for the best

innovations in terms of decarbonation. Our project came fourth in the competition, out of over a hundred entries.

Material recovery from our customers

As part of our sustainable development policy, we are working with our customers to develop channels for taking back their secondary raw materials, which can then be recycled as raw materials in our foundries, while significantly reducing the carbon footprint compared with a standard recycling flow.

This secondary material reuse circuit has existed historically at our German site for certain types of product. The aim is to extend this option to our higher added-value products (which are therefore more complex to recycle) and to new customers.

SDG SUMMARY and IMPACT

PILLARS	ACTIONS	KEY KPIS (secondary KPIS may also exist)	2020	2021	2022 Target	Actual 2022	2023 Target	Global Compact	SDG
BUILD TOGETHER	Maintaining industrial know-how	% Payroll dedicated to training	2.0%	2.9%	≥ 2.2%	4%	> 3%	1, 2	3, 4, 8, 9, 11
	Combating discrimination	Annual measurement of the M/F equality index	74/100	85/100	≥ 85	77/100	≥ 85	1, 2, 6	5, 10
		Percentage of female managers recruited during the year	40% over 3 years		≥ 40%	43%	> 40%	1, 2, 6	5, 10
	Sharing value	% of French employees who are shareholders	31%	34%	> 30%	32%	> 50%	1, 2, 6	3, 5, 10
	Encouraging internal innovation	% of employees (non-direct) who have contributed to a project	53%	58%	> 60%	50%	> 60%	1, 2, 6, 9	3, 8, 9
RESPONSIBLE PURCHASE	Favouring the purchase of recycled metals	% recycled metal purchases	80%	76%	≥ 80%	72%	≥ 80%	7, 8, 9	9, 12, 13
	Buying local	% local purchases excluding metal (country of origin + neighbouring country)	95%	95%	> 90%	96%	> 92%	7, 8	12, 13
	Raising awareness among our suppliers	% of suppliers committed to CSR				40%	> 45%	1, 2, 4, 7, 8, 9, 10	8, 12, 13
OPTIMIZED PERFORMANCE	Improving the Group's financial performance	% annual EBITDA growth	-60%	135%	> 10%	55%	> 20%		8, 10
	Improving the industrial performance of sites	% growth Gross margin / Direct hours per year	-13%	5%	> 5%	50%	> 5%		8, 9
		% growth in turnover/m ² of sites	-15%	7%	> 5%	76%	> 5%	7, 8	9, 11, 12
	Reducing water consumption	% reduction in water consumption					-45%	7, 8, 9	3, 6, 12, 13
NET ZERO CARBON FOOTPRINT	% Decrease Scopes 1/2	% decrease in scopes 1/2 emissions (vs 2018 GHG)		-36.1%	-37.6%	-43%	-39.1%	7, 8, 9	3, 7, 12, 13
	% Decrease Scope 3	% decrease in scope 3 emissions (vs 2021 GHG)			-2.81%	-11%	-6%	7, 8, 9	3, 9, 12, 13
ZERO ACCIDENT	Reducing workplace accident rates	Lost time injury frequency rate				22.3	> 22	1, 2, 4, 8	3, 8, 9, 12
Eco SOLUTION	Promoting the circular economy	Tonnes of oxides treated		480	600	1,200	> 1,000	7, 8, 9	9, 12, 13
	Proposing substitutes for alloys considered "at risk".	Gross margin trend for products containing lead/beryllium	7%	15%	12%	11%	10%	7, 8, 9	9, 11, 12

