

REPORT

# Sustainable Development Report 2023

Non-Financial Performance Statement



When **energy** matters

 **socomec**  
Innovative Power Solutions

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# Challenges and strategies



## Building a sustainable future together

A company's performance is measured not only by its financial success but also, and more importantly, by its positive impact on society and the environment. This vision guides all our actions and decisions, ensuring that sustainable development is central to our strategy.

The past year has seen significant progress towards realising this vision, with the implementation of our 2022-2025 strategic cycle. Our commitment to sustainable development, which we have made a strategic priority, demonstrates our firm determination to transform our company for the better. At SOCOMEC, corporate social responsibility (CSR) is much more than an obligation; it is an essential factor in our overall performance, which is reflected in our ambitious transformation projects.

In 2023, our commitment to CSR further deepened, reinforcing our actions to reduce our environmental footprint.

Our low-carbon strategy has been defined, with the drawing up of an action plan and targets for reducing CO<sub>2</sub> emissions. We are taking concrete steps to increase the energy efficiency of our products, reduce our air freight and promote materials with a low carbon footprint.

But if we are to take action, we first need to understand the issues relating to climate change. Nearly 800 employees were made aware of the issue in 2023, in particular through Fresk workshops and talks on the climate.

We are aware of the challenges that face us between now and 2030, and are making the necessary adjustments to ensure that our actions are sustainable and that they deliver concrete, measurable results.

In addition to the environment, we continue to work for the well-being and engagement of our employees. It is through the promotion of a responsible and inclusive corporate culture that we are able to strengthen our internal cohesion and maximise our positive external impact.

Our CSR performance has been acknowledged by EcoVadis, with a rating of 73/100, putting us in the top 5% of companies assessed. This endorsement reflects our ongoing commitment to environmental excellence, employee well-being and ethical business conduct.

The challenges we face are many, but they are outweighed by our conviction and our values, which have been rooted in SOCOMEC's DNA for over a century. We are determined to continue along this path, for our company and for future generations.



**Ivan Steyert**  
*CEO of the SOCOMEC Group*



**Catherine Steibel**  
*Director of Communications & CSR, SOCOMEC Group*



# Commitment of the Top Management

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



"The Global Compact and SOCOMEC go back a long way together, as we celebrated 20 years of partnership in 2023. We share a common objective: to be a responsible player in the social and ecological transition.

Signing up to the Global Compact is done on a voluntary basis, and SOCOMEC is proud to be one of the pioneering companies in this area.

The Board of Directors and I are firmly committed to this international alliance, and we intend to remain so for many years to come."

Benfeld, 31/12/2023

Ivan Steyert  
CEO of the SOCOMEC Group

## SOCOMEC in facts and figures



**4 200**  
**EMPLOYEES**  
68% MEN  
32% WOMEN

FOUNDED IN 1922

**100 years**  
OF SHARED ENERGY

**€843 M\***

**TURNOVER**  
+ 16% COMPARED TO 2022

**8%**

**OF TURNOVER**  
INVESTED IN R&D

**3**

**FIELDS**  
**OF EXPERTISE**

POWER SWITCHING / POWER  
MONITORING / POWER CONVERSION  
+ ASSOCIATED SERVICES



**12**

**PRODUCTION SITES**



**30**

**SALES SUBSIDIARIES**

**SECOND LARGEST**  
**PRIVATELY-OWNED POWER TESTING LAB**  
IN FRANCE

THE SOCOMEC BRAND  
IS REPRESENTED IN OVER  
**80 COUNTRIES**

\*Provisional (audit pending)

# A business model founded on a sustainable and long-term vision

## Our resources

### Employees

- Over 4,200 employees, 32% of whom are women
- Shared values: Responsibility – Openness – Commitment
- 876 new hires in 2023, including 443 on permanent contracts
- 113 in-house transfers
- Safety at work:
  - Frequency rate of workplace accidents: 3.65
  - Severity rate of severity of workplace accidents: 0.13

### Solid financial foundations

- A family-owned, independent shareholder base with a long-term vision

### Global presence

- 12 production sites in 7 countries
- 50% of production sites have ISO 14001 certification
- 83% of production sites have ISO 9001 certification
- 30 sales subsidiaries
- 5 Repair Centres (maintenance centres)
- E'NERGYS, the "energy and digital transition" branch of the SOCOMEC Group
- Tesla Power Lab: 2<sup>nd</sup> largest privately-owned power testing lab in France

### Innovation capital

- 8% of turnover is invested in R&D
- 400 employees directly involved in R&D

### Intellectual capital

- 6 patent families
- ISO 27001

### Social capital

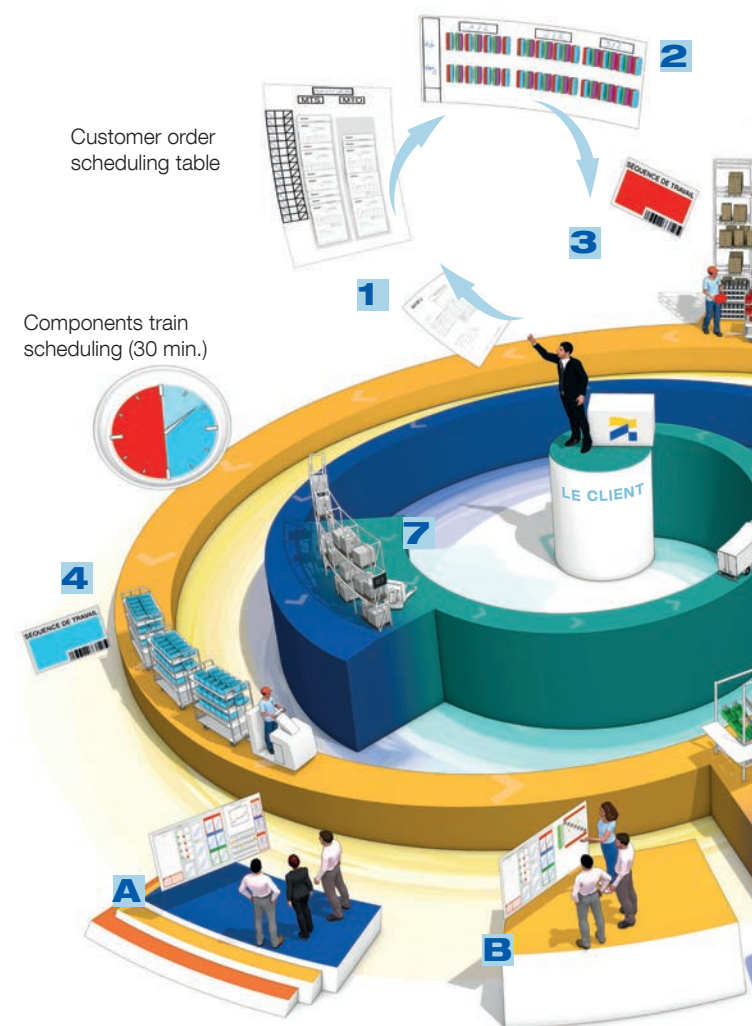
- 72% of our suppliers assessed by EcoVadis on CSR criteria
- 94% of SOCOMEC'S turnover is covered by suppliers who have signed our Code of Conduct

### SOCOMECS, a specialist manufacturer

- 42 product families
- 74.7% of product ranges covered by a PEP
- Our technologies: Power switching, Power monitoring, Power conversion, Associated services
- Our markets: Data centres, healthcare, energy, infrastructure, industry, buildings, mobility

## SOCOMECS Pull Management System

The customer is at the centre of our production processes



**A** The site's Board of Directors progress team  
Task: to ensure the availability, responsiveness and support required by the field teams to achieve collective success.

**B** In-field progress teams (one team per autonomous production unit)  
Task: to coordinate actions from the different departments, draw up and implement working standards and resolve operational problems.

**1** Customer order

**2** Sequencing of orders into half-hour work sessions

**3** Preparing a work sequence





**4** Conveying and placing work session components next to the production line

**5** Assembly, quality checks and packing of products

**6** Conveying finished products to the logistics centre

**7** Dispatching the order to the customer

**8** Kanban\* components replenishment in tandem with suppliers

*\*Kanban is a visual manufacturing system in which the supply of components is regulated through the use of an instruction card sent along the production line.*

## Creating shared value

### CSR added value

- EcoVadis rating 73/100

### Employees

- 67,935 hours of learning and development, meaning we are a company that cultivates our expertise and skills
- 96.9% of Annual Performance Reviews completed
- 7.8/10, SOCOMEC'S employee engagement score
- 87.3% of employees received training on the Ethics and Compliance policy

### Financial performance

- 843 million euros in turnover (provisional result, audit pending)
- Growth of 16.2% compared with 2022

### Customer-focused excellence

- 110,000 service operations
- 3,800 products reconditioned in our Repair Centres and almost 4,500 products repaired by our technicians at customers' sites
- Consumables replacement services aimed at extending the service-life of products
- Providing the guarantee of high-quality, efficient and secure power supplies

### Care for the environment

- 44% of renewable energy in the company's electricity consumption
- 72.6% of industrial waste recycled
- 1 721 551 t CO<sub>2</sub>e
- Construction of buildings with a high level of energy performance
- Installation of solar panels to increase our energy self-consumption

### Major trends

- ecological transition
- renewable energy
- e-mobility
- digital technology and artificial intelligence

### Corporate sponsorship

- 0.06 % of turnover in France
- More than 20 organisations supported
- 1 endowment fund set up

# CSR milestones in 2023

WHAT SOCOMEC  
IS COMMITTED TO



73/100

## ROLL-OUT OF THE CSR BOOK

for the entire Group  
It sets out our commitments, priorities,  
objectives and detailed action  
plans in the area of CSR.

FOR THE WELL-BEING  
OF OUR EMPLOYEES



In its first year, SOCOMEC  
was awarded the



**TOP EMPLOYER**  
for excellence in HR practices

**SATISFACTION LEVEL**  
among the company's employees  
**7.8/10**

i.e. +0.3 points compared  
with the 2022 survey

180 executives follow a  
**MANAGER TRAINING PROGRAMME**

Awarded for the  
10th year in a row the



with a recommendation  
rate of

**96.7%**

## THE RELAIS TALKS

address a new corporate  
theme every month

430 employees from Benfeld and Huttenheim took part in

## RENDEZ-VOUS DURABLES,

an event focusing on environmental and social issues.



## TO PROTECT THE ENVIRONMENT



Defining our  
**LOW-CARBON STRATEGY**

The Energy+ Plan has enabled us to save  
**14.9% ON ELECTRICITY  
AND 33.5 % ON GAS**

**ISO 14001  
CERTIFICATION**  
for our Gurgaon  
production site in India

As part of the “Goodwatt” initiative,  
40 employees tested an  
**ELECTRIC BIKE**  
for a month as an alternative to driving  
a private car to work alone

**AWARENESS-RAISING**  
for top management  
**ON THE CLIMATE**

**OVER 800 EMPLOYEES**  
have been  
**MADE AWARE OF THE ISSUES  
SURROUNDING CLIMATE CHANGE**  
including 86 employees  
who participated in the Climate Fresk

## FOR RESPONSIBLE PARTNERSHIPS



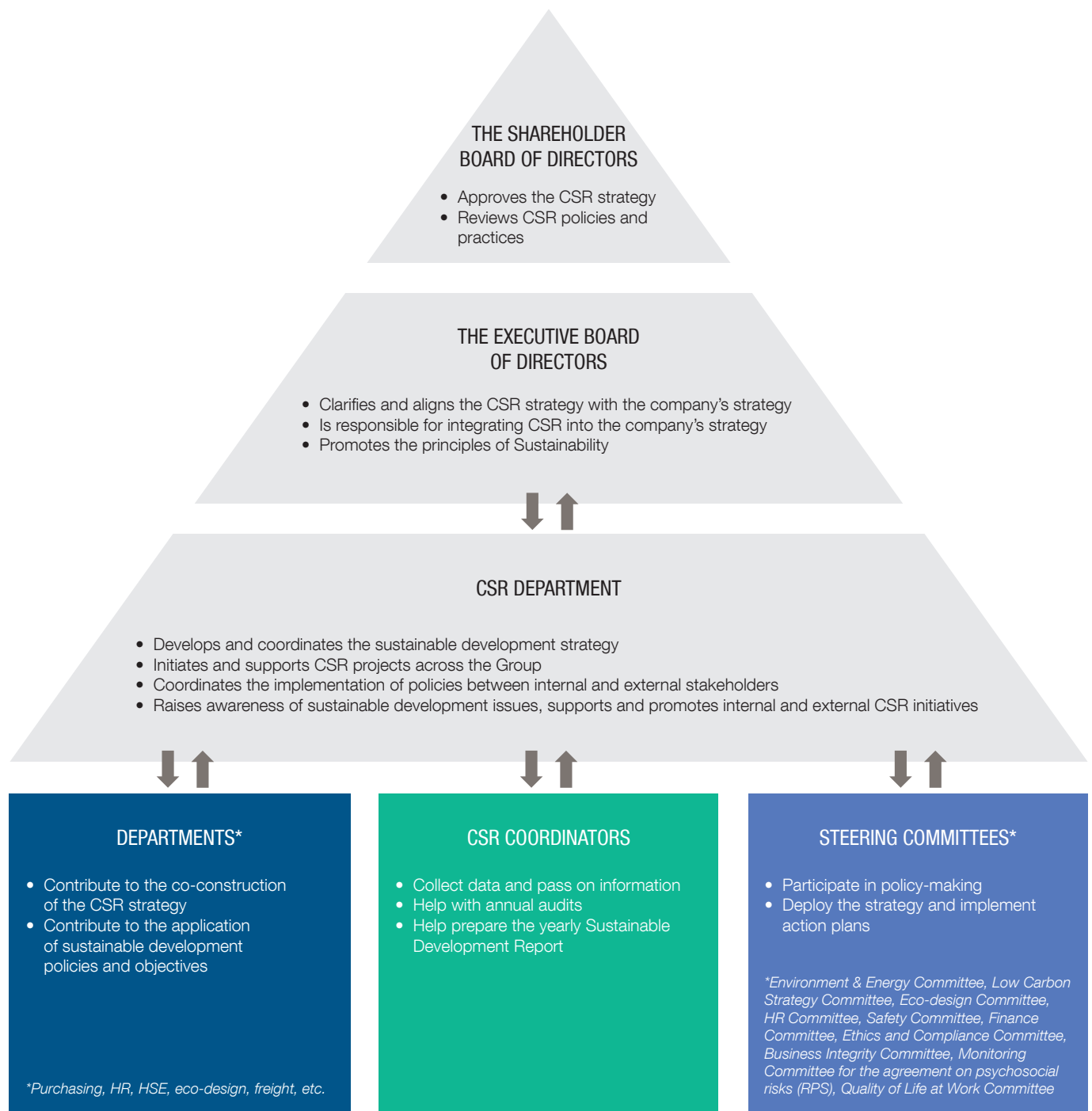
SOCOMEK and E'NERGYS launch the  
**IMAGIN'ACT ENDOWMENT FUND**  
to support initiatives for young people from  
disadvantaged backgrounds.

**72 OF OUR MAJOR  
SUPPLIERS**  
are evaluated by EcoVadis

Definition of a  
**HUMAN RIGHTS  
POLICY**

We have renewed our partnership with  
**ELECTRICIANS WITHOUT BORDERS**  
for a period of 3 years

# Our CSR governance





# Our CSR strategy

## Our materiality matrix

Our CSR strategy is based on the materiality analysis carried out by GIMELEC, a consortium of companies in the French digital electronics industry. It is backed by its 200 member companies in the digital electronics sector (around 67,000 people). SOCOMEC shares the risks identified by GIMELEC in this matrix.

To prepare for the Corporate Sustainability Reporting Directive (CSRD), SOCOMEC will draw up a dual materiality matrix in 2024, with the help of a firm of experts.

Through an in-depth analysis of our CSR concerns, together with an analysis of risks and opportunities and interviews with stakeholders, we will determine which issues are of priority, based on their impact on the company, the environment and society.

This dual materiality matrix, which is more precise, will enable us to identify the material stakes and fine-tune our CSR strategy as well as our action plan to limit impacts.



Source: GIMELEC materiality matrix

## The three pillars of our CSR strategy



### A COMMITMENT TO EMPLOYEE WELL-BEING

Establishing a long-term health and safety culture within the company



- To promote the physical and mental health as well as the safety of our employees

Innovating in quality of life at work and employee well-being



- To strengthen the engagement of our employees and promote social dialogue



- To innovate to provide the best employee experience
- To support employees in the transformation of their jobs and their careers



Strengthening diversity, equity and inclusion



- To ensure gender equality across the Group
- To offer the best employee experience through a solid onboarding process to enhance a feeling of belonging



### PROTECTING THE ENVIRONMENT

Reducing the environmental footprint of our facilities



- To create and deploy our low-carbon strategy
- To get ISO 14001 certification for 100% of our industrial sites



- To improve the energy performance of our facilities
- To reduce and recycle the waste generated by the Group



Reducing the environmental footprint of our products and services



- To reinforce eco-design when creating product offerings
- To assess the environmental impact of products



- To improve the energy efficiency of our product offerings
- To propose a modular, robust and repairable product offering
- To prolong the lifespan of products and components
- To offer our customers effective solutions for reducing their energy consumption



### INVESTING IN RESPONSIBLE PARTNERSHIPS

Ensuring responsible purchasing



- To assess and require our suppliers to meet CSR performance standards
- To undertake to source minerals responsibly



Ensuring ethical business practices



- To maintain the values of trust and transparency in our commercial partnerships



Applying our social commitments at the next level



- To pursue an active policy of cultural, solidarity-based and regional sponsorship
- To contribute to the development of our profession through teaching and research

INTEGRATED AND CROSS-FUNCTIONAL GOVERNANCE

## SOCOMECC contributes to the goals of sustainable development

SOCOMECC undertakes to contribute to the Sustainable Development Goals (SDGs) - in line with the United Nations' global call to action by 2030 - to eradicate poverty, protect the planet, ensure that all human beings live in peace and prosperity, etc.

Through its activities and key areas for sustainable development (Environmental Protection, Eco-design, Health and Safety, Ethics and Working Conditions), the Group is more specifically involved in the Sustainable Development Objectives below.



## Deployment of the CSR Book

The CSR strategy has been outlined in a CSR Book, a document that presents SOCOMECC's CSR strategy, detailing the company's social, environmental and ethical pillars. It covers the Group's CSR commitments, priorities and objectives, as well as detailed action plans.

A CSR Book training course has been provided for various departments: national key account managers (KAMs) and international key account managers (IKAMs), product managers, and the Development and Quality departments.

The CSR Book is posted on our intranet for all employees, and an external version will also be issued to our partners.



## Our transformation projects

SOCOMECS's strategic plan, launched in 2022, maps out our ambitions for 2025. It translates these into action plans and transformation projects, including seven relating to CSR.

### Our strategic "Sustainability" approach includes 7 transformation projects



#### A commitment to employee well-being

**1 To carry out an annual engagement survey to gauge our employees' sense of belonging, well-being and motivation.**

Following the first survey in 2022, an action plan has been launched to strengthen employee engagement. This annual exercise allows us to measure our progress and adapt our priorities.

**On the agenda for 2025:** to achieve a score of 7.8/10 in 2025.

**2 To strengthen our Diversity, Equity and Inclusion policy.** SOCOMECS promotes a safe, inclusive and fair working environment for all. It makes sure that everyone's individuality is preserved and provides a working environment in which each employee can express himself or herself and act freely.

**On the agenda for 2024:** to formalise a Diversity, Equity, Inclusion and Belonging policy



#### Protecting the environment

**3 To build and monitor our low-carbon strategy so that we can reduce our environmental footprint.**

In 2022, SOCOMECS completed its Carbon Footprint Assessment, Scopes 1 to 3, for the entire Group. The results of this analysis were used to draw up our low-carbon strategy and our action plan to reduce our greenhouse gas emissions.

**On the agenda for 2024:** implementation of the action plan.

**4 To continue to obtain ISO 14001 certification for our production sites.**

The certification process aims to improve SOCOMECS'S environmental performance and also reduce its environmental risks. As of today, 50% of our production sites have obtained this certification, as have 2 sales subsidiaries.

**On the agenda for 2030:** to have ISO 14001 certification for all our production sites.

**5 To increase the number of product ranges covered by Product Environmental Profile (PEP) eco-declarations.** The PEP is the product's environmental identity card, based on an analysis of its life cycle in accordance with international standard ISO 14040.

**On the agenda for 2030:** to create a PEP card for all of our active product ranges.



#### Investing in responsible partnerships

**6 To set up regional "Ethics and Compliance" committees.**

We want to have people in place to ensure that our ethics and compliance policy is properly implemented in all our entities.

**On the agenda for 2024:** the regional Ethics and Compliance committees will be deployed in 2024.

**7 To assess the CSR performance of our suppliers.**

SOCOMECS wants to work with suppliers who are actively committed to CSR.

This is why we have entered into a partnership with the non-financial agency EcoVadis to assess the CSR performance of our business partners.

**On the agenda for 2025:** to ensure that all our main suppliers are assessed by EcoVadis

# Our CSR performance

Strategic approach	On the agenda for 2025 / 2030	Risks	Indicator	Results and scope*			Variation
				2021	2022	2023	
Establishing a long-term health and safety culture	2.95% (2025)	Poor working conditions, workplace accidents, occupational diseases, repetitive strain injury (RSI), psychosocial risks (PSR)	Frequency of workplace accidents	4.90	3.35	3.65	0.3
Innovating in employee well-being and quality of life at work	7.8/10 (2025)	Deteriorated social climate, discrimination, inequality of opportunities, resignations and employee disengagement	Employee engagement score	–	7.5/10	7.8/10	0.3
	95% (2025)		Annual Performance Reviews completed	–	–	96.9% <sup>(1)(2)</sup>	–
Reducing our environmental footprint	80% (2030)	Risk of contributing to climate change, pollution, financial costs and legal consequences, additional energy costs	Recycling of industrial waste	73.4% <sup>(3)(4)</sup>	68.6% <sup>(5)</sup>	72.6% <sup>(4)</sup>	4%
			Renewable energy used in total electricity consumption	12% <sup>(3)</sup>	13% <sup>(6)</sup>	44.4% <sup>(11)</sup>	31.4%
	100% (2030)		Production sites with ISO 14001 certification	42% <sup>(7)</sup>	42% <sup>(7)</sup>	50% <sup>(7)</sup>	8%
Promoting energy efficiency	100% (2030)	Risk of contributing to climate change through the production and use of the Group's products	Turnover generated by ranges of manufactured products covered by a PEP	54.7% <sup>(8)</sup>	56.9% <sup>(8)</sup>	74.7% <sup>(8)</sup>	17.8%
Ensuring responsible purchasing	100% (2030)	Shortage of raw materials, non-compliance of components and services with standards and legislation	Amount of turnover accounted for by suppliers who have signed the Code of Conduct	84% <sup>(10)</sup>	93.7% <sup>(10)</sup>	94% <sup>(10)</sup>	0.3
	160 main suppliers assessed in 2025		Main suppliers who have been assessed by EcoVadis	–	36 <sup>(9)</sup>	72 <sup>(9)</sup>	36
Ensuring ethical business conduct	100% (2025)	Corrupt practices, conflicts of interest, influence peddling, anti-competitive practices, facilitation payments, information leakage	Employees trained in ethics and compliance policy	81.2% <sup>(11)</sup>	88.3% <sup>(11)</sup>	87.3% <sup>(11)</sup>	-1%

(1) excluding Algodue, Boltswitch, CCS and Powersmiths

(2) excluding production personnel

(3) excluding international sales subsidiaries

(4) excluding the US production site CCS

(5) excluding sales subsidiaries and CCS, Boltswitch and Gurgaon production sites

(6) excluding the Boston (US) sales subsidiary

(7) excluding French branch offices and international sales subsidiaries

(8) excluding CCS, Boltswitch, Powersmiths, Algodue, TCT (for these entities, SOCOMEC brand products are taken into account)

(9) excluding Algodue, Boltswitch, CCS, Powersmiths and TCT (SOCOMEC has around 160 main suppliers)

(10) Suppliers covering 85% of SOCOMEC's turnover in 2021 and 80% in 2022 and 2023

(11) excluding sales subsidiaries in Cochín, Johannesburg, Boston, Szczecin, London, Mannheim, Lausanne and Padua

# SOCOMECE's commitment to employee well-being



**3** GOOD HEALTH  
AND WELL-BEING



**5** GENDER  
EQUALITY



**11** SUSTAINABLE CITIES  
AND COMMUNITIES





# Establishing a long-term health and safety culture within the company

CSR is one of the Group's 5 strategic pillars, the primary concern being the well-being of our employees and the absolute priority of our health and safety targets. Through prevention and safety inspection processes, SOCOMEC ensures a safe and fulfilling working environment for everyone.

Given the nature of the Group's activities, the main health and safety hazards that have been identified are manual or mechanical handling, electricity and road or vehicle traffic. Depending on the way the sites are set up, SOCOMEC also guards against chemical risks, fire risks, risks relating to electromagnetic fields and risks associated with machinery and equipment.

These risks can lead to accidents in the workplace or occupational diseases.

SOCOMECE's approach to risk prevention is divided into three main areas:

- 1** To **acquire, develop and share** a culture of prevention,
- 2** To **ensure** a safe environment and good working conditions by controlling occupational risks,
- 3** To **analyse** accidents and dangerous situations and take the necessary **action** to reduce their frequency and severity.

## Our policy

### Our commitments

The Group's health and safety policy describes the commitments made by SOCOMEC to improve the physical and mental health and safety of its employees. We take action to prevent all workplace accidents and occupational diseases and to enable everyone to work in a favourable and fulfilling environment, as part of an ongoing approach to "live better at work".

Our health and safety policy is built around measuring health and safety performance and assessing occupational risks.

SOCOMECE also makes sure that the staff of its service providers and subcontractors on its production sites and worksites are safe.



We undertake to do the following:

- To **comply** with legal and regulatory requirements relating to health and safety at work
- To **develop and promote** a culture of prevention at all levels of the company:
  - To take responsibility for implementing measures to prevent accidents at work and occupational diseases
  - To assess risks as far in advance as possible and implement appropriate preventive measures
  - To raise awareness and provide training for employees, as well as sharing best practice in terms of safety
  - To update, communicate and apply safety guidelines
  - To analyse accidents and near-misses systematically in order to prevent them from happening again
- To **improve** our health and safety performance **and monitor** the effectiveness of the measures that have been taken.

The Group requires its subcontractors and visitors to follow the same work procedures in place to ensure their health and safety and that of their colleagues.

The Health & Safety plan is drawn up, implemented, updated and circulated annually.

It sets out the measures for improving the safety of people, property and facilities and for developing a safety culture, as well as ensuring effective communication on the Group's objectives, actions and performance.

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

- Analysis of work accidents and occupational diseases
- Regular inspections and maintenance of equipment
- The company's position with regard to subcontractors
- The company's position with regard to temporary workers
- Preparation and organisation of work
- Occupational health
- Carrying out and updating the occupational risk assessment (ORA) and action plan
- Learning & skills development programme for workplace rescue and first aiders,
- Responsibilities, communication, and employee involvement
- Managerial prevention practices
- Fire risk control
- General condition of buildings.

The measures and corrective actions that need to be taken are identified via the following elements:

- The continuous measurement of health and safety performance.
- Regular Health, Safety and Environment (HSE) audits, coordinated by the various departments. These audits are followed up by action plans whose progress is monitored.
- Systematic analysis of accidents, incidents and dangerous situations.
- Carrying out periodic and non-periodic inspections of facilities and equipment.

## The Group's 11 Golden Rules

The essential requirements are summed up in 11 Golden Rules:

- 1** I make sure I have the necessary clearance and training before any operation.
- 2** I wear Personal Protective Equipment (PPE) as per the rules.
- 3** I make sure that the equipment I use is in good working order and do not disable the safety devices on the machines.
- 4** I observe the rules for handling loads and use the appropriate equipment.
- 5** I keep my workplace clean and tidy.
- 6** I report near misses and dangerous situations.
- 7** I apply lockout & tag out procedures in all circumstances and follow the order of instructions.
- 8** I observe traffic rules both inside and outside the sites.
- 9** I make sure that the emergency exits are clear and that the fire safety equipment is readily accessible.
- 10** I never carry out dangerous work if I am on my own without protection.
- 11** I comply with health regulations, for my own health and that of my colleagues.

In 2024, the 11 Golden Rules will be reviewed to make them clearer and more easily shared and applied by all.

## Our performance

Key targets	Indicators	2022	2023	Variation
<ul style="list-style-type: none"> <li>Reduce the frequency of accidents by 30% (2020 benchmark) by 2025</li> <li>Eliminate serious accidents and aim for 0 accidents by 2030</li> </ul>	Number of accidents with sick-leave	15	25	10
	Number of accidents without sick-leave	10	18	8
	Frequency rate of workplace accidents with sick-leave*	3.3	3.6	0.3
	Rate of severity*	0.07	0.13	+0.06

Unfortunately, our safety performance deteriorated in the 2023 business year, with a 10% increase in our workplace accident frequency rate.

From 2024, all workplace accidents (accidents with sick-leave, accidents without sick-leave and accidents involving temporary staff) will be taken into account when calculating health and safety performance indicators, and will be added to the frequency rate data.

\*The frequency rate indicates the number of workplace accidents per 1,000,000 hours worked

\*\*The severity rate indicates the number of days lost per 1,000 hours worked

## Our governance

The Group expects everyone to apply and comply strictly with safety rules and to take action to improve them.

The health & safety policy is set out, piloted and applied in each division and site belonging to the Group and is part of the action plans that establish the priorities on a yearly basis.

### On the agenda for 2024

The creation of a network of HSE coordinators present in the various entities of the Group. This network will meet monthly to draw up the SOCOMEC Group's new HSE standards, tools and methods.

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Monitors the implementation of the health &amp; safety policy</li> <li>Includes the health and safety dimension in the assessment of the Group's performance and in the company's management processes.</li> </ul>
<b>Site managers</b>	<ul style="list-style-type: none"> <li>Draw up the health and safety plan for their area in collaboration with the HSE coordinators</li> <li>Make sure the Health and Safety plan is applied on their site.</li> </ul>
<b>Managers</b>	<ul style="list-style-type: none"> <li>Assess and understand the risks and hazards specific to their sector of activity, and ensure that their teams have the necessary skills to carry out their jobs safely</li> <li>Order a halt to operations in order to implement the necessary corrective measures when an uncontrolled risk has been identified.</li> </ul>
<b>HSE and CSR coordinators</b>	<ul style="list-style-type: none"> <li>Translate the policy's strategic priorities into concrete actions and apply the Group's standards to assess risks at local level</li> <li>Share best practice and feedback via various discussion platforms</li> <li>Include health and safety aspects in projects and operations</li> <li>Inform and raise awareness among employees all year round</li> <li>Order a halt to operations in order to implement the necessary corrective measures when an uncontrolled risk has been identified.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Participate in risk prevention by being vigilant about their own safety and the safety of others, comply with safety instructions and report any dangerous situation, incident or near miss that they have witnessed.</li> </ul>

## Our actions for establishing a long-term health and safety culture within the company

### Promoting the physical and mental health as well as the safety of our employees

#### Taking radical action to reverse the increase in workplace accidents

The increase in workplace accidents in 2023 was brought to the attention of the Group's management and several actions were quickly taken:

- Holding safety meetings at all production sites.**  
 All employees were invited to special meetings to be briefed on the decline in safety levels. During these meetings, the managers of each site explained the specific actions they were taking to reverse this deterioration.
- Making pedestrian routes safer and revising the traffic maps at production sites.**  
 These targeted actions have been deployed mainly at our three sites in Alsace, and are based on an analysis of accidents over the past three years. This analysis highlights a significant risk of slip-and-trip falls and collisions.
- Safety workshop at Isola-Vicentina production site.**  
 This year, for the first time, the Isola-Vicentina site in Italy organised a "Safety Day" to raise employee awareness and

strengthen the health and safety culture. It was an original and fun event, using theatrical techniques to raise awareness and play on the emotions triggered by serious accidents. During this day of focus on safety, the 400 employees at the Italian sites were able to hear from an employee who is now disabled, and watch two more humorous sketches on health and safety at work.

#### Preventing workplace accidents

Near misses are opportunities to work on preventing a real accident from happening. SOCOMEC encourages the reporting of dangerous situations in the field.

One of the aims of this approach is to promote the reporting process and make the actions carried out more transparent. This also helps to strengthen the monitoring of actions and ensure that they eliminate or reduce the risk as much as possible.



## Health and safety training courses

SOCOMEC places great emphasis on safety awareness and training for its employees (e-learning courses developed in-house, safety reporting, distribution of news flashes following the reporting of a dangerous situation, posting of safety instructions, etc.).

### Training programmes are launched every year.

In particular, the Group ensures that every employee assigned to a workstation has received a sufficient level of information and safety training. This is to protect their health and physical safety, as well as the employees working alongside them.



SOCOMEC also organises **health awareness and prevention campaigns** and offers its employees the opportunity to take part in collective actions.

- At head office, during the Safety Month campaign in October, various events, workshops and training courses were offered to employees: a workshop to raise awareness of emergency first aid and the use of a defibrillator; training to understand the tools to prevent back problems and musculoskeletal disorders (MSDs), and a presentation offered by the Cardio-Pulmonary-Obesity Association on screening for cardiovascular risks, etc.
- This year, a campaign to raise awareness of emergency first aid and the use of a defibrillator also took place in three French branch offices (Nantes, Merignac and Meyreuil). In all, forty employees volunteered to learn more about how to secure an accident area, perform emergency first aid, examine a victim and use a defibrillator. The awareness campaign will gradually be extended to other branch offices.

## Ensuring the safety of our machinery

In 2023, SOCOMEC embarked on a programme of systematic assessment of all its work equipment, in addition to machinery that undergoes routine inspections. The programme entailed taking a critical look at day-to-day risks beyond the regulatory framework (e.g. CE compliance), and providing safety-related solutions by making replacements where necessary.

This substantive work was completed in 2023 at the TIMELEC sites in Tunisia, Isola-Vicentina in Italy and Huttenheim, as well as the tooling and logistics workshops in Benfeld. It will continue in 2024 at the TCT site and at Benfeld (Factory 1, Factory 2 and the LAB). The findings from these improvement initiatives are systematically shared with sites that have the same equipment.

## Reinforcing our ergonomics action plan

- The analysis of workplace accidents also highlights cases of injuries linked to posture or ergonomic factors. This is why, in addition to workstation reorganisation and the use of appropriate handling equipment, SOCOMEC organises **warm-up sessions** for production personnel in Alsace in conjunction with a workplace training company (Gestuel-Santé), in order to prevent musculoskeletal disorders (MSDs).
- Since 2022, SOCOMEC has been trialling the **use of exoskeletons** at its sites in Alsace to reduce the risk of RSI. The trials have been extended to 2023, and several models are still in the test phase. The aim is to identify the exoskeleton models best suited to the most arduous tasks.
- Year after year, the **ergonomics of workstations are improved**. This year, the reorganisation of the warehouse, which handles shipments of spare parts for the Service business, has eliminated the need to carry loads and halved the distance covered by operators. The project team's various working sessions culminated in the decision to put the packaging and labelling of the parcels online. The layout of the new packaging line involves only one loading station, that for palletising the packaged parcel, whereas previously the warehouse worker needed six or seven loading stations to pack the order.
- Several of our workstations are equipped with jib cranes and grippers to **facilitate the handling** of our heaviest products. We are working towards the implementation of co-robotic solutions (COBOTs: collaborative robots) designed to carry out cage-free operations (without risk to personnel), in close collaboration with production staff.

All these initiatives will, of course, continue in 2024.



## Preventing psychosocial risks (PSRs)

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

- 1** Preventing PSR factors at their source to reduce and eliminate them,
- 2** Raising awareness among managers about the detection of PSRs,
- 3** Dealing quickly with critical situations.

Proceedings may be initiated by an employee who believes he or she has been the victim of such a situation, or by a third party who believes he or she has witnessed a situation that meets the definition of workplace violence.

In 2022, a new agreement on RPS was reached, which allowed us to clarify concepts and definitions. Following this, managers in France were given mandatory training in the prevention of psychosocial risks in an e-learning format. They are in the best position to detect situations of PSRs and to take action.

The oversight committee for the agreement on PSRs (France) meets every 6 months to review the indicators and monitor the agreement.

### Also on the agenda for 2024

- To improve our process for reporting and analysing dangerous situations, incidents and accidents, in particular by making use of the Fabriq software package for our production sites. (Fabriq is a digital tool for monitoring action plans.)
- Organising a Safety Week will be one of the key events of 2024. The event was not able to reach its full potential in 2023, and the period dedicated to safety, packed with training, prevention campaigns and events, will be a highlight of the coming year.
- The definition of targeted actions aimed at reducing the accident rate among our temporary workers at our production sites in Alsace.
- The creation of an internal audit system by the central HSE department to assess each Group entity against the company's safety standards, and also to promote best practices in health, safety and the environment.
- All HSE aspects will be taken into account in the design phase of all industrial projects in 2024.

# Innovating in quality of life at work and employee well-being

SOCOMECE places great emphasis on the well-being and quality of working life of its employees. This is shown by:

- **Regular reviews of working conditions** as part of our approach to continuous improvement
- Opportunities to **balance work and personal life**
- **Learning and skills development** programmes

Taken together, the attention given to these aspects of our employees' working lives makes an important contribution to several issues, such as the attractiveness of our company, the retention of talent and, quite simply, the engagement of each individual in his or her work.

## Our policy

### Our commitments

The constant pursuit of a good Quality of Working Life and Conditions (QWL) is an integral part of our strategic vision. To this end, SOCOMEC is committed to:

#### Providing the best employee experience

SOCOMECE is firmly committed to improving the employees' experience throughout their career, especially by ensuring the best possible balance between their professional and personal lives.

**Teleworking**, which has been tried out for several years at the head office, has become widely adopted as a way for many employees in SOCOMEC's various entities to organise their work between on-site and remote work at their convenience. This gives employees greater flexibility to balance personal and working commitments.

This desire to achieve the best possible balance is also reflected, where operational requirements allow, by **real flexibility in the management of working hours** for people whose jobs do not permit teleworking. Trials involving employees choosing their own working hours have been organised.