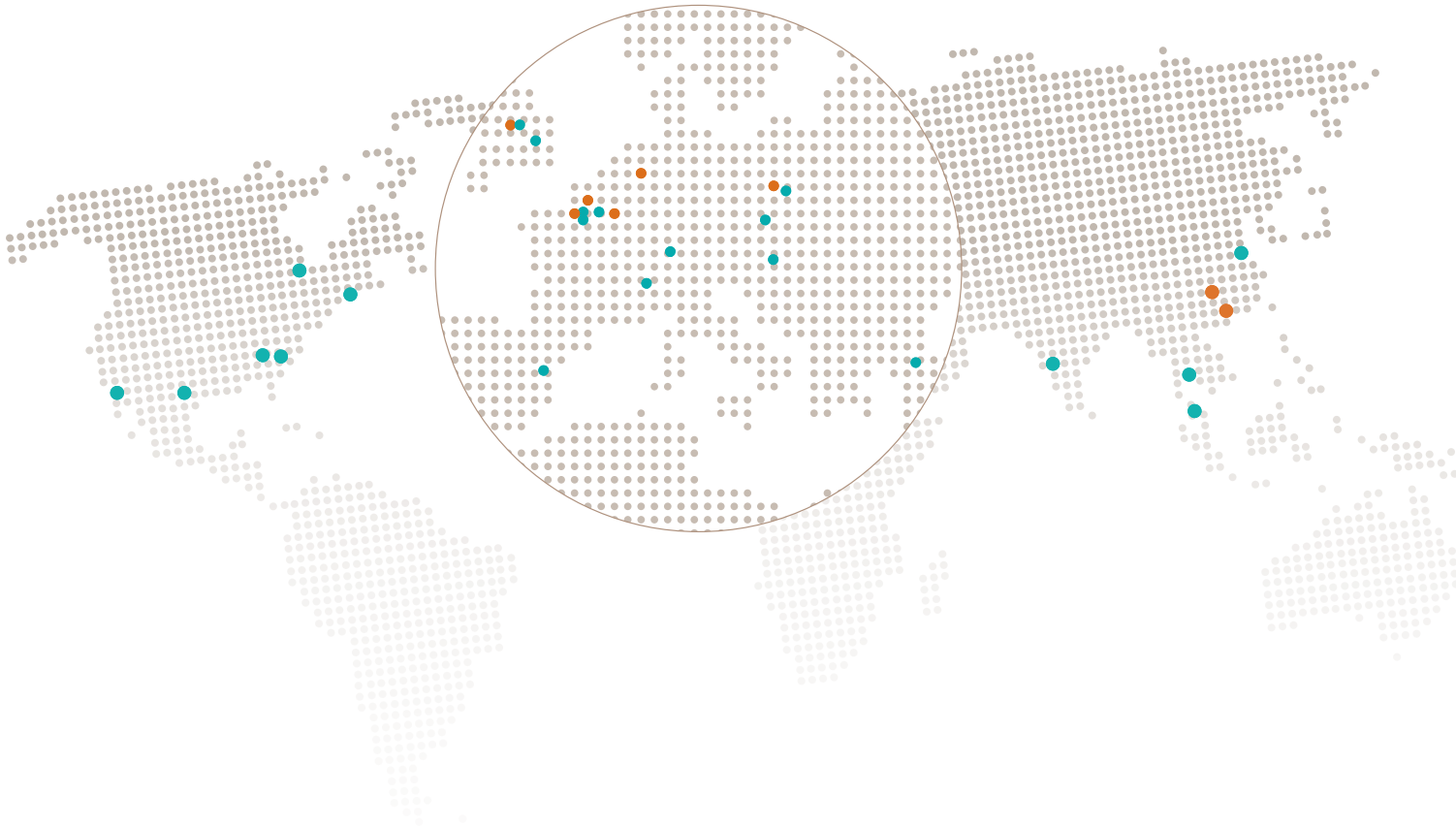
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lebronze alloys

World leader in high-performance specialty copper and nickel alloys



● Lebronze alloys Factories & Service Centres ● Partner Distributors

Lebronze alloys Group is a world leader in the development and fully integrated production of high-performance specialty copper and nickel alloys.

Thanks to a multidisciplinary know-how, the Group provides innovative solutions to all major industries such as Aeronautics, Electronics, Space, Automotive, Energy, among others.

Our 6 production facilities and 750 employees manage a unique range of metal processing technologies: continuous and semicontinuous casting, extrusion, hot and cold rolling, drawing, open-die forging, hot stamping, closed-die forging, cold forming, machining, non-destructive testing, etc.

We are a major decarbonation player for many industries. We continually strive to reduce our carbon footprint and our products are key for decarbonation applications in our customers' industries.

The Group's commitment is to find appropriate and optimized solutions for every sector's requirements.



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