## Promoting in-house dialogue and strengthening employee engagement

SOCOMEK does its utmost to maintain an ongoing dialogue with all employees through annual and interim performance reviews, as well as through regular communications on the Group's strategy, key figures, projects and the organisation of events.

This dialogue also involves active listening. Since 2022, all employees have been invited to respond to **the annual engagement survey**: an important benchmark for implementing action plans.

Depending on the applicable legislation, this dialogue is supplemented by employee representative bodies in countries where these exist. Finally, **an in-house whistleblowing procedure** is available to all employees should this become necessary as a last resort.



## Providing our employees with the best possible career support

- via an ambitious Learning & Development policy
- via a motivating approach to skills management

We give our employees the means to get involved in their own learning and development through regular training courses as well as via our internal online training platform - the SOCOMEK Academy.

In 2022, the Human Resources Department drew up a **professional mobility charter** that embodies SOCOMEK's determination to promote internal mobility. The charter sets out the key principles, the conditions for success and the respective commitments of everyone involved. Internal mobility is the movement of employees across positions or grades within the company.



The **career development interview** also gives all employees the opportunity to discuss their career path from a medium- to long-term perspective.

In order to define a QWL action plan for the Group as a whole, the Human Resources department analysed existing QWL initiatives and those to be improved or implemented within the Group.

## Our performance

Key targets	Indicators	2022	2023	Variation
To achieve an engagement score above the median benchmark: 7.8/10 in 2025	Employee engagement score	7.5	7,8	+0.3 points
To achieve a 95% completion rate by 2025	Completion rate of Annual Performance Reviews (APRs)	–	96.9% <sup>(1)</sup>	–

(1) excluding Algodue, Boltswitch, CCS and Powersmiths, and excluding production personnel

## Our governance

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• Defines the Group's strategic priorities, including the HR strategy.</li> <li>• Monthly review by the Board of Directors.</li> </ul>
<b>Human Resources Department (in association with the CSR Department)</b>	<ul style="list-style-type: none"> <li>• Proposes and implements HR measures, in particular with regard to QWL.</li> <li>• Manages the reporting.</li> <li>• Coordinates the activities and HR network</li> </ul>
<b>Regional HR Managers</b>	<ul style="list-style-type: none"> <li>• Manage the implementation of actions in the various entities</li> </ul>
<b>Local HR Managers</b>	<ul style="list-style-type: none"> <li>• Support implementation in the field</li> </ul>
<b>QWL Commission</b>	In France, a Quality of Working Life Commission (a joint commission) carries out actions and via these discussions contributes to improving the system and/or its communication.



## Our actions to promote well-being and quality of life at work

### Strengthening employee engagement and promoting social dialogue

#### Measuring employee engagement

The engagement survey, launched in 2022 in all the Group's entities, gives new impetus to our social dialogue. Each year, it gives all employees the opportunity to express their views on a number of themes: Health and Well-being, Transformation and Change, Diversity, Inclusion and Engagement. The findings of the survey serve as a basis for developing and implementing an action plan throughout the year aimed at enhancing employee engagement.

Once again this year, 90% of employees responded to the survey and took the opportunity to share their experiences as employees. The rate of participation is the primary indicator of success and employee engagement, and is 8 points higher than the average score obtained by companies in our sector

of activity and of a similar size, and more than 12 points higher the second time around.

As for our engagement score, it is up 0.3 points on last year, reaching 7.8. This score is also above the average obtained by companies of similar size and activity (+0.4).

The results of the 2023 survey show that our managers are committed to listening to their teams and implementing appropriate action plans. The actions undertaken over the past year have paid off, resulting in a better working environment.

#### RATE OF PARTICIPATION

**90%**

The same rate as in 2022

**+8** points  
above other  
companies

**+12** points  
the second time  
around

#### EMPLOYEE ENGAGEMENT SCORE

**7.8/10**

i.e. **+0.3** points  
/ 2022 survey

**16,142** comments

#### INTENTION OF EMPLOYEES TO STAY WITH THE COMPANY

**+0.3** points  
/ 2022 survey

#### A POSITIVE TREND

for all the factors that drive employee engagement

Career development  
**+0.4** points  
/ 2022 survey

Recognition & rewards  
**+0.5** points  
/ 2022 survey

Autonomy  
**+0.3** points  
/ 2022 survey

Team spirit  
**+0.3** points  
/ 2022 survey

#### On the agenda for 2024

To maintain the dialogue with all employees and foster a process of continuous improvement, the engagement survey will be carried out every year in a more streamlined format.

At the same time, a new survey format (barometric surveys) will enable us to maintain a permanent link between managers and employees. "Pulse Surveys" (as in taking the pulse of employees regarding their working situation) will be shorter and more frequent, giving managers constant feedback that is close to the field.

Each perimeter will have the choice of implementing pulse surveys according to their specific priorities.

## Certifying our HR practices via Top Employer

SOCOMEC has been awarded Top Employer certification, allowing us to be recognised as an employer of choice with excellent HR practices.

The certification process is part of our drive for continuous improvement, with the aim of achieving ever higher standards of human resources practices and quality of life in the workplace.

The Top Employer programme analyses and assesses the HR practices of companies in six areas: managing, organising, attracting, developing, engaging and bringing people together, divided into 20 sub-themes.



SOCOMEC has studied the action plans to be implemented from the first year of certification (2023) and the areas for improvement have focused on:

- Leadership, with the introduction of the Manager Programme and the SOCOMECE Leadership Development Programme
- Our employer brand, by measuring the employee experience and the onboarding process
- Career development, by enhancing online learning and development courses and promoting internal mobility
- Employee engagement, through an annual engagement survey
- The practical implementation of many local initiatives in France, in partnership with the association "Entreprises pour la Cité" on the subjects of Diversity, Equity and Inclusion (DE&I).

The audit carried out in 2023 enabled SOCOMECE France to renew its certification, improving by more than 10 points to reach a score of 85.82% (compared with 74.76% the previous year). This encouraging result demonstrates the effectiveness of the measures taken.

### On the agenda for 2024

The Group's goal is to renew this certification in France for the third year running, by continuing to improve its HR practices and Quality of Life at Work, and also to extend this approach to two international subsidiaries, in Italy and China.

The formalisation of a Diversity, Equity, Inclusion & Belonging policy (DEIB) is one of the projects to be deployed at Group level in 2024.

## Drawing on the contribution of social dialogue in all its forms

SOCOMECE engages in regular social dialogue within each of the Group's entities.

Practices and routines may differ from country to country, depending on the legislation in force - but they are all geared towards ensuring that employees' aspirations are taken into account as fully as possible.

In France, there is a more institutional and collective form: social dialogue with employee representative bodies.

**Ten agreements were signed in 2023.** Several agreements provide concerted responses to requirements in terms of work organisation (for example, on-call duty) or to develop the reference framework of SOCOMECE's own documents (the Company Agreement). More generally, these discussions aim to take the broadest possible account of employees' aspirations, whether or not the discussions result in an agreement.

In the Group, **the working conditions and terms of employment of 70% of our employees are governed by at least one company agreement and/or a collective bargaining agreement.**

For the correct interpretation of this indicator, it should be noted that the practice of company and/or collective bargaining agreements does not apply in all countries. In accordance with the definition of this indicator, it is only calculated for Group entities with more than fifty employees.



## Getting our employees involved via Le Relais talks

Each month, the Le Relais talks focus on a corporate theme. During the lunch break, employees meet at the Relais des Énergies for a talk, followed by a relaxed lunch buffet.



Employees from outside Alsace can follow these talks via videoconference, and replays are also available on the intranet. The talks are an opportunity to meet, explore new ideas and exchange views on inspiring topics such as:

- In January, "Les Womanitaires", presented by three SOCOMEC employees who took part in a solidarity and sports race in Nepal
- In February, "The APAC and NAM sales regions" presented by the Sales Directors of these geographical areas
- In April, "Alsace, an asset for our employer brand"
- In May, "Connected products and cybersecurity" led by the IOT and cybersecurity manager
- In June, "The EMEA sales region" presented by our Group Sales Director
- In September, "Our partnership with Electricians Without Borders".
- In October, "The ENERGYS Solutions Hub"
- In November, "Draw me the climate challenges" by a speaker and an illustrator to raise awareness of the challenges of climate change.
- In December, "Let's set sail with Med Racing" with the skipper of the IMAGIN'ACT - SOCOMEC yacht.

## Raising our employees' awareness of sustainable development

The CSR department and the Quality teams at the Benfeld and Huttenheim production sites organise the annual "Rendez-vous Durables" (Sustainability Meetings). This event invites internal and external partners to discuss environmental and social issues.



This year, almost 430 employees from Benfeld and Huttenheim took part in the event and were able to:

- Discover the Climate Fresk, a fun and educational way to understand the causes and consequences of climate change
- Discuss major ongoing projects with the CSR teams, such as our low-carbon strategy
- Find out more about future Energy + Plan projects with the New Building & Facility Management (NBFM) team
- To get information on the initiatives taken by SOCOMEC in terms of Quality of Life and Working Conditions (QLW)
- To test electrically-assisted bicycles.



## Innovating to provide the best employee experience

SOCOMEC has encouraged the principle of participative trials in the implementation of new ways of working through: technological means (digitalisation of processes), work organisation (teleworking, right to a chosen connection) and working hours (also for production

workshops). Before setting up a permanent system, negotiations are held to define the agreement that will govern the trials. This allows employees to be involved and their feedback taken into account.

### Integrating new measures into the QWL agreement

This year, the Top management decided to extend and strengthen existing QWL measures and to introduce new ones via an action plan.

6 areas of work have been selected:

- 1** QWL and the balance between personal and professional life
- 2** Gender equality in the workplace
- 3** Combating discrimination
- 4** Occupational integration and disabilities
- 5** The right to disconnect (or right to a chosen connection)
- 6** Mobility between home and the workplace



It also contains new commitments such as:

- To develop awareness-raising initiatives relating to health
- To introduce miscarriage bereavement leave for both parents
- To provide free sanitary protection on our sites
- To implement a training programme for managers on the theme of “recruiting without discrimination”.
- To launch an awareness-raising campaign aimed at all employees on the subject of sexual orientation, with a view to signing the LGBT+ charter.

### Extending teleworking in the sales subsidiaries

In 2021, an agreement on teleworking was signed for our operations in France, allowing people with compatible jobs to work from home 2 days a week. A flat-rate allowance is paid for the days spent working from home. At the TCT site, an agreement was also signed for a total of 22 days per year.



Other subsidiaries have also introduced this approach, the ultimate aim being to enable all of the Group's entities to adopt this form of work organisation by adapting it to their own specific circumstances:

- In North America, Asia and Italy, employees can organise their working hours to work either on site or at home, except for production personnel.
- In our European sales subsidiaries, teleworking has become a normal way of working, often to optimise travel to customer sites, while always aiming for collective efficiency.

The IT resources and communication tools that SOCOME C has made available enable work to be organised in this way, providing employees with the flexibility they need to balance personal commitments with the job to be done.

#### On the agenda for 2025

An evaluation of the practice will be carried out to ensure that this way of organising work meets the needs of local teams





### Improving QWL on our production sites

SOCOMECE is constantly looking to offer its employees the best possible working environment.

In June, for example, **new premises were inaugurated in Shanghai**. Covering an area of 1,400 m<sup>2</sup>, the offices have been renovated using environmentally-friendly materials and the design optimises natural light. The spaces have been developed to facilitate flexible working, with an emphasis on an open and integrated corporate culture that encourages communication between departments and improves efficiency.

In addition, production personnel at Huttenheim have been able to take advantage of **a new staff room** since September. A functional and relaxed area with a capacity for 60 people is now available for meals prepared by employees or meals delivered by the company restaurant.

### On the agenda for 2024-2025

- Refurbishment and renovation of training facilities (The Learning Centre)
- Provision of a fast-food service at the Learning Centre to complement the existing company restaurant
- To open a new company restaurant at the Isola-Vicentina site in Italy, which employs around 300 people.



### Supporting cultural and sporting activities

SOCOMECE has adapted certain premises (the Relais des Énergies, in Benfeld - but also in certain branch offices where this was possible) to enable employees to take part in sporting or cultural activities. Many clubs, sometimes subsidised by the SEC (Social and Economic Committee), have been set up to take advantage of lunchtimes to meet up and share a common interest. They include music, improvisational theatre, fitness, etc.

New local initiatives are being introduced (such as Tahitian dancing in the Lyon branch) and SOCOMECE fully supports these excellent opportunities to forge links outside the workplace.



## Supporting employees in the transformation of their jobs and their careers

SOCOMECE is an international Group that fosters innovation, expertise and skill sets to ensure the creation of value for its customers.

As part of the Group's focus on the "People" aspect of its strategy, SOCOMECE's aim is to foster an inclusive culture of continuous learning and development, enabling everyone to build on their potential and expertise and to respond to the company's strategic challenges so as to boost our ability to adapt and innovate.

The company places people at the forefront of its concerns and the challenges of its differentiation strategy.

Given the pressures on the labour market, attracting and retaining talent is a priority for the Group.

The 2023 learning and development policy is based on the following strategic orientations, which guide all of the company's development projects:

- To involve employees in their tasks and develop career paths
- To develop our expertise
- To support the company's culture and strategy
- To reinforce the engagement of employees and managers by offering multi-modal learning and development programmes
- To develop and promote a culture of self-learning
- To strengthen our employer brand.

### Enhancing our learning and development offering

At SOCOMECE, professional learning and development is an integral part of the HR strategy for the development of skill sets.

The overall learning and development strategy is based on 4 core elements:

- 1 A clear, broad, job-oriented training offer:** moving from exclusively technical training modules to real "job-oriented" or "manager-oriented" programmes, developing all the skill sets (technical, market, tools, behavioural, etc.) required for the business activity. To facilitate access and improve the visibility of the programmes offered to employees, SOCOMECE created and posted a learning and development catalogue on its intranet in 2023.
- 2 New teaching methods:** moving from traditional face-to-face teaching to a blended approach (online and face-to-face) and developing new teaching methods to encourage the sharing of knowledge (participative game-based learning/"serious games", virtual classes, tutoring).
- 3 Placing the learner at the heart of the process: this involves** targeting profiles and key skill sets, assessing the skill sets of our experts, helping them to develop self-learning, offering them user-friendly and high-quality online classroom environments whilst being supported by their managers in the development of their skill sets (via Annual Performance Reviews and Annual Professional Assessments, at the very least).
- 4 Learning & Development for all:** offering L&D for everyone, everywhere - in other words, in all our subsidiaries and for all our employees.

**A major "finance for non-financial people" learning and development programme has been created and run in-house by the Finance department.** The course gives participants a better understanding of what is at stake for the Group, the financial impact of decisions and guides them towards best practice. The programme consists of two parts: general finance and accounting principles and the presentation of tools that can be directly applied by the business functions. The trainers, who work in the Finance department, bring experience and skills in their field of expertise. The programme is intended for all the Group's departments, and 240 employees have so far benefited from it through 42 training sessions. Several projects were launched in 2023 to develop levels of expertise in various jobs:

- SOCOMECE launched a **"Joint Qualification Certificate in the Metallurgy Industry" for cable fitters**. This 8-month training course has enabled operators from different professional backgrounds to develop their skills as cable fitters and obtain a recognised certificate. SOCOMECE's objective is twofold: to support the career development of its employees and to meet recruitment needs in a job that is facing a shortage of skilled personnel.
- From 2022 to 2023, SOCOMECE developed a **training programme for Key Account Managers** that supports the organisation of the sales force and aims to provide a better service to our key accounts.
- The company wanted to enhance the skills of its marketing functions at Group level. SOCOMECE therefore launched the **Marketing Excellence programme**.



## A centre of excellence and in-house trainers, providing strong support for the strategy

The Learning Centre is our Group centre of excellence for learning and developing in-house skills. Its role is to design tailor-made learning and development programmes using innovative and engaging teaching methods that are relevant to all our businesses and are directly linked to our corporate strategy.

With its community of in-house trainers, this network is one of the pillars of our learning and development offering. At SOCOMEC, nearly 150 employees spread across several regions of the world run learning and development courses, in addition to their day-to-day duties. They provided nearly 19,879 hours of learning and development courses in 2023. They play a very important

role, as they are experts in their field with extensive knowledge of SOCOMEC's processes and specificities.

In-house learning and development programmes also offer a great opportunity to strengthen team cohesion. Interaction between participants from different departments encourages knowledge sharing and collaborative learning.

In 2023, the company invested €2.02M in learning and development, in particular through skills development programmes. In addition to Group-led projects, each subsidiary is allocated a reasonable budget to train its teams in line with operational needs.

## KEY FIGURES

# 67,935

Total hours of learning and development (on-site and online)

# 78%

Of hours dedicated to on-site learning and development

# 17.9 h

Average learning and development per employee (on-site and online). An average of 13.4 hours are spent in person.

# 89%

of learning and development programmes are online

## Providing a wide range of online training courses with the SOCOMEC Academy

The company demonstrates its commitment to professional development and inclusion with its online training platform: The SOCOMEC Academy. Our wide range of training courses, the content of which is carefully selected from providers recognised for their expertise, or customised by our team of learning project managers, can be accessed by anyone at any time via the MY LEARNING smartphone app. The availability of courses in the different languages used by the Group reflects our commitment to training for all.

- The "China Community" is a community space where employees based in China can share their expertise and access content adapted to their local context.

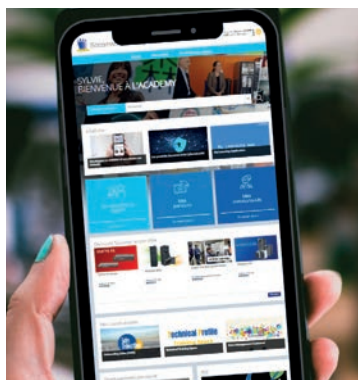
These communities reflect our commitment to knowledge sharing, cross-functional collaboration and the creation of an inclusive learning environment within the company.

In 2023, 46,434 hours of online learning were completed across the Group, an average of 17.9 hours per learner.



Our commitment to learning goes beyond simple training, because with the SOCOMEC Academy we host dynamic learning communities:

- The "Manager Training Space" is a space for managers to develop and align managerial practices while reinforcing their leadership skills
- The "PCO Community" is a space for dialogue that encourages collaboration between teams involved in the PCO product range, fostering innovation and the sharing of best practices



In 2023, **SOCOMECE was awarded a Bronze Brandon Hall Excellence Award** for the quality of its online training courses provided by the SOCOMEC Academy. The award recognises in particular the training given specifically to our partners and distributors on our products, their use and maintenance.

The Brandon Hall Award is an internationally recognised certification that assesses the quality and effectiveness of learning environments.

The key factors are meeting needs, programme design and management, engagement, innovation and measurable benefits.





## Learning and development for managers

In 2023, SOCOMEC launched the **Group-wide “Manager Programme - Empowering People”** initiative, which will be implemented for all Group managers over a three-year period. The aim of the programme is **to lay the foundations of SOCOMEC’s managerial culture** and to enable the development of **a lasting international managerial community**.

The aim is to impart the managerial principles based on the updated SOCOMEC Leadership Model to all managers. The programme also aims to create a managerial community around common practices.

It is built around 4 cornerstones:

- **Managing authentically,**
- **Inspiring and motivating,**
- **Being a leader**
- **Managing performance,**

This ambitious learning and development programme is the result of a collaborative effort between the Top management, a panel of managers and the HR teams.

The first round of training began in 2023 and involved 160 managers.

The managers concerned were selected so as to have a representative panel of SOCOMEC’s managerial staff, based on a mix of occupation, gender, age group and experience.

Each year, a round of training will be organised to cover all 550 of the Group’s managers.

The training is delivered in partnership with an external service provider, a specialist in cognitive approaches and an expert in the development of tailor-made international programmes.

Feedback from the first participants has been gathered with a view to continuous improvement: the comments highlight in particular the quality of the presentations and the added value of the discussions between peers. The metrics reflect this enthusiasm, with **a very satisfactory recommendation score of 8.9 out of 10**.



## Identifying and supporting tomorrow’s leaders through the SOCOMEC Leadership Development Programme

The first intake of the SOCOMEC Leadership Development Programme (SLDP) began in November 2022. This is an annual skills set development programme offered to Group employees who have been selected on the basis of their performance and potential. It is a real springboard for our employees and for our company, and its aim is to ensure the sustainable development of SOCOMEC in terms of skills and succession planning in order to meet tomorrow’s challenges. The hybrid programme consists of a collective project and an individual support programme.

In keeping with its values and with the aim of developing the skill sets of its employees over the long term, SOCOMEC is using this programme to support the development of tomorrow’s corporate leaders.

It’s also a way of involving the programme’s participants in our strategic development priorities by building on their expertise and skill sets. In this way, we give purpose to their mission, vision for their future, and recognition for their commitment.



### Manager-employee appraisal of progress: the annual performance review

The Annual Performance Review (APR) is a compulsory Group-wide process for all employees. It takes place once a year for office staff, technicians, supervisors and managers, and every two years for blue-collar workers. It is digitalised for "administrative" staff via our human resources information system and is the starting point for the annual HR campaign. The entities that are not yet included in our HR information system conduct their APRs according to their own procedures and formats. They will soon be included in the Group system. An interim APR campaign is organised from the end of June to the end of September to review progress made on targets. In addition to this follow-up, SOCOMEC encourages ongoing feedback between managers and employees.

This performance assessment phase is an essential part of human capital management at SOCOMEC.

The APR enables objectives to be defined at the start of the cycle and an assessment to be made at the end of the period on whether objectives have been met, overall performance, the events of the year, the collaborative relationship and workload, any wishes for mobility, and to draw up an individual and collective development plan. The APR is directly related to the gathering of information on learning & development needs, and enables action plans to be put in place to improve the skill sets and knowledge of employees. In addition, performance assessment is closely linked to career management and also feeds into the salary review process.

#### On the agenda for 2023-2024

Taking advantage of the ongoing integration of IT systems in certain subsidiaries, the implementation of the process has been extended, ensuring consistent follow-up of the APRs carried out, and making it easier for HR to provide high-quality support to employees. A dedicated APR section on the company's intranet will be available and accessible to all employees. It will feature the APR cycle and offer documentation and advice.

### Supporting employees in their career development

One of the company's tasks is to provide training and support for career development, whether through training or mobility. Developing skill sets is a strategic asset for supporting career paths and preparing for the jobs of the future.

At SOCOMEC France, career development and support for employees in developing their skills are part of the company's long-standing commitments. As part of our Strategic Workforce Planning (SWP) agreement, signed with our trade unions and employee representatives, we have agreed to organise an event focusing on career development.

In order to respond to the expectations and questions of our employees, **SOCOMECE in 2023 organised a Career Development Day**, accessible both in person and online. Several talks and stands on a range of topics were on offer, including professional mobility at SOCOMEC, the Professional Development Consulting service, the Personal Training Account (PTA), the SOCOMEC Academy in-house learning and development platform and many others.

SOCOMECE offers a wide range of career development opportunities and supports its employees as they develop their skills or move to new positions. A career path is built together, and there are many ways of doing this: internal and external training courses that meet the needs of all our jobs, a catalogue of PTA training courses linked to our core skill sets, opportunities for professional mobility, in particular through job offers that are only open internally.

#### On the agenda for 2024

- Manager training programme: the next round of the programme will start in the second quarter of 2024 with a new cohort of 180 managers.
- A Group-wide Problem Solving training programme is planned to support our customer satisfaction strategy.
- To boost economic performance, SOCOMEC will be launching training programmes covering the Supply Chain and Purchasing.
- To support SOCOMEC's sustainable development pillar, CSR training modules will be offered to the company's employees.
- The international community of training coordinators continues to be led through monthly meetings, encouraging the exchange of best practices and the sharing of knowledge within our Group.
- Learning and development courses for our trainers will be offered, focusing on tools for the trainer, the design of learning packages and the delivery of training courses.
- The renewal of our online learning and development offering is set to begin in 2024 under a new partnership.

# Strengthening diversity, equity and inclusion

Diversity and inclusion are valuable assets for any company. Here at SOCOMEC, we are convinced that they are key factors in better understanding the complexity of our economic, corporate and societal environment. It's a powerful driver of creativity, innovation and, more generally, the overall performance of the company.

Raising employee awareness of equity issues and looking at the factors that promote a sense of belonging means creating an inclusive environment in which everyone can thrive and learn from others, while at the same time developing their own skill sets.

## Our policy

### Our commitments

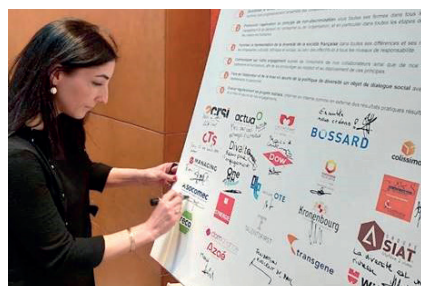
SOCOMEC fosters a safe, inclusive and equitable working environment for all. The company aims to respect the individuality of each person and provides a working environment in which all employees can express themselves and act freely.

The Group is fully committed to ensuring gender equality in the workforce. This commitment extends beyond gender, as SOCOMEC is committed to promoting the diversity and mixed make-up of its teams and to fostering integration and a sense of belonging.

The same applies to the employment of young and older people in the company, as well as the inclusion of people with disabilities. Such diversity is an asset for SOCOMEC and the company cultivates it.

SOCOMEC rejects all forms of discrimination, including discrimination based on ethnic origin, gender, sexual orientation and gender identity, age, disability or membership of a political, trade union or religious organisation.

### Diversity Charter



As part of its partnership with Les Entreprises pour la Cité, SOCOMEC has renewed its commitment by signing the Diversity Charter.

This programme encourages companies to ensure that they

promote and respect diversity in their workforce by meeting the following commitments:

- To communicate its commitment and promote a vision that embraces all forms of diversity in order to create a better way of living together, in the interests of economic and social performance
- To complete the Diversity Review every two years, which assesses the changing trends in diversity and the commitments of the signatories to the Charter.

The Diversity Charter is a European initiative that has also been implemented in France. SOCOMEC fully subscribes to this policy, which is in line with the Group's values, as it aims to promote diversity and non-discrimination in the workplace.

- This translates into diversity in the workforce and the fight against discrimination of all kinds.
- This is achieved through concrete actions to promote diversity, particularly in terms of recruitment, career management, training, etc.

What's more, SOCOMEC has taken on a societal role in this area by helping young people to think about their future career path, showing, for example, that working in industry is accessible to women. Overcoming certain stereotypes in this way is an interesting endeavour, one that SOCOMEC is actively pursuing.

### Recruitment Charter

The Group has drawn up a charter setting out the ethical and methodological principles that recruitment teams, managers involved in recruitment and any external party likely to carry out all or part of a recruitment process on behalf of SOCOMEC undertake to respect: selection of applications, evaluation of candidates and processing of replies, etc. Recruitment teams are trained in combating discrimination, especially as regards prejudice, stereotypes and cognitive bias.



### On the agenda for 2024

- A Diversity, Equity, Inclusion and Belonging (DEIB) policy will be formalised to ensure a uniform approach. It will enable us to assess the actions that have been organised at all the company's sites and to draw up a consolidated Group action plan for 2025.
- Our aim is to implement measures to promote DEIB across the Group. Priorities adapted to our various entities will be carried out according to their level of maturity and the possibility of carrying out initiatives locally, before sharing feedback.

## Our governance

The DEIB approach is naturally in line with SOCOMEC's values, but also with the People pillar of the new strategy that has been defined for the next three years and communicated to all the Group's employees.

The Human Resources Department proposes concrete actions for coordinating the DEIB policy, sharing its purpose and putting to advantage the progress that has been made. This involves very specific projects such as human resources policy in terms of recruitment, skills development, remuneration, learning and development, and inclusion.

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Monitors the implementation of the DEIB policy</li> <li>Integrates the core aspects of the DEIB policy into the organisation's management processes</li> </ul>
<b>The Human Resources Department</b>	<ul style="list-style-type: none"> <li>Puts in place concrete actions to coordinate the DEIB approach in conjunction with the CSR department</li> <li>Ensures that the DEIB plan is applied to the sites</li> <li>Raises the awareness of managers and employees of DEIB through actions or learning and development programmes</li> </ul>
<b>Managers</b>	<ul style="list-style-type: none"> <li>Make sure that the DEIB policy is applied on a daily basis in their teams</li> </ul>
<b>The network of HR managers (local)</b>	<ul style="list-style-type: none"> <li>Implements and adapts action plans, taking into account the situation on the ground and local legal and cultural factors</li> <li>Applies the Group's standards</li> <li>Shares feedback and assesses the scope of actions taken</li> </ul>

## Our actions

### Ensuring gender equality across the Group

#### Ensuring the inclusion of women in managerial positions

Having both genders represented in the Group's most senior management positions has been formally identified as a major area for improvement. This is a long-term project that requires immediate commitment.

Thus, the SOCOMEC Leadership Development Programme, which aims to develop the skill sets of participants to prepare our company's future leaders, is evenly balanced between men and women.



#### To improve the professional integration of women in technical occupations

Over the last few years, changes in society and the rising number of young women in scientific training courses have enabled SOCOMEC to progress further in the integration of women into highly technical positions previously held exclusively by men.

#### Maintaining our gender equality index

In 2023, SOCOMEC obtained a gender equality index of 87/100 for our operations in France. The score, which has remained constant over the last three years, reflects the company's sound management of pay, promotions and salary increases, analysed from a gender perspective.

While we can congratulate ourselves on this encouraging result, SOCOMEC still faces a challenge that will take time to resolve, despite our real determination: the proportion of women in management positions still needs to increase, which will in turn help to increase the proportion of women in the company's top 10 earning positions.

#### On the agenda for 2024

To maintain the Gender Equality Index in France at 87/100 and, if possible, improve it.

To continue to increase the percentage of women in management positions.

#### On the agenda for 2025 and beyond

To pursue access for women to top management and executive positions over the long term.

## Promoting integration and a sense of belonging

### Welcoming new employees

One of our top priorities is to support new hires and help them quickly get to know the company, but most of all to help them forge links and develop a sense of belonging to our Group, which is rich in history and values.

After three years of a fully online induction programme, onsite induction events were reintroduced in 2023 with a new format: **the “Onboarding Moments”**.

These sessions take new hires on a journey to the heart of SOCOMEC, from its inception to the present day. The programme includes the company's history, its values, the impact of its products on customers, its international outlook and its sense of innovation, as well as a visit to the FabLab.

The first edition took place in France from 22 to 23 June 2023, with fifteen participants from various departments in Europe and North Africa. Since then, a group of ambassadors from the business and support functions has been welcoming new hires to head office every month for a chance to meet and talk with members of the Top management.

This scheme will be extended to the North America and Asia-Pacific regions, adapting it to suit local conditions.

An induction programme specifically for new hires in the production teams also began in October 2023.

The new induction programme has been designed to be a one-day event, focusing on essential information about the company and the factory organisation.



### On the agenda for 2024

A CSR module is currently being finalised using the online learning platform and will be available to new hires in 2024.



### Getting young people on board

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

In France, SOCOMEC encourages people to discover careers in industry by:

- Organising site visits for secondary school pupils and university students
- Presenting our jobs to higher education institutions at recruitment forums and fairs
- Welcoming trainees, including work experience placements and professional reintegration internships.

Work/study programmes have been developed over the last few years and SOCOMEC will continue to welcome and train young people.

SOCOMECE is also a sponsor of the 2022-2025 cohort of student engineers taking the Electrical Engineering course at INSA Strasbourg (National Institute of Applied Sciences).



For the tenth year running, SOCOMEC has been awarded the Happy Trainees label, which recognises companies that provide an excellent learning environment.

This year's survey of 85 students on work placements or sandwich courses, carried out by an external organisation, focuses on the working environment, career development and management within the company. We obtained an overall score of 4.25/5 and 96.7% of students would recommend SOCOMEC to their friends and family.



## KEY FIGURES

# 30

work experience placements  
in 2021-2022



### Improving our facilities for employees with disabilities

The inclusion of people with disabilities is also one of the Group's key concerns which is demonstrated by:

- Adapting workstations to keep employees with medical restrictions or disabilities in work
- Providing access and complying with the adaptations requested by the Occupational Health Service
- The introduction of "health at work" measures, such as warm-up exercises before starting on a job involving repetitive movements, or the provision of ergonomic apparatus to relieve any pain
- Raising awareness of disability, as well as providing support in the process leading to recognition of a disability. This last measure, which contributes greatly to removing and overcoming taboos on this subject, has had good results and will continue to be worked on.

SOCOMECE also took part in "DuoDay", a worldwide initiative organised on 23 November to overcome the barriers that often prevent disabled job seekers from finding employment.

During this day, companies welcome disabled people to pair up with a volunteer employee. SOCOMECE offered to host 20 people to come in and talk with us and find out about different types of jobs.

### Training in non-discriminatory recruitment practices

An online training course entitled "Recruiting without discrimination" is compulsory for all Group managers in order to raise awareness of an inclusive recruitment process within the management community.

It is available on the SOCOMECE Academy online training platform.

A number of topics are covered in this training course, such as:

- Why promote diversity in our teams?
- What does non-discrimination mean?
- How can we develop good practice in an inclusive recruitment process?



These are all questions that will enable us to apply our corporate values (openness, responsibility and commitment) to recruitment practices and to encourage managers to promote diversity, fairness, inclusion and non-discrimination.





# SOCOMECS commitment to protecting the environment



**7** AFFORDABLE AND  
CLEAN ENERGY



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**13** CLIMATE  
ACTION





# Reducing the environmental footprint of our facilities

The risks associated with climate change, pollution and the extinction of biodiversity are manifold. Today, we know the scale of the changes needed to preserve our ecosystems. This is why SOCOMEC is committed to reducing its environmental footprint. This involves a number of key actions:

- To create and deploy the Group's low-carbon strategy,
- To obtain ISO 14001 certification for all our production sites,
- To optimise the energy performance of our facilities,
- To reduce and recycle the waste generated by the Group.

## Our policy

### Our commitments

Our environmental policy, which was updated in 2022, aims to reduce our environmental impact and carbon footprint.



Our commitments are as follows:

- **To comply with** the legal and normative requirements relating to the environment and, more generally, to sustainable development
- **To reduce** the environmental impact of our products through eco-design
- **To implement** an effective environmental management system
- **To optimise** energy consumption in our production and commercial sites by:
  - Giving priority to buildings with high energy performance, renewable energy sources and all actions that help to save energy
  - Helping everyone to be aware of their ability to take action in this area

- **To manage** our industrial waste in a rigorous manner, by:
  - Reducing the tonnage of waste from all industrial sites as far as possible
  - Collecting and sorting waste to increase its recycling rate
- **To raise awareness** among the personnel of environmental issues and the impact of our products on the environment.

Our environmental performance is underpinned by a dedicated policy upheld by all our employees at all our sites.

As such, this policy is managed, developed and implemented within each entity as part of an action plan that sets environmental goals.

The members of the Board of Directors monitor the implementation of this policy and require a responsible commitment from everyone involved.

## Our performance

Key targets	Indicators	2022	2023	Variation
To recycle 80% of industrial waste by 2030	Waste recycling rate	68.6% <sup>(2)</sup>	72.6% <sup>(1)</sup>	4%
To reduce overall energy consumption and increase the proportion of renewable energy	Proportion of renewable energy in total electricity consumption	13% <sup>(4)</sup>	44.4% <sup>(3)</sup>	31.4%
To get ISO 14001 certification for 100% of our production sites by 2030	Rate of production sites with ISO 14001 certification	42% <sup>(5)</sup>	50% <sup>(5)</sup>	8%

(1) excluding international sales subsidiaries and excluding US production site CCS. (2) excluding sales subsidiaries and CCS, BOLTSWITCH and SOCOMEC India production sites. (3) excluding sales subsidiaries in Cochin, Johannesburg, Boston, Szczecin, London, Mannheim, Lausanne and Padua. (4) excluding the Boston sales subsidiary (5) excluding the French and international sales subsidiaries.

## Our governance

<b>Climate Steering Committee (CSC)</b> Members: Chairman and Chief Executive Officer, Deputy Chief Executive Officer, Finance Director, New Building & Facility Manager, Human Resources Director, Communications and CSR Director, Sales Director, Product and Offer Director, Industrial Director, Logistics Director, Purchasing Director	<ul style="list-style-type: none"> <li>• Sets out the overall environmental approach</li> <li>• Approves the environmental strategy, policies, action plans and objectives proposed by the CSR team and their alignment with the Group's overall strategy</li> </ul>
<b>Project Coordinator</b> CSR Manager and her team	<ul style="list-style-type: none"> <li>• Coordinate the carbon assessment and the drafting of the low-carbon strategy in conjunction with all stakeholders</li> </ul>
<b>Working Group</b> 10 project managers in charge of data collection and the various action plans	<ul style="list-style-type: none"> <li>• Ensure data collection</li> <li>• Help draw up the action plan</li> <li>• Ensure the operational monitoring of project implementation</li> </ul>
<b>Geographical area managers</b>	<ul style="list-style-type: none"> <li>• Facilitate the mobilisation of staff and get them involved in the project</li> <li>• Keep track of team objectives</li> </ul>
<b>Low-carbon strategy consultants</b>	<ul style="list-style-type: none"> <li>• Provide their expertise</li> <li>• Assist in building a climate strategy</li> </ul>

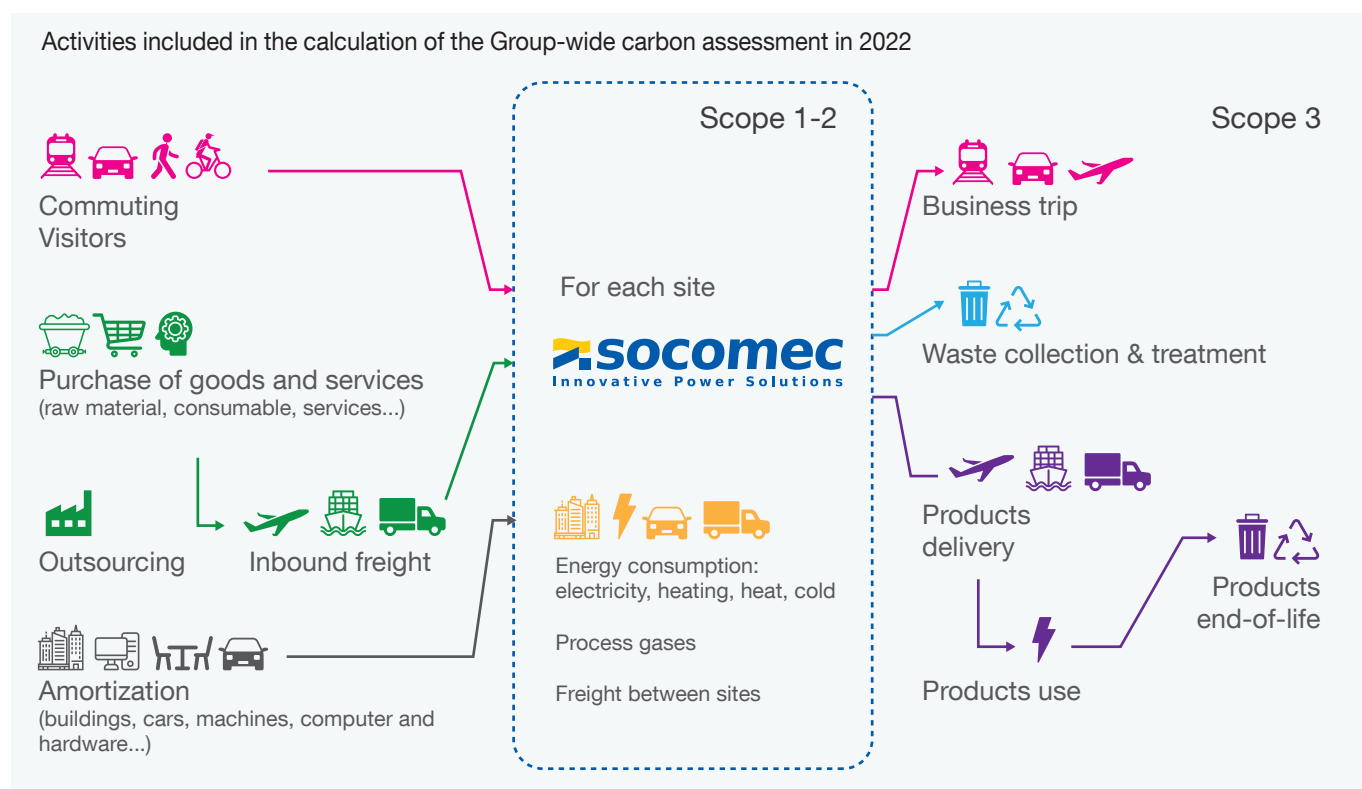
## Our actions

### Creating and deploying our low-carbon strategy

#### Implementing a solid, sustainable low-carbon strategy

In 2022, SOCOMEC, in conjunction with a firm of climate experts, carried out a Group-wide carbon assessment covering all three scopes. In other words, for our entire value chain.

The reference period chosen for the calculation was the year 2021, which corresponds to a year representative of our business activity.





## BREAKDOWN OF OUR GHG EMISSIONS

Scope 1

**2 236 t CO<sub>2</sub>e**

Scope 2

**2 750 t CO<sub>2</sub>e**

Scope 3

**1 721 551 t CO<sub>2</sub>e**

This has given us an overall view of our greenhouse gas (GHG) emissions. In 2021, SOCCOMECC's activities generated emissions of 1,727,000 metric tons of CO<sub>2</sub> equivalent.

In order to implement a robust and sustainable low-carbon strategy, the Group has chosen to follow the "Assessing Low Carbon Transition"® (ACT) benchmarking methodology developed by ADEME, the French environment and energy management agency. The ACT programme provides companies with tools for managing and monitoring their transition to a low-carbon economy.

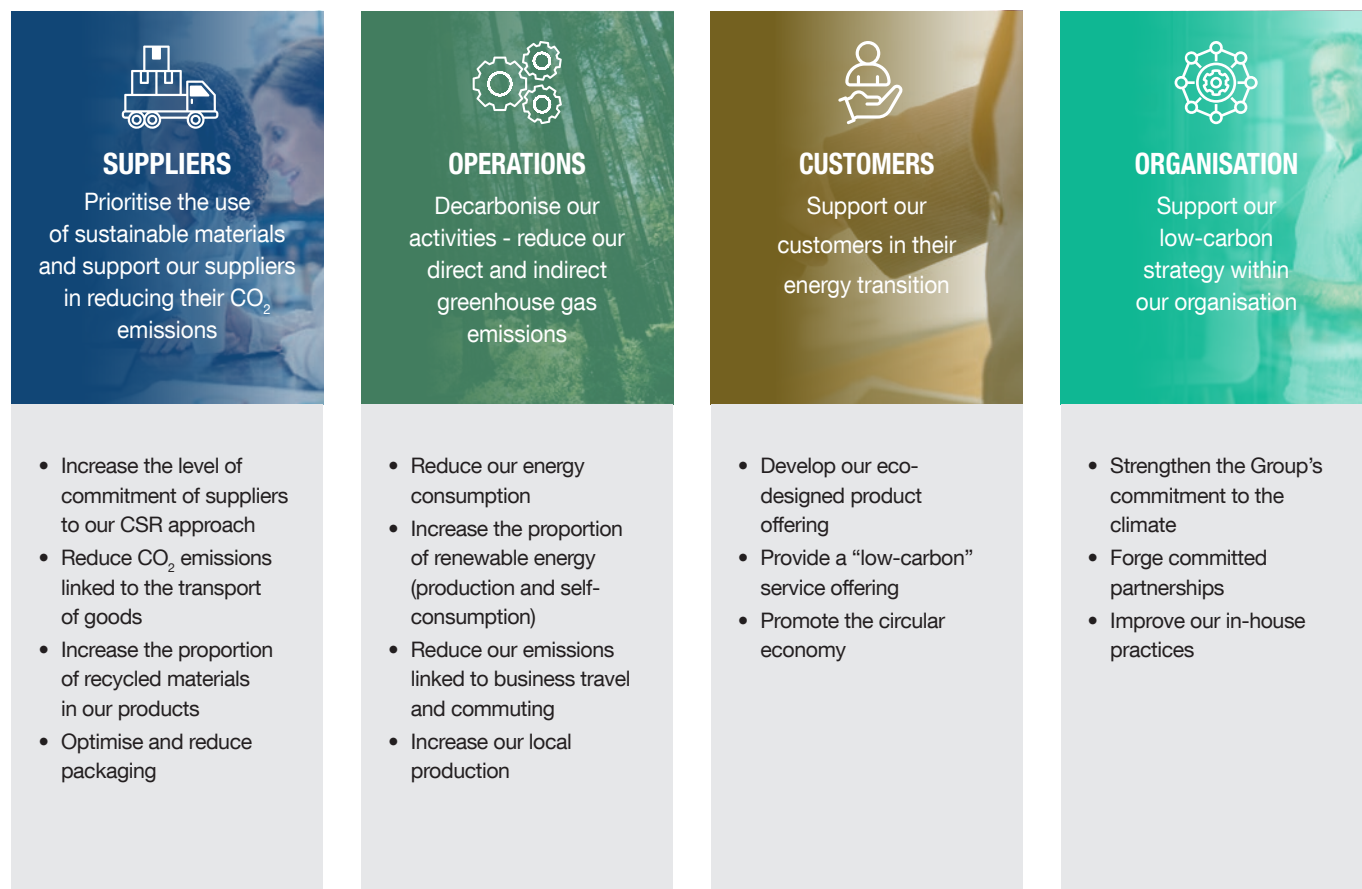
**ACT** | **ASSESSING LOW CARBON TRANSITION**®

Throughout the year, workshops were organised with the working group to set carbon reduction targets and build a low-carbon strategy and action plan in line with the Paris Agreement framework. Carbon emission reduction targets are currently being validated.

SOCOMECC has chosen to set an example by reducing its CO<sub>2</sub> emissions. The company has to offer innovative solutions to improve the energy efficiency of facilities and equipment, and lead players in the sector towards carbon neutrality.



The Group's aim is to become one of the benchmark partners for supporting our customers in their energy and low-carbon transition. This is why the low-carbon strategy is an integral part of the Group's strategy. It is based on four pillars (suppliers, operations, customers and organisation).



To achieve these targets, the teams have drawn up a coherent action plan for each of the sources of emissions. This was presented to the steering committee and approved in December 2023. Below are a few examples of actions for the three main sources of emissions.

For the "Use of products" item, a major focus is to define and promote methods of energy efficiency for products dedicated to power conversion. Studies will also focus on reducing efficiency losses and power dissipation in certain product ranges.

For "Raw materials purchasing", the challenge is to reduce the use of certain metals, such as silver, in the design of products and to encourage the use of recycled materials.

Finally, the "Transport" of SOCOMEC products currently accounts for 1.5% of the Group's overall carbon footprint, with air freight having the greatest impact in terms of greenhouse gas emissions. The aim is to keep air freight to a minimum and only use it to meet urgent requests for priority products.

In 2023, SOCOMEC completed the Carbon Disclosure Project (CDP) questionnaire in full for the first time. The questionnaire is used to frame the company's approach to decarbonisation and to monitor the progress of actions taken to achieve CO<sub>2</sub> reduction targets on an annual basis. The company was given a D rating, against a backdrop of increasing demands from this organisation.

This initial overall assessment has enabled us to identify areas for improvement so that we can be more precise about the risks and opportunities associated with climate change and publish more information about our initiatives to reduce CO<sub>2</sub> emissions.

Regarding this last point, the low-carbon strategy and action plan drawn up in 2023 should enable us to improve our rating in the next assessment.



#### On the agenda for 2024

From 2024, the teams will provide operational monitoring of the deployment of projects approved by the Steering Committee.



### Raising awareness of issues relating to climate change

Once again this year, SOCOMEC organised several "Climate Fresk" workshops in various departments and at various events. More than 80 people attended Fresk training courses in 2023.



The "Climate Fresk" is a recreational, collective workshop that provides a better understanding of climate issues and the causal links between the various components of climate change. The workshop includes a discussion phase, a creative phase and a debriefing phase to collectively think about solutions that can be implemented to combat these phenomena.

We have also tried out several formats inspired by the Climate Fresk: Fresk quizzes, which are better suited for events where people can stroll around, and an illustrated talk.



The illustrated talk was first organised for 40 managers from SOCOMEC's top management team as part of a seminar on climate change, before being offered to all employees. To make it accessible to all, the talk was organised face-to-face and online in French, as well as in a live format in English. This interactive discussion takes its inspiration from the Climate Fresk, where the speaker was accompanied by an illustrator making drawings during the talk. It's a fun way to understand the basics of climate change, the orders of magnitude and the international targets. The risks and opportunities for SOCOMEC's value chain were also presented during this 1h30 talk.

This particularly innovative format was unanimously approved by the 300 employees who took part, and the videos remain available on the intranet for replay.

Over 800 employees have been made aware of climate issues through these various events this year.



### Promoting soft mobility

Business travel and commuting to and from work are one of the company's sources of carbon emissions. The Group wants to step up its travel policy by raising employees' awareness of the need for more environmentally-friendly mobility, and thus reduce the CO<sub>2</sub> emissions associated with travel.

In 2023, SOCOMEC offered employees the chance to take part in the Goodwatt scheme, in order to test an alternative to using private cars. The programme enabled 40 employees to discover and test an electric bike for commuting and personal use for 1 month.

In June, all employees at sites in Alsace were invited to take part in the "Go to Work by Bike" inter-company challenge, which promotes the use of bicycles and soft mobility. The 113 participants covered a total distance of almost 20,000 km, saving 4.35 tonnes of CO<sub>2</sub> equivalent.

Both initiatives aim to raise employee awareness of the use of bicycles and soft mobility, and also contribute to the company's efforts to reduce CO<sub>2</sub> emissions.

## KEY FIGURES

# 24%

of employees use  
soft or active mobility to  
commute to work

which represents

# 17.1%

of km travelled within the Group.

For our site in Tunisia up to

# 78%

of employees use these  
modes of transport.



## Obtaining ISO 14001 certification for 100% of our production sites

SOCOMECS objective is to obtain ISO 14001 Environmental Management System certification for all its production sites by 2030.

The certification will help maintain a strong environmental policy and governance at the Group's production sites, reduce risks and improve environmental performance. This objective is one of the Group's transformation projects.

Today, 50% of our production sites and two sales subsidiaries have ISO 14001 certification. These sites are audited every year. They are required to assess their environmental risks and implement a strategy to address them. The topics studied are as follows: energy consumption, waste produced, CO<sub>2</sub> emissions, etc.

The Gurgaon production site in India was awarded ISO 14001 certification in 2023. The certification enables SOCOMEC India to align itself with the Group's sustainable development goals, meet its customers' expectations and to encourage more action

on environmental issues at the site. Particular attention is paid to improving the site's performance in terms of energy efficiency and waste management. One of the key indicators identified for the site is the measurement of its carbon footprint and the monitoring of related actions to reduce it.

In addition to ISO 14001, 75% of SOCOMEC's production sites have "Quality Management System" (ISO 9001) certification, and one industrial site in France also has the Energy Management certification (ISO 50001).

### On the agenda

The Group plans to have ISO 14001 certification for two production sites in 2025 and one site in 2026, bringing the total number of certified sites to 75%.

## Optimising the energy performance of our facilities

### Anticipating and responding to energy issues

The Group has identified the following major energy concerns:

- The ever-accelerating pace of climate change and dependence on fossil fuels
- The risk of power cuts that could affect business continuity
- The sharp increase in energy costs
- Regulatory changes and the French government's energy conservation plan.

For many years now, SOCOMEC has been focusing on three major actions to anticipate and meet these challenges.

SOCOMECS prioritizes the use of **highly energy-efficient buildings**. All new buildings meet this standard and comply with the criteria for reducing energy consumption. At the same time, SOCOMEC is working on the upgrading of its older buildings so that they too meet these environmental criteria.

The Group uses **renewable energy** through self-consumption of solar energy and subscribing to green energy contracts. The energy produced by the solar panels is either self-consumed or fed back into the grid. This sound practice has been taken up and deployed as part of the Energy+ Plan, presented opposite.

The Group has installed meters to monitor consumption in real time, adapt it accordingly and thus contribute to reducing our overall electricity consumption.

### Accelerating our transition to energy conservation through the Energy + Plan



In 2022, SOCOMEC launched the Energy+ Plan in France and at its European production sites to tackle the energy crisis and accelerate our energy transition.

The goal is to reduce the energy consumption of our French production sites by 25%. To achieve this, the actions supported by the Energy+ Plan are aimed at making our buildings more efficient, adopting more energy-saving practices and producing more renewable energy.

The plan highlights an already existing desire and commitment within the Group, and is reinforced by the core expertise of SOCOMEC and E'NERGYS, a member of the enlarged SOCOMEC Holding Group.

### On the agenda for 2024

From 2024, the project will be rolled out across the Group as part of the low-carbon strategy.

### The expert's opinion

"At E'NERGYS, we provide practical solutions to help our customers make the transition to a greener, more energy-efficient future, by offering them a complete value chain: from auditing and consultancy to engineering and a whole range of integrated, financed solutions. That's the expert role we have in the Energy+ Plan, where we support SOCOMEC across all their projects. We are responsible for analysing their energy consumption and act as SOCOMEC's preferred partner in defining and implementing solutions including, for example, building management systems and photovoltaic and geothermal facilities."

Louis STEYERT, Assistant Director of E'NERGYS





In 2022, SOCOMEC identified its three main levers for action:

- Use less. This lever includes both technical actions and actions aimed at supporting and giving a sense of responsibility to employees in terms of energy conservation. In particular, the following three elements have been selected:
  - controlling energy consumption by means of building management systems,
  - improving the energy efficiency of buildings and process equipment in the production and laboratory facilities,
  - supporting and giving a sense of responsibility to employees.
- Buy less and more cheaply, with targets for self-production of energy (production and installation of photovoltaic panels and storage batteries) and taking particular care when subscribing to energy contracts.
- Invest in new equipment, particularly solar power systems, to change our energy mix in favour of renewable energy.

In 2023, SOCOMEC made significant progress on its energy savings, largely as a result of the implementation of the following actions:

- The implementation of building management systems to improve the management of energy consumption,
- The support and promotion of employee responsibility via an energy conservation plan,
- The signing of new green energy contracts for one of our production sites and two sales offices, thereby increasing the

proportion of renewable energy in total electricity consumption of our sites in France by 76%.

SOCOMEC has also carried out several feasibility studies to coordinate medium/long-term projects that will help us to decarbonise and reduce energy costs.

These initiatives give us the opportunity to put our solutions to practical use, so that we can provide our customers with even better support in setting up similar initiatives. Indeed, the use of SOCOMEC products means that the energy produced can be managed and stored, and energy consumption can be accurately measured so that it can be controlled and optimised.

#### On the agenda

As a result of the actions it has implemented, SOCOMEC reduced its energy consumption in France by 22% in 2023. In France, the Group will be installing solar panels and photovoltaic awnings/solar canopies at three production sites in 2024. These additional facilities will enable us to self-generate a total of 40% of local needs with low-carbon energy, and meet our target of reducing energy consumption by 25%.

In addition, 91% of sales branches in France will benefit from a green energy contract, meaning that 99% of the total consumption of the sites covered will be supplied with renewable energy.

## Reducing and recycling the waste generated by the Group

SOCOMEC aims to increase the proportion of its recycled industrial waste by 2030 and is committed to:

- **Collect and sort** our waste **and increase** its recycling rate. The tonnage of waste from all our production sites is monitored with the intention of reducing it as much as possible,
- **To encourage** the recycling of bio-waste from some of its company restaurants into energy and fertiliser with the help of local service providers. This is already being done at some of our European production sites.

As soon as the waste is received, it is sorted and stored in special skips before being removed. It is collected and handled by specialist companies for transport and processing. The way in which this waste is managed is checked during field audits carried out at the production sites.

Employees working at our production sites have been made aware of the importance of waste sorting for many years. The industrial waste produced by SOCOMEC is stored, disposed of and recycled in accordance with current regulations and practices.

The Group ensures that the transport of hazardous waste does not pose a pollution risk. To this end, every removal of hazardous waste from our sites in Alsace is inspected.

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

#### A closer look: Lead-acid batteries and lithium-ion batteries

The batteries SOCOMEC is responsible for are processed and recycled in accordance with current regulations by centres equipped with appropriate facilities to prevent environmental pollution.

Some of our products include lithium-ion batteries: these have a high energy density, a long service life and fewer cooling requirements.

Their manufacture has an impact on the environment, but even in terms of the energy transition, it is not yet possible to dispense with their use, as energy sources, particularly renewable sources such as solar and wind power, are not continuously available.



# Reducing the environmental footprint of our offerings

By virtue of its sector and international profile, SOCOMEC faces different types of risk: regulatory, technological, reputational, climatic and also from its markets.

In response, the Group is committed to reducing the environmental footprint of its offerings, products and services across the board, and to providing comprehensive solutions to help our customers control and reduce their own environmental impact.

SOCOMECS new eco-design policy reflects the Group's desire to design products and services with an extended service life and to improve their energy efficiency. In addition, the Group is committed to creating eco-declarations for its products, the Product Environmental Profiles (PEP), in order to provide transparent information on the environmental footprint of our products to our customers.

## Our policy

### Our commitments

#### In terms of eco-design

SOCOMECS commitments to limiting the environmental impact of its products are set out in the Group's environmental policy.

The aim is to constantly innovate in order to reduce our environmental footprint by improving the energy efficiency of our products and promoting the circular economy, thereby helping users to design facilities that are less energy-intensive, better managed and more respectful of the environment.

The Group's eco-design approach is geared towards the following objectives:

- To incorporate the principles of the circular economy into the design of new products and services,
- To promote longer product lifetimes,
- To facilitate the use of responsibly sourced materials that are compatible with the safety and performance requirements of our products,
- To devise and design solutions to further improve the energy efficiency of our products and services,
- To provide our customers with transparent information on the environmental impact of our products throughout their life cycle, in particular by means of Product Environmental Profiles.

To achieve this, SOCOMEC undertakes to anticipate and constantly comply with environmental regulations, to be attentive to the expectations of our customers, and to ensure that all those involved adhere to and take responsibility for their commitments.

#### In terms of compliance with international regulations on limiting and restricting hazardous substances, such as RoHS<sup>1</sup> and REACH<sup>2</sup>

The Group designs its new products in compliance with the European and international regulations on the limitation of hazardous substances, especially hexavalent chromium, mercury, cadmium, lead, phthalates, polybrominated biphenyls (PBBs) and polybrominated diphenyl ethers (PBDEs). The Group also takes into account substances that are currently being regulated.

In addition, SOCOMEC gives preference to materials and components which do not contain substances of very high concern, particularly under REACH regulations.

#### In terms of applying the European Directive on Waste Electrical and Electronic Equipment (WEEE)

To ensure responsible management of the end-of-life of electrical and electronic equipment for our customers, SOCOMEC has undertaken to help develop collective recycling schemes in France, by working with other manufacturers in trade associations.

More generally, the Group identifies relevant collection and recycling schemes in the member states in which we operate, and contributes to the application of the directive through commercial subsidiaries or local partners.



1. European RoHS Directive (Restriction of Hazardous Substances)

2. European REACH Directive (Regulation on the registration, evaluation, authorisation and restriction of chemicals)

## We apply our commitments to all our product ranges and services

<p>Power monitoring ranges</p> <p>Power protection and switching ranges</p>	 <p>AC/DC switch disconnectors</p>	 <p>Transfer switches</p>	 <p>AC/DC monitoring</p>	 <p>Current sensors</p>	
<p>UPS and storage systems</p>	 <p>Modular UPS systems</p>	 <p>Monolithic UPS systems</p>	 <p>Static switching</p>	 <p>Energy storage systems</p>	
<p>Services</p>	 <p>Maintenance</p>	 <p>Operation</p>	 <p>Monitoring</p>	 <p>Financing</p>	 <p>Learning and development</p>

## Our performance

Key target	Indicators	2022	2023	Variation
To have 100% of our product ranges covered by PEPs by 2030	Percentage of turnover generated by manufactured product ranges covered by a Product Environmental Profile (PEP)	56.9% <sup>(1)</sup>	74.7% <sup>(1)</sup>	+ 17.8%

(1) Excluding CCS, BOLTSWITCH, POWERSMITHS, ALGODUE and TCT (for these entities, only SOCOMEC brand products are taken into account)

## Our governance

<b>Eco-design Committee</b> Members: Business Line Manager, R&D Director, R&D, Product Development and Marketing Managers, Homologation Manager	<ul style="list-style-type: none"> <li>Identifies eco-design issues</li> <li>Sets out the eco-design policy and defines the strategic workstreams</li> <li>Drives action plans within business lines</li> <li>Provides guidance and recommendations on eco-design.</li> </ul>
<b>R&amp;D and Product Development departments, Marketing Managers</b>	<ul style="list-style-type: none"> <li>Define and implement action plans in line with the eco-design policy</li> <li>Design our products to meet our environmental policy and agreed specifications</li> <li>Determine the product ranges to be covered by a PEP.</li> </ul>
<b>Marketing Managers</b>	<ul style="list-style-type: none"> <li>Set eco-design targets for each business line, in keeping with the Group's strategic priorities and market expectations.</li> </ul>
<b>R&amp;D departments</b>	<ul style="list-style-type: none"> <li>Produce PEP certifications.</li> </ul>
<b>All business lines and employees involved in eco-design projects</b>	<ul style="list-style-type: none"> <li>Integrate and comply with eco-design objectives in the specifications for product-related projects.</li> </ul>



# Our actions for reducing the environmental footprint of our offerings

## Reinforcing eco-design when creating product offerings

SOCOMEK takes action at the various stages of a product's life to apply the principles of the circular economy. Actions range from raising employee awareness to extending the lifespan of equipment.

### Raising employee awareness of eco-design

Following the publication of our new environmental policy, a learning & development module on eco-design was developed and deployed in 2022. A wide range of functions, including Marketing, R&D and the supply chain, contribute to eco-design, from the specification of a requirement right through to its launch on the market. The aim is to raise awareness among the company's employees of the eco-design approach and to provide information on the following:

- The stakes involved in eco-design,
- The Group's commitment,
- The role to be played by employees in the approach,
- The avenues of inquiry for eco-design.

This learning and development module is compulsory for project and specialist teams in charge of product development. It can also be taken by all SOCOMEC employees via the online learning and development platform.

A guide to the Group's CSR commitments has also been circulated to share the Group's CSR priorities and objectives, as well as detailed policies and action plans, for employees and customers.

### Reducing the impact of packaging and product user guides

In France, the final packaging and assembly instructions/user guides for SOCOMEC products are made exclusively from recycled paper or paper, cardboard and wood from sustainably managed forests.

Our final packaging is designed to use single-materials such as recyclable cardboard without colouring or bleaching, or in wood. The packaging materials for protecting the product during transport uses recycled polystyrene-free cardboard.

In 2022, one of our two production sites in China introduced the use of reusable plastic boxes in collaboration with its suppliers, the aim being to reduce the tonnage of cardboard packaging and thus contribute to the circular economy.

### Limiting emissions linked to the transport of goods and travel by operators

In line with our environmental objectives, SOCOMEC is increasing the local production of its products to be as close as possible to its customers and to reduce the transport of goods. The targets we have set vary, depending on the geographical region and on market requirements.

SOCOMEK's IoT<sup>®</sup> innovations also offer an opportunity to reduce the number of visits by our technicians to customer sites. All SOCOMEC's new UPS and energy storage systems can be connected and accessed remotely by qualified technicians. Commissioning, troubleshooting and preventive visits can be carried out without the technician having to travel. What's more, thanks to connected services, it is possible to anticipate the ageing of certain components so as to plan for their early or delayed replacement. Likewise, our mains changeover switches perform continuous diagnostics that can be accessed remotely to improve the operation of the device and reduce the need for a technician to visit the site.

### On the agenda for 2025

With remote connections to our equipment, SOCOMEC aims to reduce the number of journeys made by technicians each year by 500 between now and 2025.

Limiting on-site visits helps to reduce the Group's carbon footprint, reduce the risk of road accidents for operators and improve operational performance.



3. Internet of Things

## Assessing the environmental impact of products

For many years, SOCOMEC has been objectively and reliably classifying the environmental performance of products using an eco-declaration tool called the Product Environmental Profile (PEP). Among other things, the declaration enables us to inform customers of the carbon footprint of the products covered.



The aim is to help customers and specifiers make informed choices in a fair and reasoned fashion, in accordance with the ISO 14025 standard. The PEP is based on an analysis of the product's life cycle in accordance with the ISO 14040 standard: composition, product materials, manufacture, transport used, energy consumption, end of life.

SOCOMEC is also a member of the PEP ecopassport® eco-organisation, an association whose mission is to develop an international reference programme for declaring the environmental impacts of electrical, electronic and HVAC equipment.

The Group is committed to providing reliable and transparent information to its customers. All of SOCOMEC's PEP data sheets can be accessed via this link: <https://www.socomec.co.uk/en-gb/resource-center?query=pep#main-wrapper>

In 2023, SOCOMEC created 28 new PEP data sheets for its manufactured products, covering 74.7% of the ranges concerned.

### On the agenda for 2030

The progress made in 2023 will enable us to move towards our objective of covering all our marketed ranges by 2030.

## Improving the energy efficiency of our product offerings

### Reducing the power consumption of the screens on energy measurement equipment

All our devices with display screens come with a backlit standby mode, reducing energy consumption when not in use locally. Our Diris B measurement and monitoring range is also available without a display, minimising the carbon footprint in both manufacture and use.

### Limiting power dissipation in our power protection and disconnection systems

As well as reducing the use of materials, our design rules include the reduction of power dissipation. Our latest DC offerings - the Inosys and Sirco PV switch disconnectors for photovoltaic and energy storage applications - reduce power losses by 50% by increasing switching performance to 1500 Vdc and by minimising the need to connect power poles in series.



### Our commitment rewarded by the European "Elite" classification of our UPS systems

SOCOMEC - a member of GIMELEC<sup>(4)</sup> and CEMEP<sup>(5)</sup> - has signed the Code of Conduct put forward by the European Commission's Joint Research Centre (JRC) with the aim of going further in protecting critical applications and processes, by ensuring a continuous high-quality power supply 24/7.

Through its Code of Conduct, the JRC is committed to optimising the energy efficiency of UPS systems, also known as Uninterruptible Power Supplies (UPS), by reducing their energy losses and greenhouse gas emissions. It has created the European "Elite UPS" brand, which guarantees customers optimised performance on all such equipment. The JRC thus sets out key energy efficiency requirements, with criteria including quality and availability of the supplied power as well as the operating mode.

Efficiency is at the heart of the Group's activities, and considerable progress has been made in this area over the last ten years. SOCOMEC therefore voluntarily subscribes to a set of Elite-level requirements as part of this Code of Conduct, a benchmark in the European classification system. Through this commitment, our company ensures safer and more efficient UPS for our customers, with a view to a smart and sustainable future.

SOCOMEC has also developed new test functions to avoid wasting energy: the design of the UPS allows specific test requirements to be managed by re-injecting and reusing energy instead of using a dummy load. This reduces energy consumption during the factory test process, on-site system qualification and during maintenance activities.

4. An association of companies in the French electro-digital industry (GIMELEC) 5. The European Committee of Manufacturers of Electrical Machines and Power Electronics (CEMEP)

## Proposing a modular, robust and repairable product offering

### Optimising the sizing of measurement systems

Modular design helps optimise the sizing of electrical installations and the selection of components. This is possible, for example, with the modular Digiware system, which allows the electrical monitoring of key functions (display, voltage measurement) to be shared between all the circuits. It can therefore be used to centralise all the monitoring functions of an installation.

Modularity also means that measurement systems can be upgraded for new technologies or new uses, while limiting the need for additional components. This is particularly true of the wide range of ferromagnetic or Rogowski measurement sensors that

can be easily added to existing installations, while limiting the need to redesign the electrical panel.

The modular concept therefore reduces the carbon footprint of the product, both during manufacture, by centralising functions, and during use, by enabling the functionalities of the product to be updated without the need to add additional components.

### Ensuring the robustness of energy protection and disconnection systems

Our customers expect the equipment they purchase to last 20 years. To meet this expectation, SOCOMEC strives to build robust products with the longest possible service life.

## Prolonging the lifespan of products and components

SOCOMECE has adopted the concept of modularity in product development. The concept simplifies the electrical installation for customers by limiting the number of devices in their system architecture. Modularity also makes it easier to retrofit installations and replace components (rather than whole products), thereby reducing the amount of waste generated.

### The “Forever Young” design concept for extending the life time of UPS

The Modulys range of UPS incorporates the unique “Forever Young” concept. This extends the service life of the system thanks to its architecture. It consists of a chassis with no electronics and power modules that can be replaced, even while the system is running. Ageing or obsolete modules can be easily replaced and reconditioned in our dedicated maintenance centres (Repair Centres).

The “Forever Young” concept allows customers to benefit from future technological improvements. All it takes is to replace obsolete electronic parts without modifying the electrical infrastructure or changing the UPS.

The principle is based on the compatibility and availability of power modules and spare parts. SOCOMEC, the sole promoter of this concept, guarantees the compatibility and availability of parts for more than 20 years via an official declaration available on request.

### Providing retrofit and upgrading solutions via our Repair Centres

SOCOMECE has built up its expertise in the repair and reconditioning of modular products and power bricks in its state-of-the-art laboratories, called Repair Centres.

The Group has set up five Repair Centres around the world to repair, recondition, retrofit and update our UPS and Sunsys power converters. Proven, high-quality repair and reconditioning procedures are standardised in all our Repair Centres.

Their geographic locations have been chosen to be close to the final buyer in order to reduce response times, costs and environmental impact. It is a strategic approach that has been in operation for over 20 years.

SOCOMECE uses a “Swap process”. Defective modules are replaced directly at the customer's site by a certified module (new or reconditioned).

Defective modules are sent to the nearest Repair Centre for repair and technological upgrades, before being resold on the market as reconditioned products. There are several advantages to this process:

- **Cut** costs and reduce the environmental footprint - 98% of our customers choose this option,
- **Shorten** repair times: the defective module is immediately replaced at the customer's site,
- **Guarantee** the reparability of modules sold for up to ten years after the end of their production.
- **To collect and analyse** data, each product is identified by a unique serial number which tracks the history of the product's life (its use, repairs, components replaced, etc.). SOCOMEC manages and optimises the replacement of consumables and monitors the performance of our products following the initial installation at the customer's site.

### On the agenda

In 2023, SOCOMEC extended the reconditioning capacities of the Repair Centres to include our Sunsys power converters from the “Energy Storage Systems” (ESS) Business Line and new power modules. In 2024, SOCOMEC will continue to expand its capacities, this time focusing on 50kW modules. The European Repair Centre also aims to include new wholesale products in its repair processes.



## Offering our customers effective solutions for reducing their energy consumption

### Optimising energy consumption and reducing premature ageing of installations

Our products and solutions for monitoring electrical installations are designed to improve energy performance.

Being able to **measure energy** is an essential first step in any process that aims to improve energy efficiency. Our wide range of products, from sensors and monitoring systems to energy meters and monitoring devices, all contribute to the continuous improvement of the energy efficiency process.



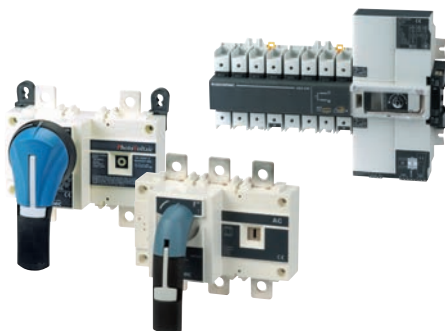
Measurement systems for alternating current (AC) and direct current (DC) play an active role in identifying energy-saving actions to reduce or improve electricity consumption. The measurement accuracy offered by systems with an accuracy class of 0.5<sup>(6)</sup> provides energy or facility managers with reliable information that is precise enough to back up their operating decisions and validate the savings they subsequently make.

Our equipment enables our customers to analyse the quality of the power distributed within electrical installations and to identify any potential pollutants.

Having this continuous monitoring in place means that action can be taken to prevent over-consumption or premature ageing of certain devices.

### Contributing to the energy transition with energy protection and disconnection products

Our **electric arc-extinction switchgear** helps to optimise energy consumption. Some product families in this range are designed for renewable energy applications (photovoltaics, energy storage, e-mobility). Renewable energy applications require specific technical features and levels of performance in order to guarantee safety and, throughout the operating life of the facility, to ensure that the customer is able to run their business and get a return on their investment.



### Adapting UPS functions to customer uses

Our **UPS** equipment is designed with functionalities to improve energy performance. In this way, we constantly help customers to design low-voltage electrical installations that consume less energy, are easier to use and more environmentally friendly.

To this end, our Delphys XL range combines several advanced operating modes and functions to optimise the performance of our customers' data centres, without impacting the quality of the energy supply:

- **Smart Conversion Function.** A special algorithm constantly monitors the quality of the network and selects the optimum operating mode in real time between Double Conversion (VFI), which provides 97% efficiency, and Line Interactive, which provides 99% efficiency.
- **Energy Saver Function.** Opting for Double Conversion (VFI) provides the highest level of protection by ensuring high-quality energy for critical loads without being affected by input disturbances. However, maximum overall UPS efficiency can still be achieved whilst running on partial loads by activating the energy saver function (with low operating losses) while maintaining a high level of load protection.



### Facilitating the integration of renewable energy and continuity of service with energy storage systems

**Energy Storage Systems (ESS)** play an active role in the energy transition. They make it easier to integrate renewable energy by maximising consumption from local production (self-consumption) while limiting the injection of renewable energy into the electricity grid.

They also supply reliable and clean multi-source power for disconnected micro-grids and meet new electricity needs by improving the resilience of electricity grids, by increasing the capacity of recharging facilities for electric vehicles, for example.

6. The accuracy class is indicated by a number which corresponds to an acceptable percentage error in the measurement, so a class of 0.5 corresponds to a maximum error of 0.5% when the current is equal to 100% of the rated current.

# SOCOMEC's commitment to responsible partnerships



**8** DECENT WORK AND  
ECONOMIC GROWTH



**17** PARTNERSHIPS  
FOR THE GOALS



**11** SUSTAINABLE CITIES  
AND COMMUNITIES



# Ensuring responsible purchasing

SOCOMECS ensures that all the issues relating to people and the environment are taken into account at every level of the value chain, from sourcing to the distribution of our products. The company's aim is to maintain lasting relationships based on trust with all its partners (employees, customers, distributors and suppliers).

In addition, since 2021, companies have been facing difficult conditions on the raw materials and supply markets. SOCOMECS

aims to establish healthy and lasting relationships with our partners in order to strengthen our CSR performance and our resilience in the face of unstable supplies.

Finally, as a world player in the energy sector, SOCOMECS could be exposed to risks of corruption and influence peddling. This is why we are committed to ensuring responsible purchasing and business ethics in all our subsidiaries.

## Our policy

### Our commitments

Sustainable development is one of the main criteria for SOCOMECS's Purchasing commitment. Our aim is to share our commitment with all our suppliers so that we can work with responsible partners, while promoting the use of eco-responsible raw materials wherever possible.

Our Responsible Purchasing policy focuses on two areas of sustainable development:

- To **assess** the level of CSR performance of our suppliers;
- To **undertake** to source conflict minerals responsibly.

SOCOMECS asks its suppliers and partners to commit to the following fundamental principles:

- To **be open and transparent** in their social and environmental policy
- To **comply with** the fundamental conventions of the International Labour Organisation (ILO), the guiding principles of the Organisation for Economic Co-operation and Development (OECD) and the principles of the Global Compact, and to ensure that their own subcontractors comply with them
- To **agree** to receive internal or external auditors appointed by the SOCOMECS Group to check that our Purchasing policy is being applied, and if need be, to implement corrective measures
- To **implement** actions aimed at achieving best practices in terms of social and environmental regulations.



SOCOMECS also has a specific responsible minerals sourcing policy to exclude minerals from conflict zones and requires the suppliers concerned to comply with the Group's expectation.

Some of these minerals (tin, tantalum, tungsten and gold) can be used in electrical and electronic products. The extraction of these minerals in conflict zones or high-risk areas is often correlated with human rights abuses and local environmental degradation. SOCOMECS strongly condemns the continuing human rights violations in conflict or high-risk areas.

SOCOMECS complies with regulations in Europe and North America, such as the Dodd Frank Act, which have been introduced to bring greater transparency to the supply chains concerned. The Group participates in the transparency process developed by the Responsible Minerals Initiative (RMI).

## Our performance

Key targets	Indicators	2022	2023	Variation
To obtain the signature of our Code of Conduct by 100% of our suppliers	Amount of turnover covered by suppliers who have signed our Code of Conduct <sup>(1)</sup>	93.7% <sup>(1)</sup>	94% <sup>(1)</sup>	0.3
To ensure that 100% of our main suppliers are assessed by EcoVadis between now and 2025	Main suppliers who have been assessed by EcoVadis <sup>(2)</sup>	36 <sup>(2)</sup>	72 <sup>(2)</sup>	36

<sup>(1)</sup> Suppliers covering 85% and 80% of SOCOMECS's turnover in 2022 and 2023 respectively. <sup>(2)</sup> excluding Algodue, Boltswitch, CCS, Powersmiths and TCT (SOCOMECS has around 160 main suppliers).



## Our governance

Group level	Group Purchasing Director	<ul style="list-style-type: none"> <li>• Sets out the Group's purchasing strategy</li> <li>• Sets out the objectives and monitors their attainment</li> </ul>
Committee	Purchasing Manager	<ul style="list-style-type: none"> <li>• Coordinates CSR actions with suppliers</li> </ul>
	"Business Partner Integrity" Committee	<ul style="list-style-type: none"> <li>• Deals with alerts about business partners (suppliers and customers)</li> </ul>
Local level	Buyers	<ul style="list-style-type: none"> <li>• All new buyers are briefed on SOCOMEC's sustainable purchasing policy as soon as they join the company. They sign the "Responsible Supplier Relations Charter" and take note of the company's Code of Conduct</li> </ul>

## Our actions to ensure responsible purchasing

### Assessing and requiring a level of CSR performance from our suppliers

#### Integrating CSR at every stage of the supplier relationship

The Group's commitments and expectations of its suppliers are formalised in our responsible purchasing policy. SOCOMEC's business ethics principles, which are summarised in the Code of Conduct, must be signed and observed by suppliers.

SOCOMEC subscribes to an application (Refinitiv World-Check) developed by Reuters to assess its business partners. This programme, known in-house as "Business Partner Integrity", continuously scans information on more than 3,000 SOCOMEC

partner businesses and alerts us if necessary (particularly in the event of suspected wrongdoing). Our "Business Partner Integrity" committee meets up on a monthly basis to deal with the alerts received and to correspond with our service providers to rectify their situation.

Social and environmental factors are taken into account from the moment suppliers are selected in questionnaires and selection audits, as well as throughout the supplier relationship.



#### SELECTING SUPPLIERS

Social and environmental factors are taken into account in the following:

- Selection questionnaires
- Selection audits

This process applies to any new supplier



#### MONITORING AND ASSESSMENT OF SUPPLIERS

- Processes for monitoring the integrity of our suppliers
- Follow-up audits every 2 years
- Assessment of suppliers' CSR performance via the EcoVadis rating agency
- Monitoring the progress of suppliers' EcoVadis scores from year to year



#### TARGET FOR 2025

- inclusion of CSR criteria in supplier ratings (scorecard)

## Assessing the CSR performance of our suppliers with EcoVadis

In 2022 SOCOMEC entered into a partnership with the non-financial agency EcoVadis to assess the CSR performance of its main business partners. Our aim in doing so is to improve our value chain and develop a supplier base that is committed to meeting sustainable development objectives.

72 of our suppliers were assessed in 2023.

### On the agenda

We have set the following targets to ensure a balance between progress over time and managing the workload for our main suppliers:

- 2025: To ensure that 100% of our top 150 suppliers have an EcoVadis score, with a target of 50% in 2023 and 75% in 2024.
- 2025: To include the EcoVadis score as a CSR criterion alongside the traditional criteria of cost, quality, service, innovation and risk management in the annual supplier performance measurement document.
- From 2025 onwards: to draw up an improvement plan for our suppliers' EcoVadis scores over 18-month periods, based on the average scores of our suppliers.

## Committing to responsible mineral sourcing

SOCOMECS condemns the ongoing human rights violations in conflict or high-risk areas. The Group has formalised its commitments to responsible sourcing of minerals in its policy. This covers the minerals known as the "3TGs" - tin, tungsten, tantalum and gold - as well as cobalt.

When these minerals are mined in high-risk or conflict zones, they cause environmental degradation. They can also finance, directly or indirectly, armed groups engaged in civil war or terrorist actions.

SOCOMECS is committed to purchasing from responsible suppliers who themselves have a policy against the sourcing of minerals from conflict or high-risk areas. The Group does not maintain direct relationships with mines or smelters nor does it purchase minerals directly from them. In the interests of transparency, in compliance with legislation and human rights and in keeping with the expectations of our customers, the Group every year

completes the Responsible Minerals Initiative (RMI) reporting document. The "Conflict Minerals Reporting Template" (CMRT) is an international standard that provides precise information on the country of origin of the minerals used and the origins of the smelters and refineries that produce them.

In addition, SOCOMEC asks its direct suppliers, where they are involved in the use of these minerals, to:

- Comply with existing regulations
- Source from responsible suppliers who themselves have a policy of sourcing without minerals from conflict zones
- Sign our responsible sourcing policy
- Provide their CMRT report

In 2023, almost 30% of suppliers eligible for the CMRT submitted their CMRT report to us.



### On the agenda

The Group has set itself ambitious targets to strengthen transparency and responsibility in its supply chain with regard to conflict minerals.

- 2024: To have 45% of suppliers eligible for the CMRT who submit their CMRT report.
- 2025: To ensure that 60% of our suppliers complete the CMRT, thereby promoting sustainable practices among them.

# Ensuring ethical business conduct

## Our policy

### Our commitments

The main risk identified by the Group lies in business practices influenced by acts of corruption, conflicts of interest, influence peddling, anti-competitive practices and facilitation payments. Such risks can have a number of different impacts: damage to SOCOMEC's reputation and therefore to its long-term survival (loss of turnover, difficulties in finding personnel or business partners), information leaks (breach of data confidentiality).

As part of our policy on social and environmental responsibility, SOCOMEC undertakes to promote rigorous ethical conduct within its businesses and towards its partners.

### Respecting fundamental rights

The SOCOMEC Group recognises and respects the fundamental principles set out in reference documents, especially the Universal Declaration of Human Rights, the conventions of the International Labour Organisation (ILO), the United Nations Global Compact and the guiding principles of the Organisation for Economic Co-operation and Development (OECD).

At the end of 2023, the SOCOMEC Group formalised its Human Rights policy. It confirms the attention given over the years to the following points:

- Health and safety
- Child labour
- Forced labour
- Fair wages, benefits & working hours
- Non-discrimination
- Harassment
- Labour relations

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

This will be achieved through:

- A communication phase

Assimilation webinars will be offered to all managers and a wider communication will be made to all employees via the intranet and other usual communication media.

The Human Rights policy will be translated into the languages of the different countries in the SOCOMEC Group and made available on our intranet and websites.

- An audit phase

An audit procedure will be drawn up in 2024 and implemented to ensure that the various points covered by our Human Rights policy are being fully adhered to.

#### On the agenda for 2024

To deploy the Human Rights policy and set up an audit schedule.

### Ensuring fair and equitable practices

The SOCOMEC Group's ethical policy is in line with its commitments and values and is based on the following principles and practices:

- Open governance that takes account of social, societal and environmental considerations in its decision-making and ensures that it communicates on a regular basis;
- Constructive and open social dialogue with elected staff representatives;
- Fair treatment of every employee in their career and salary advancement, based on an objective assessment of the performance achieved, the skill sets acquired and the aptitudes developed in the course of their duties;
- Management practices based on contractual and collaborative relationships. Such practices encourage initiative and engagement on the part of employees and respect people's individuality and differences;
- A duty of professional discretion for all employees, who must refrain from harming the Group's reputation by taking a critical or defamatory stance via the media or social networks;
- Respect for confidentiality, which obliges the company to respect the privacy of its employees and requires them not to divulge confidential information about SOCOMEC, its customers, suppliers and partners to anyone outside the company;
- Recognition of free and open competition, which is essential to the development of national economies and upholds consumer rights. Furthermore, as part of its promotional and commercial activities, SOCOMEC refrains from any erroneous criticism that may be considered detrimental to the reputation of its competitors;
- The rejection of any form of corruption. As such, our commercial practices prohibit any form of illicit payments. In addition, invitations, business gifts and other miscellaneous benefits must be of reasonable value and are only tolerated to the extent that they do not give rise to any unjustified compensation. Such favours must also be known to and approved by the employee's line manager;
- The prevention of conflicts of interest in our business relations with external suppliers and partners. These relationships should not be influenced, or likely to be influenced, by personal interests to the obvious detriment of the Group's interests;
- Respect of intellectual property, particularly patents, brand names, copyrights/royalties and various designs and developments.



## Our performance

Key targets	Indicators	2022	2023	Variation
To maintain 100% of employees trained in ethics and compliance by 2025	Employees trained in ethics and compliance policy	88.3% <sup>(1)</sup>	87.3% <sup>(1)</sup>	-1%

(1) Excluding ALGODUE, BOLTSWITCH, CCS and Powersmiths, and production personnel Benfeld

## Our governance

Committees	<b>Ethics &amp; Compliance Committee</b> (Sales Director, Human Resources Director, Social Dialogue Manager, Corporate Legal Officer, Finance Director, Production Director, Communications and CSR Manager, CSR Officer)	<ul style="list-style-type: none"> <li>Sets out the Group's E&amp;C strategy</li> <li>Ensures that the necessary tools and procedures are in place</li> <li>Ensures the application of the Group's Ethics and Compliance policy.</li> </ul>
	<b>Know Your Business Partner Committee</b> (Sales Director, Corporate Legal Officer, Lawyer specialising in the French Sapin II Directive, Finance Director, Production Director, Customs & Flows Manager, Key Account & Distributor Managers, Treasury Manager, Sales Assistant)	<ul style="list-style-type: none"> <li>Deals with alerts concerning commercial partners.</li> </ul>
Local level	Employees	<ul style="list-style-type: none"> <li>Receive learning and development courses in business ethics followed by the signing of the Code of Conduct.</li> </ul>

## Our actions

### Maintaining the values of trust and transparency in our commercial partnerships

SOCOMECS resolutely applies measures to combat the risk of corruption and any unethical business practices.

The Group has implemented preventive measures against the risks of corruption, conflicts of interest, anti-competitive practices, influence peddling and facilitation payments.

#### Respecting the Code of Conduct

The **in-house Code of Conduct**, based on precise guidelines sets out our requirements in terms of integrity, compliance with rules and respect for people. It has been rolled out across the Group in English. The Code of Conduct has also been translated into several languages to ensure that it can be understood by all Group employees, and will be issued in all countries by 2024.

The **external Code of Conduct** is aimed at the commercial partners of all SOCOMECS Group entities. It is appended to our general terms and conditions of sale and purchase, as well as to any contract signed with a partner, and is therefore binding on the partner.



#### Learning and development in business ethics

The Group has introduced a learning & development programme for employees on SOCOMECS's business ethics policy. The course explains the principles of the Group's Code of Conduct and features simulations of high-risk situations to make it easier to identify them on a day-to-day basis. It also explains the whistle-blowing (alert) system.

The course is available in e-learning format. A special effort has been made to enable all employees who do not have a computer to access the course, either on their own from a PC in an equipped room, or via classroom training sessions. The roll-out will be completed in 2024.

#### On the agenda for 2025

To have 100% of employees trained in our business ethics policy.



### Providing a whistle-blowing system

A whistle-blowing system has been set up to encourage employees and partners to report any conduct or situation that are contrary to the Group's ethical principles and good business practice, particularly in terms of corruption, conflicts of interest, document falsification, accounting and auditing manipulation, theft, fraud, embezzlement, environmental pollution, child labour, forced labour, human trafficking, health and safety, harassment and discrimination, etc.

In 2023, a study was undertaken into the possibility of outsourcing the whistle-blowing procedure (information gathering phase), in order to strengthen the guarantees of confidentiality concerning the identity of the whistle-blower. After auditing the service providers under consideration at the end of 2023, the tool will be deployed in Q1-Q2 2024 and will be accompanied by a communication campaign.

### Using the "Know Your Business Partner" platform

Our commercial partners are also affected by our ethics and compliance policy, as they are required to comply with our Code of Conduct. Their integrity is also constantly monitored by our "Business Partner Integrity" application, which provides alerts of suspected unethical behaviour. In 2023, the scope of monitoring managed by the application was extended to include banks and haulage companies.

### Mapping the risks of corruption

Corruption risk mapping is regularly updated as part of the company's overall risk mapping. The update covers the identification of the risk (its nature), the analysis of the level of exposure, the means of control and the action plans to be implemented to deal with it. The level of risk is assessed in terms of its severity and probability of occurrence. All the Group's departments and subsidiaries are covered by this mapping exercise.

Risk mapping is monitored by the Ethics and Compliance Committee and the SOCOMEC Top management. It is presented to shareholders each year at the Annual General Meeting.

In 2023, work began on improving the risk mapping methodology (implementation of the systematic use of "interview" techniques) and simplifying the mapping tool, in order to make it easier for users to understand, analyse identified risks and define action plans. This work will continue in 2024 in order to monitor developments and update the Code of Conduct if necessary.

#### On the agenda for 2024

To draw up a specific map covering the risks associated with the French Sapin II law.

### Setting up regional Ethics and Compliance committees

In order to implement a rigorous Group-wide Ethics and Compliance policy, it was decided that the action of the Central Committee, based at head office, would be supported by Relay Committees in the two main geographical regions where the Group operates, namely Asia (APAC) and North America (NAM).

The Relay Committees will provide more in-depth knowledge of the rules of business ethics and best practice specific to their respective jurisdictions.

They will draw on the expertise of local law firms.

The strategy was adopted at the end of the year and will come into effect in 2024.

#### On the agenda for 2024

To set up regional Ethics and Compliance Committees.

## Applying our social commitments at the next level

### Our policy

#### Our commitments

SOCOMECE is a company that is responsible, open and committed. These values, reflected in the development and application of solid partnership and sponsorship policies, are part of a socially responsible approach to corporate citizenship, which aims to have a positive impact on civil society.

The choice of partners is made in accordance with SOCOMEC's values, but also through its HR, Communications and CSR policies.

Support comes in many forms, including annual memberships, multi-year support programmes and occasional donations.

This commitment helps to strengthen the Group's local roots and responsibility, opens it up to its environment and fosters a sense of pride and belonging among its employees.

## Our governance

Group level	<b>Top management, Communications and CSR Director, Sponsorship and Patronage Manager</b> <ul style="list-style-type: none"> <li>• Set out the Group's social and societal engagement policy</li> <li>• Examine and approve partnership and patronage proposals</li> <li>• Check that they are consistent with the company's values and CSR policy development priorities.</li> </ul>
Local level	<b>Subsidiary managers</b> <ul style="list-style-type: none"> <li>• Select and approve local partnerships and engagements in line with the Group's values and CSR policy development priorities.</li> </ul>

In 2023, the Top management agreed to create the position of Sponsorship and Patronage Manager. Their role will be to define and coordinate the Group's partnership strategy in conjunction with

the Top management. The decision represents a real commitment in terms of investment and long-term support for initiatives in the public interest.

## Our actions

### Pursuing an active policy of cultural, solidarity-based and regional patronage

#### Creating an endowment fund

SOCOMECS and E'NERGYS have joined forces to create the IMAGIN'ACT endowment fund. The fund, which was announced on 20 September 2023, stems from the firm belief that every child, whatever their social background, has the right to dream, explore and fulfil their potential.



This is why the fund aims to finance initiatives for young people aged 10 to 15 who come from modest or disadvantaged backgrounds, in the fields of sport, the environment, art or culture. In 2023, 8 associations received support to finance a wide range of projects, such as learning about careers in show business, co-creating a music track, organising trips to promote social integration through sport, making a short film, etc.

#### On the agenda

In 2024, the aim is to promote the fund and organise public appeal campaigns in order to attract new donors, add to the fund, increase support for initiatives and make an ever greater impact.

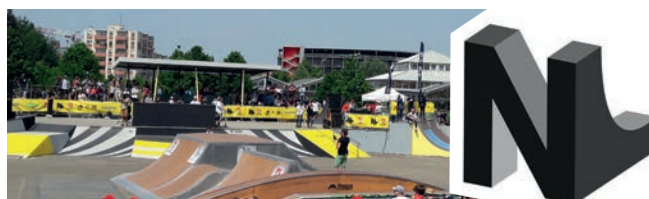


#### Making a commitment to sport

As part of its commitment to society and its desire to promote sporting values, SOCOMECS is proud to actively support the **NL Contest**, Europe's leading urban culture and action sports event, as well as **Sélestat Alsace Handball (SAHB)**, a well-known club in the Grand-Est region of France. These partnerships are fully in line with the company's social responsibility strategy, which aims to encourage the practice of sport, social cohesion and local development.

By supporting the NL Contest, SOCOMECS is helping to promote innovative and accessible sporting activities that reflect the values of personal achievement and creativity, thanks to its dynamic approach and its strong ties with young people. At the same time, our commitment to the SAHB underlines our belief in the values of teamwork, perseverance and excellence. These partnerships not only help to support athletes and teams in their pursuit of achievement, but also contribute to the vibrancy of local life and the strengthening of social ties.

These partnerships reflect our deep-seated belief that sport is a powerful factor in well-being, education and social inclusion, and are in line with our corporate responsibility objectives.





## Making a commitment to culture

In addition to its commitment to sport, SOCOMEC also demonstrates its unwavering support for culture through major initiatives such as the Colors Urban Art by SOCOMEC festival and the Opéra National du Rhin. These cultural partnerships show SOCOMEC's determination to promote access to culture for all and to play an active part in enhancing the local, national and international artistic scene.



The **Colors Urban Art by SOCOMEC festival** is a celebration of urban art that transforms public spaces into living canvases, providing a showcase for local and international talents in the field of street art. This support reflects SOCOMEC's commitment to innovation and creativity, enabling a wide audience to discover and appreciate contemporary art in its most dynamic and accessible forms.

In addition, the partnership with the **Opéra National du Rhin** underlines the importance SOCOMEC attaches to promoting



the performing arts. Through its support for one of France's most prestigious opera houses, SOCOMEC is helping to promote artistic excellence and to engage and enrich the public. By making a one-off donation to this institution via the Fidelio association, SOCOMEC has shown its commitment to supporting the democratisation of opera and access to it for all audiences.

These commitments to culture reflect SOCOMEC's conviction that art and culture are essential to the development of a balanced, open and informed society.

## Making a commitment to society



SOCOMEC also remains committed to social responsibility and solidarity. For example, SOCOMEC is an active member of an association called **Les Entreprises pour la cité (LEPC)**. The association brings together companies that are committed to concrete actions, particularly in favour of occupational integration. In this way, employees become involved through coaching initiatives and help to promote the employability of people in precarious situations or who are facing difficulties in finding work.

In 2023, four SOCOMEC employees carried out coaching sessions for several unemployed women. Regaining self-confidence through these coaching sessions is the first step towards a return to employment.

SOCOMEC is proud to support the international solidarity NGO **Electricians Without Borders**. Its aim is to combat inequalities in access to electricity and water around the world. With the support of 1,200 volunteers and through partnerships with local actors, it carries out over 120 projects in around thirty countries each year. It is also an opportunity for some of our employees to discover worthwhile projects and to contribute to them on a personal basis.

SOCOMEC also supports the **Café Joyeux** initiative, which aims to promote the social and occupational integration of people with mental and cognitive disabilities by offering them training and employment opportunities in community cafés. The Group has invested specifically in a new café in Strasbourg, due to open in the summer of 2024.

Also in 2023, SOCOMEC supported the **Humanitarian Action and Sharing (ACPAHU)** association by helping to finance the creation and publication of a book entitled "La terre de nos ancêtres" (The Land of our Ancestors), whose aim is to introduce an intergenerational audience to the conditions and consequences of the arrival of clean water in an African village. All the profits from its sale were donated to a project to install five manually-operated pumps to provide access to drinking water for villagers in the Marokoro sector of Madagascar.

Through these many partnership initiatives, SOCOMEC shows its commitment to a more caring, inclusive and sustainable society, where everyone can find their place, live with greater dignity and contribute to a better future.

## Contributing to the development of our profession through teaching and research

### Supporting education and scientific research

SOCOMECS commitment to education and scientific research is demonstrated through its support for leading academic institutions and innovative projects, such as the University of Strasbourg (UNISTRA), the Strasbourg National Institute of Applied Sciences (INSA Strasbourg) and the Energy Observer Foundation.

These strategic partnerships highlight SOCOMECS desire to actively contribute to the advancement of knowledge, the training of future generations of engineers and researchers, and the promotion of sustainable solutions for the future of our planet.



The support given to **UNISTRA** and **INSA** Strasbourg reflects SOCOMECS commitment to educational excellence and applied research. By collaborating with these institutions, the Group contributes to the development of innovative educational programmes, fosters dialogue between academia and industry, and supports research projects that prepare students to meet tomorrow's technological and environmental challenges. Students at INSA, for example, have had the opportunity to work on a concrete, innovative project via our partner Med'Racing team.



In addition, the partnership with the **Energy Observer Foundation** reflects SOCOMECS deep commitment to sustainable development and renewable energy. By supporting the first energy self-sufficient vessel powered by hydrogen and renewable energy, SOCOMECS is taking part in an exceptional scientific and educational adventure aimed at exploring and promoting alternative energy solutions. This ambitious project serves as a technological and educational showcase, inspiring current and future generations to commit to a more environmentally-friendly future.

These commitments to education, research and innovation demonstrate SOCOMECS determination to play an active role in building a sustainable and enlightened future.

### Monitoring developments in our industry



SOCOMECS is a member of the "Sustainability" working group of the European Committee of Manufacturers of Electrical Machines and Power Electronics (CEMEP UPS), which represents manufacturers of Uninterruptible Power Supplies (UPS). Its missions are to monitor global environmental initiatives affecting the UPS sector and to define positions for the profession and users.



SOCOMECS also participates in the environmental committees of the French electronics industry association (GIMELEC) and the CSR working group of the French Federation of Electrical, Electronic and Communication Industries (FIEEC). The commissions cover a wide range of subjects, including the circular economy, business ethics, responsible purchasing, human rights and new legislation, etc.

Finally, as part of our involvement in the circular economy, SOCOMECS is a member of international standards committees. These contribute to the framing of future standards governing the circular economy for electrical products: recyclability, repairability, maintainability.

# Appendices

This Non-Financial Performance Statement (NFPS) will be submitted to the Shareholder Board of Directors on 14 May 2024 and to the Annual General Meeting on 29 June 2024. Further to the commissioning of an Independent Third Party Body (ITB), several audits were carried out on 5 March, 14 March and 21 March 2024 at the Powersmith (Canada) and Factory 1 (Benfeld) sites, as well as at the head office in Benfeld. The ITB's statement on the fairness and accuracy of the information published is included at the end of this report.

## Scope

Details of the scope chosen for the indicators are given at the end of the report in the section entitled "Our CSR Performance"

## Non-financial risks not covered by the SOCOMEC Group

Given the nature of our business activities, we consider that the issues of food waste, the fight against food insecurity, respect for animal welfare, responsible, fair and sustainable food, as well as actions aimed at promoting the link between the nation and the army and supporting commitment in the reserves, do not constitute an extra-financial risk linked to the activities and sector of the SOCOMEC Group and do not merit inclusion in this sustainable development report.

## Risks associated with water consumption

Water consumption has not been identified as a priority risk either. In point of fact, Socomec does not use water in its production processes, except for cleaning purposes in the workshops and for sanitary facilities. Furthermore, there is no discharge of water into the environment: industrial water is in closed channels and is not discharged either into the natural environment or via the municipal collection network.



# Global Reporting Initiative - Index

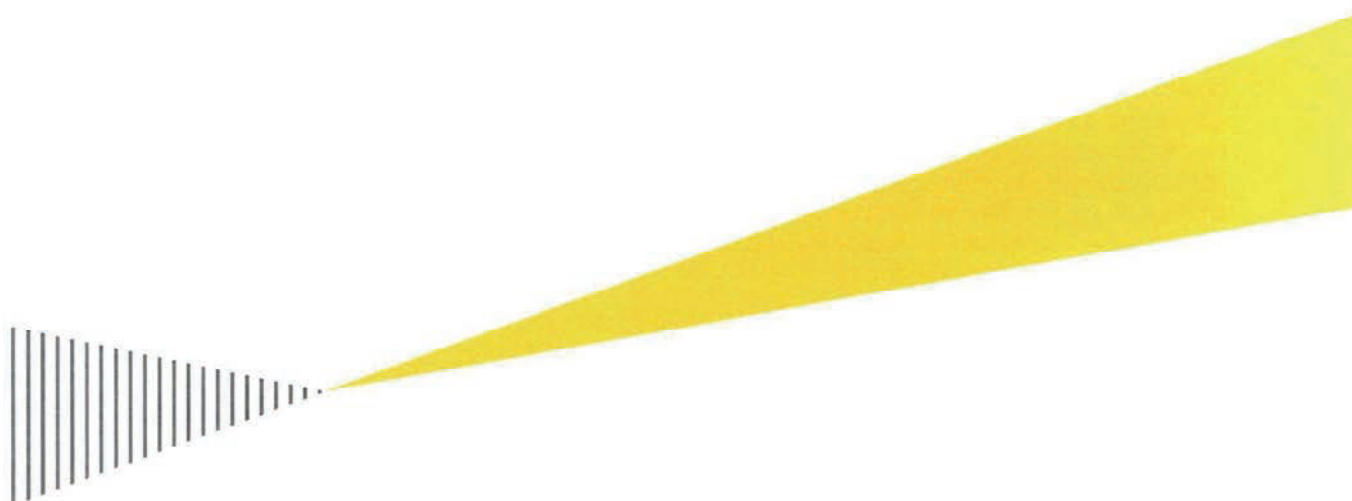
SOCOMECEC complies with the standards of the Global Reporting Initiative (GRI).

The list below is non-exhaustive, as we also monitor other indicators for our EcoVadis audit.

100 UNIVERSAL STANDARDS		
<b>GRI 101</b>	GRI 101: General principles	
<b>GRI 102: General disclosures</b>	102-2 Activities, brands, products, and services	Business model
	102-7 Scale of the organization	Business model
	102-8 Information on employees and other workers	Business model
	102-10 Significant changes to the organization and its supply chain	Business model
	102-13 Membership of associations	III.3. Societal commitment
	102-14 Statement from senior decision maker	Commitment of the Top Management
	102-15 Key impacts, risks, and opportunities	Our CSR performance
	102-16 Values, principles, standards, and norms of behaviour	III.2 Ensuring ethical business conduct
	102-17 Mechanisms for advice and concerns about ethics	III.2 Ensuring ethical business conduct
	102-18 Governance structure	Our Governance
	102-20 Executive level responsibility for economic, environmental, and social topics	Our Governance
	102-25 Conflicts of interest	III.1 Ensuring responsible purchasing III.2. Ensuring ethical business conduct / "Business Partner Integrity Committee"
	102-27 Collective knowledge of highest governance body	Our Governance
	102-40 List of stakeholder groups	Our CSR strategy / Dialogue with stakeholders
	102-42 Identifying and selecting stake-holders	Our CSR strategy / Dialogue with stakeholders
200 ECONOMIC TOPICS		
<b>GRI 201: Economical performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	II.1 Reducing our environmental footprint / Environmental policy 3.3 Our CSR performance: Risk of contributing to climate change --> Reduce our environmental footprint and Promote energy efficiency
<b>GRI 203: Indirect economic impacts 2016</b>	203-1 Infrastructure investments and services supported	III.3. Societal commitment
<b>GRI 204: Procurement practices 2016</b>	204-1 Proportion of spending on local suppliers	III.1 Ensuring responsible purchasing
<b>GRI 205: The fight against corruption 2016</b>	205-1 Operations assessed for risks related to corruption	III.2 Ensuring ethical business conduct
	205-2 Communication and training about anticorruption policies and procedures	III.2 Ensuring ethical business conduct
300 ENVIRONMENT TOPICS		
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	II.2.2 Promoting energy efficiency / Eco-design
	301-2 Recycled input materials used	II.2.2 Promoting energy efficiency / Eco-design
	301-3 Reclaimed products and their packaging materials	II.2.2 Promoting energy efficiency / Eco-design
	302-1 Energy consumption within the organization	II.1.4 Improving the energy performance of our facilities
	302-2 Energy consumption outside of the organization	II.1. Reducing our environmental footprint
<b>GRI 302: Energy 2016</b>	302-3 Energy intensity	II.1.2. Reducing our environmental footprint / Obtaining ISO14001 certification for 100% of our industrial sites plus one site with ISO 50001 certification II.1.4 Improving the energy performance of our facilities
	302-4 Reduction of energy consumption	II.1 Reducing our environmental footprint / Environmental policy II.1.4 Improving the energy performance of our facilities
	302-5 Reduction in energy requirements of products and services	
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Appendices: Risks associated with water consumption
	303-2 Management of water discharge related impacts	Appendices: Risks associated with water consumption
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	II.1.1 Measuring and reducing our carbon footprint
	305-2 Indirect energy (Scope 2) GHG emissions	II.1.1 Measuring and reducing our carbon footprint
	305-3 Other indirect (Scope 3) GHG emissions	II.1.1 Measuring and reducing our carbon footprint
	305-4 GHG emissions intensity	II.1.1 Measuring and reducing our carbon footprint
	305-5 Reduction of GHG emissions	II.1.1 Measuring and reducing our carbon footprint

<b>GRI 306: Effluents and waste 2016</b>	306-1 Water discharge by quality and destination	Appendices: Risks associated with water consumption
	306-2 Waste by type and disposal method	II.1.3 Reducing and recycling the waste generated by the Group
	306-3 Significant spills	II.1.3 Reducing and recycling the waste generated by the Group
<b>GRI 308: Environmental assessment of suppliers 2016</b>	308-1 New suppliers that were screened using environmental criteria	III.1.1 Ensuring responsible purchasing / Assessing the CSR performance of our suppliers
	308-2 Negative environmental impacts in the supply chain and actions taken	III.1.1 Ensuring responsible purchasing
<b>400 SOCIAL TOPICS</b>		
<b>GRI 403: Occupational health and safety 2018</b>	403-1 Occupational health and safety management system	I.1 Establishing a lasting health and safety culture / Policies, Governance, tools and procedures
	403-2 Hazard identification, risk assessment, and incident investigation	I.1.1 Measuring health & safety performance I.1.2. Assessing and reduce occupational risks
	403-3 Occupational health services	I.1. Establishing a long-term health and safety culture
	403-4 Worker participation, consultation, and communication on occupational health and safety	I.1. Establishing a long-term health and safety culture
	403-5 Worker training on occupational health and safety	I.1.1 Measuring health & safety performance / Safety training
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	I.1.2 Assessing and reducing occupational risks
	403-9 Work-related injuries	I.1.1 Measuring health & safety performance / Performance
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	I.2.3. Providing our employees with a best in class L&D offering
	404-2 Programs for upgrading employee skills and transition assistance programs	I.2.3. Providing our employees with a best in class L&D offering / professional mobility charter
	404-3 Percentage of employees receiving regular performance and career development reviews	I.2.3. Providing our employees with a best in class L&D offering / annual performance assessment
<b>GRI 405: Diversity and equal opportunities</b>	405-1 Diversity of governance bodies and employees	I.3 Strengthening diversity, equity and inclusion
	405-2 Ratio of basic salary and remuneration of women to men	I.3.1 Ensuring gender equality across the Group
<b>GRI 408: Child labour 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labour	III.2 Ensuring ethical business conduct / whistle-blowing system III.1 Ensuring responsible purchasing / committing to responsible sourcing of minerals
<b>GRI 409: Forced or compulsory labour 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	III.2 Ensuring ethical business conduct III.1 Ensuring responsible purchasing / committing to responsible sourcing of minerals
<b>GRI 414: Supplier social assessment 2016</b>	414-1 New suppliers that were screened using social criteria	III.1.1 Ensuring responsible purchasing / Assessing the CSR performance of our suppliers
	414-2 Negative social impacts in the supply chain and actions taken	III.1.1 Assessing and requiring our suppliers to meet CSR performance standards
<b>GRI 415: Public policies 2016</b>	415-1 Political contributions	III.2 Ensuring ethical business conduct

# Independent third-party report



## **The Socomec Holding Company**

Financial year ending 31 December 2023

Independent third-party report on the audit of the consolidated  
statement of non-financial performance

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## The Socomec Holding Company

Financial year ending 31 December 2023

### Independent third-party report on the audit of the consolidated statement of non-financial performance

To the General Assembly,

In our capacity as an independent third-party body (hereinafter the "Third Party") certified by the French Accreditation Committee COFRAC under the number 3-1681, (visit [www.cofrac.fr](http://www.cofrac.fr) for more information on the scope of accreditation) and as one of your company's statutory auditors (your company referred to hereinafter as "the Entity"), we have carried out work intended to provide a conclusion expressing a moderate level of assurance on the compliance of the consolidated statement of non-financial performance for the year ending 31 December 2023 (hereinafter the "Statement"). The foregoing has been done in accordance with the provisions of Article R. 225-105 of the French Commercial Code (Code de commerce) and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to section 3 of paragraphs I and II of article R. 225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), as set out in the management report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

### Conclusion

Based on the procedures performed, as described in the section "Nature and scope of our work", and on the elements we have collected, no material misstatements have come to our attention that would call into question the fact that the consolidated statement of non-financial performance complies with the applicable regulatory requirements and that the Information, taken as a whole, is presented fairly, in accordance with the Guidelines, in all material respects.

### Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

S.A.S. à capital variable  
817 723 687 R.G.S. Nanterre  
Société de Commissaires aux Comptes  
Société d'expertise comptable inscrite au Tableau  
de l'Ordre de la Région Paris - Ile-de-France  
Siège social : 1-2, place des Saisons - 92400 Courbevoie - Paris-La Défense 1



### **Limitations inherent in the preparation of the Information**

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

### **The Entity's responsibility**

It is the responsibility of the Board of Directors to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators;
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been drawn up by applying the Guidelines of the Entity as mentioned above.

### **Responsibility of the independent third-party body**

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

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (whether observed or extrapolated) provided pursuant to section 3 of paragraphs I and II of article R. 225 105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and the actions taken concerning the principal risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

Furthermore, it is not our responsibility to comment on:

- the Entity's compliance with other applicable legal and regulatory provisions, in particular with regard to due diligence plans and the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulations.



### **Regulatory provisions and applicable professional standards**

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidelines of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with the international standard ISAE 3000 (revised)<sup>1</sup>.

### **Independence and quality control**

Our independence is defined by the requirements of article L. 822-11 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, ethical rules and the professional guidelines of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements.

### **Means and resources**

Our work involved the skill sets of four people and was carried out between January 2024 and May 2024 over a total duration of six weeks.

To assist us in our work, we called on our experts in sustainable development and corporate social responsibility. We conducted seven interviews with the people responsible for preparing the Statement, in particular representatives from the Purchasing, Ethics, Environment, Human Resources, Sustainable Development, Eco-design and Health & Safety departments.

### **Nature and scope of the work**

We planned and carried out our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we have assessed the appropriateness of the Guidelines in terms of its relevance, completeness, reliability, neutrality and comprehensibility, taking into account, where applicable, best practices in the sector;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III of the French Commercial Code;

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<sup>1</sup> ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information





- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated with the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. Concerning certain risks (responsible purchasing, eco-design of products and anti-corruption) our work was carried out on the consolidating entity; for the others risks, our work was carried out on the consolidating entity and on a selection of entities listed here: the U1 site (France) and the Powersmith site (Canada);
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the Entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques or other means of selection, in order to verify the proper application of the definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities and covers between 17% and 19% of the consolidated data selected for these tests (17% of headcount, 19% of energy consumption);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

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



Paris-La Défense, 16<sup>th</sup> May 2024

The independent third-party body  
EY & Associés

A handwritten signature in blue ink, consisting of a long horizontal line and a stylized 'CS' monogram.

Christophe Schmeitzky  
Partner, Sustainable Development



## Appendix 1: The most important information

Social information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or outcomes)</i>
Frequency rate of accidents at work (Nb/ thousands of working hours). Rate of engagement (%). Proportion of Annual Performance Appraisal carried out (%).	Health & Safety of the employees. Employee engagement. Measures relating to quality of working life. Measures to promote diversity, equity and inclusion.
Environmental information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or outcomes)</i>
Proportion of turnover achieved by product ranges covered by a PEP (%). Rate of waste recycling at production sites (%). Proportion of renewable energy used in overall electricity consumption (%). Proportion of manufacturing sites with ISO 14001 certification (%).	Eco-design of products. Measures to improve energy performance and the fight against climate change. Waste management.
Societal information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or outcomes)</i>
Proportion of turnover covered by suppliers who have signed the code of conduct (%). Proportion of main suppliers assessed by EcoVadis (%). Proportion of employees trained in Ethics and Compliance policy (%).	Social and environmental practices of suppliers and sub-contractors. The fight against anti-corruption.



# Socomec: our innovations supporting your energy performance

**1** independent manufacturer

**4,200** employees  
worldwide

**8** % of sales revenue  
dedicated to R&D

**400** experts  
dedicated to service provision

## Your power management expert



POWER  
SWITCHING



POWER  
MONITORING



POWER  
CONVERSION



ENERGY  
STORAGE



EXPERT  
SERVICES

## The specialist for critical applications

- Control, command of LV facilities
- Safety of persons and assets
- Measurement of electrical parameters
- Energy management
- Energy quality
- Energy availability
- Energy storage
- Prevention and repairs
- Measurement and analysis
- Optimisation
- Consultancy, commissioning and training

## A worldwide presence

**12** production sites

- France (x3)
- Italy (x2)
- Tunisia
- India
- China (x2)
- USA (x2)
- Canada

**30** subsidiaries and commercial locations

- Algeria • Australia • Austria • Belgium • China
- Canada • Dubai (United Arab Emirates) • France (x2)
- Germany • India • Indonesia • Italy • Ivory Coast
- Netherlands • Poland • Portugal • Romania • Serbia
- Singapore • Slovenia • South Africa • Spain • Sweden
- Switzerland • Thailand • Tunisia • Turkey • UK • USA

**80** countries

where our brand is distributed

### HEAD OFFICE

#### SOCOMEK GROUP

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### YOUR DISTRIBUTOR / PARTNER

[www.socomec.com](http://www.socomec.com)



**100** years  
OF SHARED ENERGY

**socomec**  
Innovative Power Solutions